

# ASCI Issues Draft Guidelines for Responsible Labelling of AI-Generated Content in Advertising

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Given the increased proliferation of Artificial Intelligence (AI) across various industries and markets, regulatory scrutiny around application of AI has been rather inevitable. This reflects in Advertising Standards Council of India's (ASCI) Draft Guidelines for Responsible Labelling of AI-Generated Content in Advertising published on 8 May 2026 (Draft ASCI Guidelines).

Through the Draft ASCI Guidelines, ASCI acknowledged the risks which emanate from an unregulated deployment of AI in the advertising industry specifically when it leads to misleading consumers, thereby compromising transparency. ASCI brought these guidelines in view of aligning with the Ministry of Electronics and Information Technology's (MeitY) amendment to the rules governing intermediaries, which mandated the labelling of any content containing synthetically generated information.

In particular, the Draft ASCI Guidelines require the labelling of AI-generated advertisements (AI Content) according to the level of risk such advertisements may pose to the consumers. Importantly, it sets out a tiered risk framework, classifying advertisements into three distinct risk categories based on the purpose for which AI is used and its impact on the consumer. For a better understanding of each of these risk categories, the Draft ASCI Guidelines also sets out examples under each category. A comprehensive understanding of each of these risk categories and the nature of such advertisements is set out below.

## Risk Based Categorisation of Advertisements

- (i) **High Risk:** This includes advertisements which are directly prohibited under law, infringe on rights, or are in violation of the ASCI Code. This category also includes advertisements which make misleading claims. These advertisements are regarded as violating the ASCI code, even if an AI label is used.

The Draft ASCI Guidelines also explain such advertisements through examples such as advertisements which involve either false or misleading endorsements or testimonials. For instance, this would include an advertisement depicting an AI-generated doctor promoting a health supplement to imply medical endorsement. A high-risk advertisement would also comprise advertisements which exaggerate product features to mislead the consumer or show deepfakes or replicating a person's likeness without seeking their explicit consent or use AI to generate fictional authority.

According to the Draft ASCI Guidelines, companies / brands should not engage in such advertisements as they are outrightly prohibited.

- (ii) **Medium Risk:** A medium risk advertisement is one where the AI use can 'materially influence' the consumer decisions. In such advertisements, the absence of an AI disclosure would render the advertisement as misleading in nature.

Some of the specified examples include advertisements using synthetically generated influencers or ambassadors or generating realistic events / settings / sound effects using AI. It also includes advertisements where a performance of a product is reflected via visuals which have been created using an AI or advertisements demonstrating a product which does not exist at all. This would also cover advertisements where AI has been used for sponsoring product suggestions (which should be labelled as 'sponsored by').

In all such advertisements, the Draft ASCI Guidelines call for brands to clearly disclose the use of AI in the creation or dissemination of the advertisement. To enable compliance, ASCI has prescribed certain standard disclosures in the Draft ASCI Guidelines such as "*Audio/Video created using AI*" or "*Audio/Video enhanced using AI*" or any other alternative label which ensures that the user is sufficiently informed.

- (iii) **Low Risk:** These advertisements use AI for purely modification or administrative purposes. The Draft ASCI Guidelines do not require such advertisements to have an AI labelling since the use of AI, in such advertisements, has no material impact on the consumer's ability to make an informed decision.

Examples of low-risk advertisements include ones which use an AI for minor touch-ups and routine editing such as colour correction, noise reduction, making any lighting adjustments, etc. This also covers advertisements where AI is only used for creating of any background effects (such as a sound, music or a background) which in turn are unrelated to the product's actual capabilities or promise. If an advertisement uses an AI for creation of any unrealistic effect (for e.g., depiction of dragons / fairies which are known to be unreal) or for generation of any document on a good faith basis, creation of any audio description for the visually impaired, it would be termed as low risk and would not require a label.

## Conclusion

The Draft ASCI Guidelines, in its current form, signal ASCI's evolving regulatory stance towards AI deployment in advertising. Akin to other regulators such as the MeitY, the Reserve Bank of India, Telecom Regulatory Authority of India, etc., ASCI too appears to be striding towards clearer and specific obligations regarding depiction and dissemination of AI Content in India. While the nuances and scope of regulatory requirements governing AI varies across sectors, each regulatory measure continues to be driven by a shared objective of building transparency and fostering consumer trust.

In case finalised, the Draft ASCI Guidelines are likely to significantly impact brands, as it would warrant an internal review of the AI generated content used in their advertisements. Further, once the Draft ASCI Guidelines are finalised, companies may also consider embedding compliance obligations relating to ASCI's disclosure and labelling requirements in their contractual arrangements with advertisers, advertising agencies, and other relevant stakeholders to ensure minimum risk. As a thumb rule, all brands would also have to ensure that their advertisements do not fall within the 'high-risk' bucket.

Stakeholders may submit their feedback and comments on the Draft ASCI Guidelines until June 13, 2026.

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