



ASSOCIATION OF ACCREDITED ADVERTISING AGENCIES – PHILS. (4AsP)



ADVERTISING SUPPLIERS ASSOCIATION OF THE PHILS. (ASAP)



CINEMA ADVERTISING ASSOCIATION OF THE PHILIPPINES (CAAP)



INDEPENDENT BLOCKTIMERS ASSOCIATION OF THE PHILS. (IBA)



MORES

MARKETING & OPINION RESEARCH SOCIETY OF THE PHILS. (MORES)



OUTDOOR ADVERTISING ASSOCIATION OF THE PHILS. (OAAP)



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PANA
TRUTH IN
ADVERTISING

PHILIPPINE ASSOCIATION OF NATIONAL ADVERTISERS (PANA)



This seal is symbolic of the five (5) areas of endeavor engaged in by the associations comprising AdBoard; Advertiser, Advertising Agency, Media, advertising Services Sector and the Consumer Sector. The five (5) elements are shown as adjacent circles, which symbolize unity and harmony. They appear to be in motion, which depicts vitality and dynamism. The background is a deep blue field, which symbolizes social consciousness and service to the country.

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PREFACE

The declaration of Martial Law on September 21, 1972 brought about, among other things, the formation of a “Mass Media Council” under the joint supervision of the Department of Public Information and the Department of National Defense. All media activities then were under the charge of the Office of Civil Relations, Armed Forces of the Philippines.

In January 1973, the Mass Media Council met with the heads of all communications associations in the Philippines to develop new rules and regulations for the conduct of media and advertising agencies, which were at that time loosely classified as “mass media.” Presiding at this meeting, as well as the body’s subsequent sessions, was the Director of the “Bureau of Standards for Mass Media”, an office of the DPI.

Out of these meetings between government and the private sector came the formation of a “Council for Advertising, Public Relations, Research and Sales Promotions” headed by Francisco R. Floro (of Floro Enterprises); and a sub-committee chaired by Lyle K. Little (then with J. Walter Thompson Phils.), specifically tasked to forge a Code of Ethics and Rules of Regulations for all engaged in advertising and sales promotions.

The sub-committee consisted of representatives from the Association of Philippines Advertising Agencies (APAA), Lapiang ng mga Adbertaysing Praktisyoner sa Pilipino sa Ikaunlad ng Sambayanan (LAPIS) [note: These two advertising agency associations merged as 4A’s-P in July 1977, i.e. the Association of Accredited Advertising Agencies – Philippines], Cinema Advertising Association of the Philippines (CAAP), Kapisanan ng mga Brodkaster ng Pilipinas (KBP), Outdoor Advertising Association of the Philippines (OAAP), Philippine Association of National Advertisers (PANA), Print Media Organization (PRIMO), the Office of Civil Relations, Institute of Mass Communications, and the consumers.

Working out the Code took all of 15 months, culminating in March 1974 when it was approved and ratified by all the participating organizations.

Meanwhile, the advertising practitioners, through their respective sectoral associations, had seen their way clear to the establishment of a unified organization that could serve as the overseer for the implementation of the industry’s code of ethics, in line with the principle of self-regulation they had earlier acknowledged as the ideal operating guide rule. Therefore, it was that after some three years of formative studies and frame setting, the Philippine Board of Advertising (PBA) was established in May 1974.

The PBA has seen the Code as appropriate for its purposes (a good number of its members having been responsible for its formulation); and after its releases by the Secretary of Public Information on April 4, 1975, the PBA Finally adopted the handbook on April 15, 1975 as its operating manual.

On June 19, 1975, the PBA instituted the first revisions to the Code, re-defining its position as the self-regulatory body described in the document and modifying some of its provisions.

In November 1978, the PBA admitted the Advertising Suppliers Association of the Philippines (ASAP) as a member, followed by the Marketing and Opinion Research Society of the Philippines, Inc. (MORES) in 1979.

And to further show that the Code was a living or dynamic instrument, it was again subjected to revisions in 1979, and in January 1984 after a series of multi-sectoral consultative reviews.

The amendment of PBA By-Laws in 1984 saw the formation of Professional Practice Committees within the organization, including the Advertising Content Regulation Committee (ACRC) and Trade Practices and Conduct Committee (TPCC). The first is primarily charged to interpret and implement provisions of the Code of Ethics that bear on advertising content; the second, tasked with the formulation, interpretation and implementation of inter-sectoral and inter-association agreements relevant to advertising trade practices and conduct.

In August 1989, the Philippine Board of Advertising was renamed Advertising Board of the Philippines (AdBoard). And in October of the same year, the AdBoard Code of Ethics for Advertising, confronted with technological advances, novel media forms, as well as developing industry and national needs, decided to review the Code of Ethics thoroughly to update and improve it.

In view of these developments, the members of the 1990 Trade Practices and Conduct Committee, which was then chaired by Jacinto C.S. Puno (4As), faced with the scenario, proceeded to review and update the AdBoard manual on standards of trade practices and conduct. It was also during this year that the AdBoard admitted its 9th member-association, the Public Relations Society of the Philippines (PRSP).

The manual's revision work lasted for almost two (2) years. In 1991, the chairmanship of the Committee was transferred to Mr. Roberto H. Sumulong (PANA). The committee completed the final draft, which was approved by the AdBoard Board of Directors on the 17th of December 1991.

The manual of standards of Trade Practices and Conduct in the Advertising Industry was ratified by the presidents of the nine (9) member-associations of the AdBoard on behalf of their respective memberships on February 10, 1992.

The Trade Practices and Conduct Committee (TPCC) thought it was over until a need to further strengthen and protect the members of the AdBoard in its dealings with non-members in case future disputes arise was raised during the regular board meeting on March 17, 1992. The possibility of including non-members within the AdBoard's jurisdiction was proposed to the TPCC, chaired by Dr. Antonio V. Concepcion (PANA).

The TPCC consulted the AdBoard Legal Counsel on the feasibility of covering non-members to the AdBoard and subsequently, to draft the proposed provision for the Board's approval.

The addendum drafted by the Legal Counsel was based on a voluntary acceptance between an AdBoard member and non-member, wherein both will agree to submit future disputes to the AdBoard.

On July 17, 1992, the AdBoard Board of Directors approved the addendum on Cases Covered by Regulations.

The Manual of Standards of Trade Practices and Conduct in the Advertising Industry was again submitted to and approved by the nine (9) member-associations of the AdBoard, represented by their respective presidents, on September 1992.

In 1993, the Public Relations Society of the Philippines (PRSP) decided to leave the AdBoard. Two years later, the AdBoard admitted a new member-association, the Independent Blocktimers Association of the Philippines (IBA).

In 1998, the Trade Practices and Conduct Committee, chaired by Ms. Maloli E. Manalastas (KBP) was tasked by the AdBoard to review and recommend appropriate and necessary revisions to the TPCC Manual to make it more relevant to the current state of the Advertising profession.

Due to the vast number of members accumulating the AdBoard each year, new cases have been yielding the TPCC and these paved the way for the 2002 TPCC Review Committee, spearheaded by **Jacinto C.S. Puno** of the 4As to do the necessary changes and updates on the manual. The 2006 edition of the TPCC Manual was crafted with rewarding and invaluable devotion of the members who remained intact for the love and passion for the ethical and professional practice of advertising.

The document you are about to read shows the conscientious work the TPCC has done since 1984, to finally bring about prescribed Standards of Trade Practices and Conduct in the Advertising Industry.

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P R E A M B L E

This manual embodies the articles and provisions that represent the highest standards of ethical, professional, and responsible practice of the advertising trade.

It is designed to enhance the PRINCIPLE OF SELF-REGULATION and sets fair and honest norms for the conduct of the advertising business in cognizance of the fact that advertising is an activity having substantial impact upon the interest of the society we live in.

It is founded on inter-sectoral and intra-sectoral agreements between and among advertising sectors represented by member-associations of the AdBoard.

Cognizant of the respect for these AdBoard member-associations, the Trade Practices and Conduct Committee (TPCC) seeks to promote interaction between and among them, strengthen their commitment to the implementation of the provisions of this manual.

The Committee also acknowledges and upholds the primary jurisdiction of each member-association on cases between and among its members involving trade practices and conduct.

To this end, all members are encouraged that in dealing with non-members, contracts contain stipulations consistent with the ethical standards and trade practices prescribed in this Manual.

II. STATEMENT OF GENERAL PRINCIPLES

- A. The principal considerations in the standardization of trade practices and conduct are the interest and protection, as well as the upliftment, of the advertising practitioner.
- B. The standardization of trade practices and conduct is primarily intended to uphold and assure ethical and professional practice in advertising.
- C. Ethical and professional practices should serve as the basis for all advertising sectors and practitioners in the conduct of their respective and inter-related businesses.
- D. It is in keeping with the highest tenets of ethical practice that all members of the advertising industry subscribe to the principle of self-regulation.

III. APPLICABILITY AND COVERAGE

This standards manual shall serve as the basic guidebook for trade practices and the conduct of business in Philippine advertising. All the provisions contained herein shall apply to the Philippine advertising industry, which includes advertisers, advertising services firms or suppliers/ Researchers collectively known as practitioners.

Advertising practitioners are bound to uphold this manual and all its provisions, in keeping with the all pervasive principle of self-regulation and the existing memorandum-agreements between and among sectoral groups engaged in advertising.

IV. GLOSSARY OF TERMS

In the context of this Standards Manual, the following definition of words/ terms shall be acceptable and adopted:

1. **ACCREDITATION** refers to the certification of membership in any of the duly-registered/ recognized advertising sectors or associations.
2. **ACCREDITED INDIVIDUALS/ FIRMS** refers to individuals, firms and entities extended recognition in the advertising industry by virtue of membership in any of the duly registered/ recognized Philippine Advertising Sectors or associations.
3. **ADBOARD** refers to the Advertising Board of the Philippines.
4. **ADVERTISER** means the “Client” or “Sponsor” in whose behalf and for whose account advertising is produced and disseminated.

It is used interchangeably with the **ADVERTISER SECTOR**.

5. **ADVERTISING** means any paid form of non-personal presentation and selling of ideas, goods, or services by an **Advertiser**.

ADVERTISING may be interchangeably used with **ADVERTISEMENT** or **AD**, in any form of media or any other communication device designed for public exposure.

Within the context of this Manual, **ADVERTISING** may also refer to “the industry” or “the profession.”

6. **ADVERTISING ACCOUNT** refers to a specific work order for advertising either for media or for advertising services suppliers, covered by a corresponding purchase order or contract.
7. **ADVERTISING AGENCY or AGENCY** refers to the service organization, established and operated for the purpose of tendering counsel, creating, producing, or implementing advertising programs for and in behalf of advertisers.

It is used interchangeably with the **ADVERTISING AGENCY SECTOR**.

8. **ADVERTISING MESSAGE** refers to any form of communication directed by an advertiser through mass media.
9. **ADVERTISING SERVICES SUPPLIERS** means any firm, entity or individual primarily engaged in the production and/ or provision of materials, services or technical/ technological skills for advertisements, whether for print, broadcast or any other media, to include production of sales, promotional and collateral advertising materials. Included, but not limited to, are: audio/visual multimedia production houses, audio-recording studios, color separators, commercial production houses, copywriters, event management firms, film laboratories, graphic designers, jingle writers, musical arrangers, photographers, post-production facilities, pre-press facilities, printers, producers, service talents/ models/ talent agencies, special promotion/ merchandising shops and technical services/ equipment rentals and suppliers of content & design for emergent media like the internet and other wireless platforms.

It is used interchangeably with **PRODUCTION HOUSES OR THIRD PARTY SUPPLIERS**.

10. **AFFILIATE** refers to regular member of any AdBoard member association.
11. **AUDIENCE** refers to the viewer, listener or reader addressed by advertising messages.
12. **AUDITED CIRCULATION** refers to audited information of media circulation, viewership, listenership and exhibition for a specified time period, as reported in a survey conducted by an accredited marketing researcher.
13. **BIDDING** means the industry accepted selection process practiced by Advertisers and Advertising Agencies in contracting advertising services, usually considering price, competence and other pertinent industry criteria.
14. **BLOCKTIMER** refers to an individual, firm or entity who contracts or purchases a specific length of broadcast time from a radio/ TV station or network, either for his own use or for resale.
15. **BROADCAST ORDER** refers to the document issued by an advertising agency to a radio firm/ station, containing details of the commercial placement such as the Client/ advertiser, product, material/ version, frequency, duration, specific time placement and cost.

16. **CERTIFICATE OF PERFORMANCE (CP)** is the official document issued by a radio/TV station/ cinema booker or tear sheet in case of a print publication, certifying the airing, showing or printing of advertisements as per contracted program/ time slot, or exhibition/ insertion schedule.
17. **CHARACTER GENERATED MESSAGES** are static or moving messages, whether text, icons or graphics, superimposed on on-air materials.
18. **CINEMA ADVERTISING FIRM** refers to any individual, firm or entity engaged in providing services for the exhibition of advertisements in movie houses in between screening times.
19. **COMMISSIONS** covers all remunerations or rebates that are considered as standard in the advertising industry, and such, are mutually acceptable to all industry practitioners and sectors.
20. **CONCESSIONS** means privileges extended exclusively to accredited members of the industry within the regular context of business interaction/ transactions.
21. **CONFLICT OF INTEREST** may be defined as any situation where a member's personal interest, business association or representation, corporation, partnership or organization in which a member holds a significant interest or position, could influence the member's decisions and impair the member's ability to fulfill his function or representation, fairly, impartially and without bias.
22. **CONTRACTED PERIOD** means the time element stipulated in a trade or business document, such as purchase orders or contracts, within which a work order is to be completed or the account duly settled.
23. **CREDIT PERIOD** refers to the 60-day period granted by Media and Advertising services consistent with the existing Trade Practices and Conduct Committee (TPCC) Rules for the payment of billings commencing from the cut-off date. It may also refer to such period as mutually agreed by contracting parties.
24. **CUT-OFF DATE** refers to the last day of submission of billings, which is the 10th of each month from whence the 60-day credit period will commence.
25. **DIRECTLY COMPETITIVE PRODUCTS** refer to products of the same category as defined within the context of the industry.
26. **DISCOUNT** refers to the 2% deduction per month based on the gross amount imposable on billings not submitted after 90 days commencing from the first cut-off date.

27. **DISPARAGE** means to lower in esteem or discredit by insinuation, comparison, or similar means.
28. **GROSS AMOUNT** means the total cost of time/ space used and/or services rendered, inclusive of the advertising agency's commission.
29. **GROSS BILLING** means the bills or invoices or statements of account covering the full cost of specific order delivered or services rendered, inclusive of agency commission.
30. **INTERRUPTION** refers to any "break" in the regular run of a broadcast/ telecast program.
31. **INSTALLATION REPORT** is a document issued by an outdoor advertising firms attesting to the installation of the advertising display, accompanied by a photograph of the said display at the location, as contracted.
32. **LEAD TIME** means the period allotted for the production of advertising materials, or the delivery of ad materials to media for either airing, placements or exhibitions; likewise the period for advertising services firms to process and/ or produce final ad materials.
33. **MARKETING RESEARCHERS** means any individuals, firms or entities, purposely commissioned to undertake research and/ or provide research data, insights and other value added services for the advertising industry.
34. **MEDIA** means any mass communication vehicle used to convey an advertising message.
35. **NET AMOUNT** means the total cost of time/ space used and/ or services rendered, exclusive of the advertising agency's legitimate commission.
36. **NET BILLING** means the bills, invoices or statements of account covering the full cost of a specific order delivered or services rendered, exclusive of advertising agency commission.
37. **NON-PROGRAM MATERIALS** refers to any material aired/ shown, outside of the original content of the program/ show proper.
38. **OPERATIONS LOG** is the official station book/ document containing accurate records of actual airing of commercials for a specific time or program.
39. **OUTDOOR ADVERTISING** includes all forms of out of home advertising displays, regardless of dimensions, installed permanently or temporarily, whether illuminated or not, on rigid or flexible material, static or dynamic,

- mechanical or electronic, attached to a building or in public places, or on public or private vehicles.
40. **OVERDUE ACCOUNTS** refers to bills unpaid after the expiration of the Credit Period without valid cause.
 41. **PRESCRIBED PERIOD** means the time element defined and/ or stipulated in trade or inter-sectoral business agreements to indicate when a product/ service is to be delivered/ completed or when the account is to be settled.
 42. **PRODUCT** as used in this Manual shall include services.
 43. **PROMOTIONS** refer to the practice of giving temporary additional value to a product or service toward the realization of specific marketing objectives.
 44. **PROOF** refers to a facsimile or sample of an order per specifications, executed in either coated print, film or positive.
 45. **PROTOTYPES** refer to sample renditions of an order per specification.
 46. **PUBLICATION ORDER** refers to the document issued by the advertising agency or Client addressed to a Publication containing details and specifications of advertising placement.
 47. **RATE ADJUSTMENTS** means changes in previously established quoted or agreed upon prices/ price structure date and the page of the ad.
 48. **RE-RUN** means a repeat publication or airing of the same advertisement, at no additional cost to the advertiser and/ or ad agency.
 49. **REVENUE MATERIALS** refers to any material that has been contracted for a specific monetary value, as distinguished from non-revenue materials, which are aired or exhibited for no monetary consideration.
 50. **STREET FURNITURE** refers to structures found within a roadway system, which serves to inform, direct or serve road users such as, but not limited to traffic signals and signs, lampposts, bus stop waiting sheds, pedestrian overpasses and the like.
 51. **SURCHARGE** refers to the 2% late payment charge per month imposable for overdue accounts.
 52. **TEARSHEET** refers to actual copy of the ad published, which shows the date, and the page of the ad.

53. **TELECAST ORDER** refers to documents issued by an advertising agency addressed to a television firm/ station, containing details and specifications of the advertising placement.
54. **TRADE PRACTICES** refers to the sum total of all established procedures, norms, methods and ethical standards prevailing in the performance or conduct of advertising.
55. **TRADE SECRET** refers to a plan, process, scheme, system, formula, pattern device or compilation of information possessed by a principal exclusively for his use and dissemination for business purposes.
56. **WHOLESALE** with reference to media, means the purchase of blocks of space or time for the expressed purpose of further resale.

V. STRUCTURAL PROVISIONS

Functions of the TPCC

As provided for in the By-Laws of the AdBoard, the TPCC is tasked with the formulation, interpretation and implementation of inter-sectoral and inter-association agreements not directly related to the regulation of advertising content.

The TPCC is likewise tasked to recommend for Board approval new and/ or amendatory rules related to trade practices and conduct consistent with the purposes of the AdBoard.

Finally, it is tasked to resolve issues and disputes arising from infractions or violations of agreements and regulations, and to impose the sanctions as may be prescribed thereon, subject to the principle of “primary jurisdiction” as enunciated in this Manual’s preamble.

The TPCC is accountable to the AdBoard Board for the performance of these functions.

Composition of the TPCC

The TPCC will be composed of eleven (11) members – The Chair, Vice-Chair and regular representatives from the nine (9) AdBoard member-associations. The TPCC Chair and Vice-Chair will be appointed by the AdBoard Chairman, and they must be members of the AdBoard Board of Directors.

Each member-association shall also nominate an alternate representative to serve in the TPCC functions in cases when the regular member cannot be present.

Meeting Requirements

A simple majority from the total membership of the Committee shall constitute a quorum for meetings of the TPCC.

Technical Sub-Committee

The Technical Sub-Committee or the TSC is an operating unit of the TPCC consisting of five (5) members. The TPCC Chairman, in consultation with the members of the TPCC, shall appoint the members who represent at least three (3) sectors.

In the event of a conflict of interest, the TPCC Chairman may modify the composition of the TSC.

The TPCC Chairman shall appoint the TSC Chairman.

The function of this operating unit is to assist the TPCC in verifying and/ or seeking additional evidence relative to complaints cases, or as may otherwise be commissioned by the TPCC in the furtherance of case studies.

The TSC is free to consult associations which do not have member-representatives in the TSC but which are sectorally represented.

VI. STANDARDS FOR TRADE PRACTICE

1.0 General Provisions

- 1.1 The ethical standards of trade practices and conduct of the business of Advertising shall be guided by the principles of free enterprise and fair competition.
- 1.2 Firms and individuals who are members of any AdBoard member-associations shall be automatically given accreditation in the AdBoard.
- 1.3 Accredited firms and individuals are entitled to inter-sectoral concessions and benefits from affiliation with sectoral and industry associations.
- 1.4 Accredited firms and individuals shall be represented by their sectors/ associations in meetings and deliberations of concern to the advertising industry.
- 1.5 Non-affiliated and/ or non-accredited firms and individuals shall not be prevented from engaging in advertising business and activities, but shall not be entitled to inter-sectoral concessions and benefits.
- 1.6 Firms and individuals, in the practice of advertising trade, shall treat each other with mutual respect and consideration. No one party should be subordinated by any other individual, sector or association.
- 1.7 Firms or individuals engaged in and/ or dealing in the business of advertising shall not solicit, receive, accept nor offer any form of remuneration other than legitimate and/ or standard commissions, fees or rebates.
- 1.8 All media, Advertising Services Supplier bills and agency commissions have to be paid within the contracted period or the prescribed period.
- 1.9 Business agreements and availment of services shall be covered by appropriate contracts and/ or purchase orders or any other documents such as memorandum, broadcast/ telecast/ publication order duly signed by the agency.

- 1.10 Non-fulfillment of obligations, or violations of the code of ethical standards for advertising trade practices and conduct shall be subject to sanction and penalties and may ultimately result in the suspension or cancellation of accreditation, without prejudice to the Laws of the Land.
- 1.11 Any officer or employee separated or any firm engaged in and/ or dealing in the business of advertising shall not divulge the trade secrets of the firm and/ or its Clients, without prejudice to the provisions of the Revised Penal Code on Revelation of Trade Secrets, the Patent Law, and pertinent provisions of the New Civil Code.
- 1.12 Accredited firms and individuals shall not initiate, or accept resumption of, advertising activities by any firm or individual, until and unless all its previous obligations have been settled within the contracted or prescribed period.
- 1.13 Member-associations shall respect all agreements forged under the AdBoard and abide by the sanctions that may be imposed as a result of any violation of these agreements.
- 1.14 Member-associations shall keep current and uphold their respective code of ethics as a primary means of assuring ethical professional standards in the practice of their business.
- 1.15 Where conflicts of interest exist or arise, all member-associations are bound by the tenets of business ethics, fairness, justice and what is equitable to all parties.
- Such participative business interests as may prejudice competitive sectors or accounts are discouraged.
- 1.16 It shall be unethical for Advertising Industry Practitioner to enter into a contract that will violate the Standards Manual or any other industry standards practiced by the different industry sectors.
- 1.17 AdBoard member-associations shall execute inter-sectoral agreement for the effective and consistent implementation of the standards provided herein.

2.0 The Advertiser Sector

- 2.1 The Advertiser shall not engage in the wholesaling of media space and time by outright purchases from media owners or operators for the purpose of reselling the same to other advertisers or users of media space and time.
- 2.2 Advertisers with duly appointed advertising agencies shall not directly place advertisements in any form of media nor contract the services of the Advertising Services Suppliers except, those specifically excluded from the advertiser and advertising agency agreements or those placed or contracted directly with the full knowledge and written consent of the agency.
- 2.3 The Advertiser has sole responsibility for Ad placements without proper airing/ publication clearance, which were placed without the knowledge of the Advertising Agency.
- 2.4 Advertisers shall specify in writing which advertising services shall be covered in Advertiser and Advertising Agency agreements as well as commissionable and non-commissionable items.
- 2.5 Advertisers desiring to terminate or cancel their agreements with contracted Advertising Agencies shall issue a written notice of termination effective ninety (90) days from date of receipt of said notice, unless otherwise stipulated in their contract. All obligations as of date of notice must be paid immediately. All other obligations must be paid on their due dates.
- 2.6 An Advertiser cannot engage the services of a new ad agency until all obligations due to his former agency including all services rendered by media and Advertising Services Suppliers are settled on date of termination notice are settled.
- 2.7 An Advertiser shall inform the ADBOARD Secretariat, in writing, regarding his appointment of the new advertising agency together with his commitment to pay all valid obligations owed his former agency including all services rendered by media and advertising services suppliers on due dates. In turn, the AdBoard Secretariat shall disseminate the information to all member-associations.

- 2.8 Advertisers shall conduct a fair procedure in the bidding for Advertising Agency services.
- 2.8.1 Where the Advertiser asks for a speculative account bids from two or more Advertising Agencies, the Advertiser shall pay speculative bid fee prescribed by the advertising agency sector.
- 2.8.2 The ideas presented in a speculative bidding are proprietary to the bidders and may not be used without their consent.
- 2.8.3 The Advertiser shall formally inform the participating agencies of the results of the bid.
- 2.9 Payment of accounts for Media placements and/ or advertising services contracted by the Advertising Agency on behalf of the Advertiser and likewise approved by the Advertiser, shall be the responsibility of the Advertiser.
- 2.10 Advertisers shall abide by the material and requirement specifications, as well as lead time requirements of media/ Advertising Services Suppliers and shall not hold the latter responsible for delays and errors caused by non-conformity to the specified requirements.
- 2.11 Advertisers shall pay a penalty of two per cent (2%) per month of the gross amount billed for which payment is delayed without due cause and not remitted to their Advertising Agencies for the latter's subsequent repayment to Media and Advertising Services Suppliers and individuals.
- 2.12 Advertising accounts shall be paid by the Advertiser within a sufficient time so as to comply with the media-prescribed credit period of sixty-(60) days commencing from the cut-off date.
- For advertising services, accounts shall be paid within the industry prescribed 30-day credit period commencing from the cut-off date or as contracted.
- 2.13 Advertisers shall not initiate and/ or employ coercive pressure on Media and Advertising Services Suppliers that would result in undercutting of rate.

- 2.14 Advertiser shall not place advertisements of liquor and tobacco products in any form of media mainly or entirely directed to persons below 18 years old.
- 2.15 Any violation of the code of ethics shall be ground for pre-termination of contract.

3.0 The Advertising Agency Sector

- 3.1 The Advertising Agency shall compete on merit and shall not directly or indirectly disparage its competitors.
- 3.2 The Advertising Agency's interest and rights to commission/compensation shall be protected, except in cases, which are specifically excluded in the Advertiser and Advertising Agency agreement.
- 3.3 The Advertising Agency shall not engage in the wholesaling of media space and time through outright purchase from media owners and/ or operators for the purpose of reselling the same to its Client-Advertisers or others, or to other users of media space and time.
- 3.4 The Advertising Agency shall be responsible for the collection and remittance of accounts it has contracted in behalf of its Client-Advertisers for remittance to media and advertising services firms.

In cases of unpaid accounts where it has been established that the Advertiser has in fact paid the Advertising Agency for the cost of media space, time and/ or services within the prescribed credit period, the Advertising Agency shall be liable for payment to the Media and Advertising Services Suppliers.

- 3.5 The Advertising Agency shall pay a penalty of two per cent (2%) monthly on the gross amount of accounts due to media and/ or advertising services suppliers remitted by its Client-Advertisers, but delayed without due cause for subsequent payment to media and/ or advertising services firms.
- 3.6 All advertising services and media purchases made by Advertising Agencies shall be covered by appropriate contracts and/ or purchase orders, or any other document such as memoranda, broadcast/ telecast/ publication and production orders duly signed by the agency.
- 3.7 The Advertising Agency shall maintain a standard procedure for the bidding of advertising services and/ or purchases. Such standard procedure shall include, but not be limited to the following:

- 3.7.1 Inviting a reasonable number of bidders so as to determine a fair basis for evaluating the best value for its Client;
- 3.7.2 Providing at the bid brief meeting, a complete bid specification sheet and Creative Brief that:
 - a) Encompasses the entire scope of work, including budget constraints, if any;
 - b) Provides for a realistic or reasonable submission deadline;
 - c) Signifies the basis of the offer to be submitted (e.g. full ownership buy-out or license of intellectual property), and;
 - d) Fully discloses any relevant information it may have on the full intent of use of the material (e.g., domestic or regional use) and/ or other specific instructions from the Client that will be relevant to the cost and implementation of the project.
- 3.7.3 Informing all bidders, formally, within 24 hours of the decision, of the results of their bids.
- 3.7.4 Conduct any additional negotiations, based on the final requirements of the job, only after the winning bidder is awarded the job.
- 3.8 The Advertising Agency shall be responsible for conformity to the technical advertising standards of advertising industry and for delivery of advertising materials to broadcast, print and other forms of media where applicable.
- 3.9 Advertising time and/ or space reserved by an Advertising Agency in behalf of its Client-Advertiser for which no material is available at deadline of a telecast/ broadcast, exhibition or publication will be paid by the Client-Advertiser and/ or the Advertising Agency, whoever is determined to be at fault.

Print space reserved but unutilized due to unavailability of material will instead be used to print any of the pre-agreed public service messages at the expense of the Client-Advertiser, and/ or Advertising Agency, whoever is at fault.

- 3.10 The compensation standard for Advertising Agency commission shall be set at fifteen per cent (15%) of gross billings from Media and Advertising Services Suppliers, and/ or seventeen point sixty-five per cent (17.65%) of net billings from agreed items except in cases wherein an alternative compensation method is specified in the Advertiser and Advertising Agency agreement.
- 3.11 The Advertising Agency, on behalf of its Client, shall negotiate on best-rate basis. It shall be unethical for Agencies to initiate and/ or employ coercive pressure on Media and/ or Advertising Services Suppliers that would result in undercutting of rates.
- 3.12 The Advertising Agency shall be liable for advertisements caused to be published, aired, exhibited and/ or produced without written authorization from its Client- Advertiser.
- 3.13 An Advertising Agency shall inform the AdBoard Secretariat in writing regarding the termination of its relationship with the Client-Advertiser. In turn, the AdBoard Secretariat shall disseminate the information to all member-associations.
- 3.14 An Advertising Agency shall not accept a Client-Advertiser who still has outstanding accounts for which no schedule of payment has been agreed upon with its former Agency, Media and Advertising Services Suppliers.
- 3.15 An Advertising Agency desiring to terminate or cancel its agreement with Client-Advertiser shall provide a termination period of ninety (90) days from notice, unless otherwise agreed upon, within which they shall effect the complete settlement of accounts including payments to Media and Advertising Services Suppliers, the completion of pending projects as agreed and the turn over of all advertising materials proprietary to the Client-Advertiser.

For accounts left unsettled after the termination period, Agencies will advise Media and Advertising Services Suppliers about the agreed payment terms and Media and Advertising Services Suppliers may reserve the option to collect directly from Client-Advertiser for unsettled accounts.

4.0 The Advertising Media Sector

4.1 General Applications

- 4.1.1 Media shall honor and strictly adhere to their contractual obligations and commitments to Advertisers and Advertising Agencies.
- 4.1.2 Media shall publish and circulate a clear and full statement of their rates, material specifications, lead time requirements and terms.
- 4.1.3 Whenever they are available, Media shall publish, circulate and make available current information on properly audited circulation, viewership, listenership and exhibition to Advertisers, Advertising Agencies and other concerned parties for the proper evaluation of media purchases and usage.
- 4.1.4 Media shall not accept advertisements directly from an Advertiser that has an Advertising Agency of record, without protecting the Agency's right to commissions, except those specifically excluded from the Advertiser and Agency contract or agreement, or those directly placed with the full knowledge and written consent of the Agency.
- 4.1.5 Rate adjustments by Media shall be announced at least ninety (90) days prior to implementation, within which Advertisers and Advertising Agencies may be able to make necessary adjustments, except in cases of abnormal economic/ price fluctuations caused by factors beyond the control of media.
- 4.1.6 Verbal advice regarding media placements should be confirmed within the next working day by Telecast/Broadcast/ Publication/ Exhibition Order or Temporary Telecast /Broadcast/ Publication/ Exhibition Order from the agency. Otherwise, Media has the prerogative to cancel the placements.

4.2 Broadcast (Radio and Television)

- 4.2.1 Broadcast Media shall conform to set standards and limitations on:
- a. Commercial Load -Allowable (revenue and non-revenue) non-program material within regular time measurements allotted for that purpose.
 - b. Commercial Gap - The number of interruptions within measured regular program time.
- 4.2.2 Broadcast Media shall standardize the length of commercials, to enable the Advertiser and/ or Advertising Agency to produce materials of appropriate length for all stations/ channels.
- 4.2.3 Commercial placements of directly competitive products or services may be placed within the same commercial gap provided:
1. they are separated by at least two (2) commercials or non-program materials; and
 2. there will only be two (2) commercials of directly competing products/ services in the same commercial gap.
- 4.2.4 Advertising messages utilizing character generators (static or crawlers or similar superimposed visuals), shall not be allowed during:
1. a paid advertising time; and
 2. a regular program material.
- 4.2.5 Broadcast media shall not air any commercial without the authority of the Advertiser or its Advertising Agency.

- 4.2.6 Broadcast Media shall maintain a standard operations log that shall truthfully and accurately reflect and record all on-air activities such as program and commercial placements, the name of the Advertiser, the Advertising Agency, and the product. This shall be the sole basis for certificates of performance (CPs) and billing invoices, unless proven otherwise.
- 4.2.7 In cases of commercials longer than the contracted commercial length broadcast media has the option to:
- A. Air the commercial and charge the actual excess time to the Advertiser / or Advertising Agency or
 - B. Cut the excess time.
- 4.2.8 Cancellation of media placements shall be made in writing at least fifteen (15) days before its implementation.

4.3 Blocktimers (Radio and Televisions)

For the purposes of this manual, Blocktimers shall be subject to the same provisions applicable to Broadcast Media.

4.4 Print

- 4.4.1 Supplements and advertisements that resemble news or editorial material shall be identified as such (supplement, "special advertising section" advertorial or advertisement).
- 4.4.2 Advertisements of directly competitive products or services shall not appear on the same page or spread, except in a buyers' guide, directory and supplements.
- 4.4.3 In negotiating for a re-run of an advertisement or for the rebates on its advertising cost due to defective printing, at least five (5) defective copies should be presented to the publication concerned.

4.4.4 A request for a re-run or rebate of an advertisement due to defective printing, erroneous material, or any other valid reasons following the specified periods from the date of the publication:

A. Seven (7) days for nationally-circulated publications

B. Fourteen (14) days for provincially/ regionally circulated Publications.

Within which period, the questionable advertising material should still be in the possession of the publication concerned.

4.4.5 Publications shall not print or publish any advertisements without the authority of the Client-Advertiser or its Advertising Agency.

4.4.6 Print media shall, in consultation with its industry members, adopt standards on revenue and non-revenue pages and other relevant specifications.

4.5 Outdoor

4.5.1 Outdoor display shall be constructed according to National Building Code specifications and standards for safety. All structures must be designed and signed by a duly licensed Civil Engineer and shall be covered by pertinent permits and/or licenses.

4.5.2 No offers for placement of outdoor media in areas prohibited by law (specifically the National Building Code as amended by P.D 1096.), shall be accepted, by any Advertiser.

The following are prohibited:

1. Advertising displays, whether temporary or permanent, placed within the boundaries of all national roads and the air space directly above them, including on all street furniture found within them, such as but not limited to columns, beams, girders and exterior portions of station buildings

of MRT/LRT and pedestrian overpasses, center islands, traffic signs, lamps and electric posts.

2. Advertising displays which may blind motorists; obstruct, confuse or distract the view, or interpretation of any public sign, traffic signal or device.
3. Advertising displays placed within 50 meters of immediate approaches to historical shrines and monuments, parks and parkways.

4.5.3 In cases where traffic signs are sponsored by Advertisers, the advertisement shall be displayed separately from the traffic sign by a minimum gap of 10cm and limited to no more than 20% of the total area of the traffic sign.

4.5.4 The Outdoor advertising firm shall inform the current Advertiser prior to construction of additional structures or billboards that will be attached to the current Advertiser's structure.

4.5.5 Where advertising displays are installed in a common structure, they shall be separated by a distance of one (1) meter on all sides.

4.5.6 Advertising displays of directly competitive products or services viewed from the same angle, whether on the same structure or not, shall be separated by an area equal to one (1) standard display of 12'X24' on all sides.

4.5.7 An advertising display shall have a minimum clear viewing distance of two hundred (200) meters within Metro-Manila and three hundred (300) meters outside Metro-Manila, no portion of which shall be obstructed by another display.

- 4.5.8 Outdoor advertising firms shall be paid by advertisers and/ or advertising agencies within the period provided for in their contracts. A penalty of two (2) percent per month of the gross billing shall be paid for late payments without due cause.
- 4.5.9 Advertising displays of liquor and tobacco products, shall not be placed within a 100-meter radius of a church or school, and shall conform to pertinent laws governing such products.
- 4.5.10 Advertising displays shall not obstruct the view of on-premise signs of business establishments.
- 4.5.11 Where applicable, Advertisers and Outdoor Advertising Firms shall be jointly and severally liable for violations of the above provisions.

4.6 Cinema

- 4.6.1 Advertisements of liquor and tobacco products shall not be placed in theaters during schedules of motion picture exhibition where persons below 18 years old are admitted.
- 4.6.2 Cinema Advertising Firms shall subscribe to the accepted practices and/ or policies of the MTRCB, the AdBoard and the CAAP.
- 4.6.3 Cinema Advertising Firms shall not accept for exhibition, any cinema advertising material without AdBoard clearance.
- 4.6.4 Placements unauthorized by or made without the knowledge of Advertisers and/or their Advertising Agencies shall solely be the responsibility of the Cinema Advertising Firm.

- 4.6.5 Cinema Advertising Firms shall be paid by the Advertiser and/ or the Advertising Agency in sixty (60) days unless otherwise specified in a written agreement.
- 4.6.6 In the event that Advertiser and/ or Advertising Agency fail to pay within the prescribed or contracted period, a two per cent (2%) surcharge per month shall be applied.

5.0 The Advertising Services Sector

5.1 The Advertising Services Suppliers

- 5.1.1 Advertising Services Suppliers shall not present misleading, deceptive or dubious information regarding their capability or capacity to undertake any assignment.
- 5.1.2 Advertising Services Suppliers shall compete based on merit. It shall be unethical for an Advertising Services Supplier to directly or indirectly disparage its competitors.
- 5.1.3 Advertising Services Suppliers shall conform to bidding procedures established by the Advertising Agency and/ or Advertiser. Advertising Services Suppliers shall not court, tolerate, nor exploit undue advantage from gaining knowledge of a competitors' bid.
- 5.1.4 Estimating Fee – Where the bidding specifications given for production of an advertisement may require extraordinary or special components (like foreign production elements or directorial equipment) the invited advertising services suppliers who submitted bids may charge a nominal fee of Five Thousand Pesos (P 5000). Said fee of the winning bidder would be deducted from its production cost.
- 5.1.5 Advertising Services Suppliers shall require an appropriate purchase order, contract, or any other authorization document, duly signed by Advertiser or Advertising Agency, before initiating a job or service. Such authorization document shall be the basis of billing for the job or service rendered.

- 5.1.6 Unauthorized production of advertising materials, or those produced without the knowledge of the Advertising Agency or their Advertiser, shall be the sole responsibility of the Advertising Services Supplier.
- 5.1.7 Advertising Services Suppliers, e.g., printing, silkscreen and similar print requirements shall present a prototype or proofs before final implementation, unless waived by the Advertising Agency and/ or Advertiser.
- 5.1.8 Advertising Services Suppliers shall make complete delivery of the final materials ordered after these are fully paid for unless a different term has been agreed upon.
- 5.1.9 Rate adjustments by Advertising Services Suppliers shall be announced at least thirty (30) days prior to implementation, within which Advertisers and Advertising Agencies may be able to make necessary adjustments, except in cases of abnormal economic fluctuations caused by factors beyond control of the Advertising Services Suppliers.
- 5.1.10 Expenses incurred by the Advertising Services Suppliers occasioned by excessive tardiness or non-appearance of talents/models or the non-availability or erroneous production components that are to be provided by the Advertising Agency or Advertiser, shall be chargeable to the responsible Advertising Agency and/ or Advertiser. The Advertising Services Supplier may withhold further performance until the manner of settling the additional costs has been agreed upon.
- 5.1.11 Advertising Services Suppliers may perform jobs or services contracted directly by an Advertiser w/ duly appointed agency of record provided that such services were contracted with written consent of the Advertising Agency of record. Obtaining such written consent is the responsibility of the Advertiser.
- 5.1.12 Agency or Advertiser shall advise Advertising Services Suppliers in writing its intention to use print and/ or broadcast materials outside the scope of their agreement. In accordance with the talent contract, production agreement or regulations of the Intellectual

Property Code RA 8293 such use may be subject to royalty, residuals and talent fee(s) assessments.

5.2 Marketing Researchers

5.2.1 Marketing Researchers shall compete for projects based on merit.

5.2.2 Marketing Researchers shall provide Advertisers, Advertising Agencies and other end-users accurate, up-to-date and meaningful information on their capabilities and capacity to undertake research projects.

5.2.3 All projects shall be covered by a valid contract between the Marketing Researchers and its Client, indicating clearly the scope of the project, the nature of the analysis, the extent to which the marketing researcher is to be involved in discussion, and application of results as well as other specifications, terms of payment and other agreements.

5.2.4 Unless an agreement is made to the contrary, the cost of a marketing research project commissioned by the Client through its Advertising Agency, excludes Agency service fees.

5.2.5 The Marketing researcher shall be entitled to charge the Client for preparing a research proposal, questionnaire or questionnaire outline.

For purposes of this provision, the PROPOSAL is defined as:

A proposal is defined as a study submitted to the Client containing the Marketing Researchers' recommendation as to technique, sampling, budget estimate, control method, and other study design specifications.

5.2.6 When the marketing researcher does not receive compensation for proposals requested by a Client, the content of the proposals shall not be revealed to third parties and shall remain the property of the Marketing Researcher.

5.2.7 It is unethical for any findings derived from the study, other than published information, to be disclosed at any

time by the Marketing Researcher to any person other than to the Client commissioning the study, unless the prior consent of the Client has been obtained. This refers only to studies exclusively commissioned by a specific Client, or Client(s), and does not refer to the research techniques used in the study, nor to methodological analyses, provided there is no disclosure of any such findings.

5.2.8 A Client may contract a Marketing Researcher to work exclusively for him subject to mutually agreed conditions including compensation paid to the Marketing Researcher for restricting the latter to service any other Clients.

5.2.9 A Marketing Researcher is under obligation to disclose potential conflict situations to its existing and prospective Clients especially under the following circumstances:

- a) Syndicated studies where a Client must be entitled to know the identity of the other subscribers sharing the same information.
- b) Instances where existing Clients may have competing and/ or similar products as prospective categories.

5.2.10 Consent of the Marketing Researcher must be obtained by the Client who commissioned the study:

- A. If the findings of the study in whole or in part is made public, in Broadcast or Print Media, with attribution to the Marketing Researcher or his proprietary research tools.
- B. In case of multi-Client or syndicated research studies, the consent of all Clients must be obtained when such research findings, in whole or in part, are publicly disseminated.

VII. IMPLEMENTING RULES AND PROCEDURES

A. General Provisions

- A1. The TPCC has jurisdiction over all cases involving violation (s) of this manual by and among AdBoard members. When a case is filed before the TPCC, the Committee shall initially take earnest efforts to settle the case amicably before proceeding on the merits of the case.
- A2. All AdBoard members shall exhaust all remedies in the resolution of conflicts among themselves within the AdBoard prior to seeking redress in venues outside the AdBoard.
- A3. If a complaint involving the same parties and the same issues is filed in a venue outside the AdBoard, bypassing the TPCC, the TPCC will not entertain such a complaint.

B. Parties to a Complaint

- B1. Any member association, its members, or any party of interest may file a complaint against any party engaged in advertising for violation of the Standards of Trade Practices and Conduct in Advertising.
 - B.1.1 Where the Complainant is a non-member of the AdBoard or a non-member of AdBoard's member-association, the Complaint must contain an undertaking, that the Complainant:
 - a) Unconditionally submits to the jurisdiction of the AdBoard/ TPCC as the final arbiter of the issues raised in the Complaint including counter-claims of the Respondent, if any;
 - b) Shall abide by the final decision of the AdBoard/ TPCC on Complaint and/ or counter-claims, if any;
 - c) Henceforth, unconditionally submits to the jurisdiction of the AdBoard/TPCC as the final arbiter whenever a complaint is likewise filed by any AdBoard member.

- B.1.2 Where the Respondent is a non-member of the ADBOARD or member-association, the Respondent must consent, in writing, to the jurisdiction of the ADBOARD before the case can be given due course. Once consent is given, the consent cannot be withdrawn and the issue of jurisdiction of the ADBOARD over the Respondent and the issues in that particular case cannot be subsequently raised. The consent to the jurisdiction of the ADBOARD given by a non-member respondent is valid only in that particular case and not in all cases unless consent is likewise given.
- B.1.3 The ADBOARD may or may not accept a complaint filed before it where both parties (complainant and respondent) are non-members of the ADBOARD or member association. Both parties must consent to the jurisdiction of the ADBOARD before the case is given due course. The ADBOARD reserves the right to charge the parties fees for adjudicating the case different from that assessed on ADBOARD members.
- B.2 The complaint should be in writing, addressed to the AdBoard through its Executive Director, and must be signed by an authorized representative of the company or, in the case of a member-association, by its Chairperson/ President.
- B.3 The complaint, should be submitted in ten (10) copies to the AdBoard Secretariat, stating the nature of the complaint, clearly citing the provision in the TPCC Manual allegedly violated, including supporting documents and full payment of the prescribed filing fee.
- B.4 The Complaint is considered formally filed upon the payment of the prescribed fee.

C. Filing Fees

A fee structure shall be set by the TPCC to defray the cost of hearings, research and documentation. These shall include, but not limited to the following:

- C.1 Complaint Filing Fee;

- C.2 Motion for reconsideration due to new/ additional evidence w/c shall be equal to the complaint filing fee.
- C.3 Re-filing Fee due to “no case” resulting from non-appearance of Complainant within the prescribed appearance time shall be equal to double the Complaint Filing Fee;
- C.4 AdBoard Appeal Filing Fee, which shall be equal to double the Complaint Filing Fee.

D. Confidentiality

- D.1 Once a case has been filed and until the decision has become final and executory, i.e. TPCC members, AdBoard directors, officers and staff directly or indirectly involved in the case shall maintain strict confidentiality.

All records pertaining to the case shall likewise be treated with confidentiality.

- D.2 To help ensure the privacy of information pertinent to TPCC hearings and investigations, all parties involved are required to sign a confidentiality agreement.
- D.3 After the TPCC has rendered a decision on a case, however, and granting no further appeal to the ADBOARD Board is made, the ADBOARD Chairman, TPCC Chairman or the ADBOARD Executive Director may release information on cases, should it become necessary, e.g. For use as reference material for other cases, when any contending party cites a previous case decision in a complaint or appeal or for purposes of circulating the sanctions imposed.

E. Schedule of Hearings

- E.1 The Secretariat must schedule a hearing within ten (10) working days after the case is formally filed and informing the parties thereof. In the earliest time possible, the Secretariat should immediately furnish the Respondent with a copy of the complaint letter with all its supporting documents. The respondent may submit a formal reply before the hearing date.
- E.2 The Complainant and the Respondent may request for one (1) postponement each provided that the request is made in writing and submitted to the Secretariat two (2) working days prior to the scheduled hearing date. The rescheduled hearing date shall not be

later than seven (7) working days from the previously scheduled hearing date.

F. Representation and Non-Appearance

- F.1 Representative of the contending parties must be fully conversant on the merits of the case. Legal counsel of contending parties may be present but strictly in an advisory capacity.
- F.2 For failure of the complainant to appear within one (1) hour of the set starting time of case hearings, the TPCC may dismiss the complaint. The complaint fee is forfeited. The dismissal is without prejudice to the re-filing of the complaint.
- F.3 In the event that the respondent fails to appear within one (1) hour of the scheduled hearing time the Respondent shall be declared in default and the complainant shall be allowed to present evidence. Judgment shall be rendered in accordance with the facts and evidence presented.

G. The Hearing Panel

- G.1 During the hearings, five (5) TPCC members, either regular or alternate, shall constitute a quorum to hear complaints provided that a member from either the Advertiser or Advertising Agency sector is present except in cases of inhibition due conflicts of interest as provided in SECTION G.2. For subsequent hearings of the same case if any, at least three members from the immediately previous hearing panel should be present.

Complaints filed with the AdBoard involving members of the same member-association shall be remanded to the association concerned for appropriate disposition in recognition of the principle of primary jurisdiction.

- G.2 A member of the TPCC shall inhibit himself from participating in case investigations/ hearings in any of the following instances:
 - G.2.1 If the case at hand involves the member himself or the company/ organization in which he is employed;
 - G.2.2 If he is related within the 2nd degree of consanguinity and/ or affinity to either party involve in the complaint or if he is similarly related to a high-ranking and/ or senior officer of either party.

- G.3 In any of the above instances, the alternate member to the TPCC may take the place of the regular member.
- G.4 If the complaint involves an ADBOARD member-association, the TPCC members from that association are inhibited from being a part of the hearing panel.
- G.5 When the TPCC Chairman is inhibited from participating in a hearing, the members of the panel constituting a quorum shall elect the presiding Chairman from among themselves.

H. Hearing Proper

- H.1 Hearing and deliberation of cases shall be conducted in the most expedient manner possible. Upon conclusion of the hearing, the panel must immediately convene to arrive at a decision. If this is not possible, the panel is allowed a maximum of seven (7) working days to arrive at a decision.

The decision shall be penned and signed by all members of the hearing panel and the Chairperson within seven (7) working days.

The concerned parties must be furnished a written copy of said decision within forty-eight (48) hours.

- H.2 CONDUCT OF HEARINGS.

The hearing shall be confined only to the issues raised in the complaint and/or counter claims of the respondent if any.

- H.3 RESOURCE PERSONS:

The TPCC shall observe due process in the conduct of all its hearings and proceedings. Whenever the Committee deems appropriate, technical assistance, such as legal opinions and advice from the AdBoard Legal Counsel, may be sought from competent member organizations and or individuals.

- H.4 THE DECISION

- H.4.1 The decision on the case should be guided by:

- H.4.1.1 Laws of the Land;

- H.4.1.2 The TPCC manual

- H.4.1.3 The inter-sectoral agreements

H.4.1.4 Code of Ethics, rules and regulations and or guidelines governing each member-association.

H.4.2 The TPCC Hearing Panel shall render a decision by a majority vote of its members.

H.4.3 The Presiding Chairman of the TPCC shall not vote except in case of a tie.

H.4.4 The decision shall be in writing, containing the basis for which it was rendered, and shall be signed by the Chairperson and all the members of the hearing panel that rendered the decision. The Executive Director shall furnish all parties copies of said decision within 48 hours.

H.4.5 The TPCC's decision shall be final and executory after the lapse of ten (10) working days from receipt of the decision. Before the decision becomes final and executory, either party may:

H.4.5.1 File for re-opening of the case on new evidence.

H.4.5.2 Appeal the decision to the AdBoard Board of Directors.

I. New Evidence

I.1 New evidence refers to evidence, which could not have been discovered prior to or during the hearings in the TPCC by exercise of due diligence and which is of such character as would probably change the result of the hearing.

I.2 Re-opening of cases based on new evidence shall be granted only once.

I.3 A case filed based on new evidence after the decision has become final and executory shall be considered as a new case.

I.4 All requirements/procedures in the filing and hearing of cases shall apply.

J. Appeal Process

J.1 APPEAL PERIOD

A TPCC decision may be appealed before the AdBoard Board of Directors provided the appeal is forwarded to the AdBoard in documented form within ten (10) working days from receipt of the decision.

J.2 FORM OF APPEAL

All appeals must be in writing, in eighteen (18) copies including relevant documents, clearly stating the issues and grounds for the appeal.

J.3 ADBOARD BOARD OF DIRECTORS (APPEALS COMMITTEE)

J.3.1 Any AdBoard Director who was a member of the TPCC hearing panel, which rendered the decision being appealed, must inhibit himself from voting on the case.

J.3.2 An AdBoard Director shall inhibit himself from participating in the appeal case if he is directly or indirectly connected with any party of interest in the case.

J.4 CONDUCT OF APPEAL HEARINGS

J.4.1 The Executive Director, in consultation with the AdBoard Chairman, must set the date of deliberation of the appeal in a special board meeting within ten (10) working days from receipt of the appeal and payment of the appeal fee.

In the earliest time possible, the Secretariat should immediately furnish the Appellee with a copy of the appeal with all its supporting documents. Appellee may submit a formal reply before the deliberation date.

J.4.2 Failure of the Appellant and/ or the Appellee to appear at the scheduled time and hearing does not preclude the Board of Directors from deliberating the appeal and arriving at a decision.

J.4.3 The Board shall deliberate on the appeal only on the basis of facts established and evidence presented at the TPCC level.

J.5 DECISION ON THE APPEAL

- J.5.1 After due deliberation, the Board of Directors, by simple majority vote of the directors present, if constituting a quorum, shall render a decision.
- J.5.2 The presiding Chairman of the AdBoard Board of Directors will vote only in case of a tie.
- J.5.3 The decision must be signed by the Presiding Chairman and certified by the Board Secretary. Said decision shall be final and executory.

VIII. PENALTIES AND SANCTIONS

- 8.1 Violations of any provision of the Manual, as adjudged by the AdBoard, or the refusal to comply with lawful orders of the AdBoard, are subject to the imposition of one or more of the following penalties or sanctions:
 - 8.1.1 A written reprimand or warning citing a particular incorrect or anomalous practice.
 - 8.1.2 Fines – Fines may range from an amount equivalent of a minimum of one (1) to a maximum of twenty (20) times of the complaint fee.
 - 1st OFFENSE – x 5
 - 2nd OFFENSE – x 10
 - 3rd OFFENSE – x 15
 - 4th OFFENSE and UP – x 20
 - 8.1.3 Imposition of monetary recompense;
 - 8.1.4 Circulation of information of the sanctions imposed.

The following sanctions shall be subject to the durations of time following a minimum of three (3) months and a maximum of one (1) year:

- 8.1.5 Withholding and/ or suspension of the concessions between and/ or among AdBoard member-associations.
- 8.1.6 Suspension of screening for airing and similar clearances.
- 8.1.7 Banning from Media and/ or Advertising Services;

The imposition of sanctions is without prejudice to other recourses beyond the province of this Manual.

8.2 LIFTING OF SANCTIONS

Sanctions, w/c may be imposed due to refusal to comply with penalties prescribed by the TPCC, shall be lifted upon determination that the basis for the sanction(s) no longer exist.

IX. MISCELLANEOUS PROVISIONS

- A. The General Interpretation – This Manual and its provisions shall be interpreted in view of instilling the highest tenets of ethical practice and conduct in advertising keeping in mind the interest and well being of the Publics that are served and shall be liberally construed to fulfill the purposes hereof.
- B. Separability Clause – Should any provision of this Manual be held illegal or unconstitutional, all other provisions not affected thereby shall remain valid.
- C. Amendments – The Board through the instrumentality of a Review Committee, shall keep this Manual under constant review and shall propose amendments hereto, whenever necessary.

X. FINANCE SECTION

BILLINGS AND PAYMENT PROCEDURES OF ADVERTISING ACCOUNTS

10.1 MEDIA RELATED (Broadcast, Print, Blocktimers, Outdoor and Cinema)

(A) Billing Requirements

- a. Bills or invoices from Media shall present the basic details of the transaction such as:
 1. Amount Due
 2. Particulars of Placement
 3. Agreed Rates
 4. Control no. of BO/ TO/ PO/ Installation Report
 5. Government Imposed Taxes
 6. Other relevant data required for billing.
- b. They must be supported by evidence that the Advertising Order was performed such as:
 1. Broadcast – Certificate of Performance
 2. Tear sheet
 3. Installation Report
- c. Supporting evidence must show the specific dates and times of actual airing/ publication of the placements, the name of the agency, the product name, a reference to the Broadcast/ Telecast/ Publication/ Exhibition order or Installation Service Report and other relevant data.
- d. A Temporary Telecast/ Broadcast/ Publication Order (TTO/ TBP, PO) or any other documents such as memorandum duly

signed by the Advertiser and/ or Agency, should be enough basis to bill the Advertiser(s).

- e. Bills or invoices from Advertising Agencies shall in addition to the above documents, include a copy of the written authorization from Client.
- f. For the purpose of this section, Broadcast Media, Blocktimers, Print Media, Outdoor and Cinema shall be referred to as Media.

(B) Cut-Off Dates

a. Submission of Bills or Invoices

- 1. Bills or invoices must be submitted to the Advertising Agency on or before the 10th of the month following the month of performance (billing date); those submitted thereafter will be for the succeeding billing month. If said date falls on a Saturday/ Sunday or Holiday then the following working day shall be the cut-off date.
- 2. Bills or invoices not submitted to the Advertising Agency after ninety (90) days from the first cut-off date (10th day of the month) shall be subject to a 2% discount per month based on the gross amount unless there is due cause.
- 3. Advertising Agencies shall submit to their Clients unquestioned media bills or invoices within ten (10) calendar days from receipt thereof.
- 4. Bills or invoices received, but not submitted by Agencies to the Advertiser within the 60-day credit period shall be subject to a 2% surcharge per month and the Agency will be held liable for the surcharge. After receipt of said bills or invoices from the Advertising Agency, the Advertiser is given thirty (30) days to settle the bill.

b. Return of Contested Bills or Invoices

- 1. Bills or invoices may be returned only for the following reasons:

- 1.1 Erroneous rates/ ad materials used/ published.
- 1.2 Ads not within the contracted placements/ period.
- 1.3 Unauthorized placements.
- 1.4 Bonus Ads.
- 1.5 No covering Certificates of Performance, Tear sheet, Installation Report
- 1.6 Bills or invoices does not present the requisite information.
- 1.7 No control number of covering broadcast/ telecast/ publication exhibition order.
- 1.8 Insufficient no. of copies (minimum of 3).

2. Return of bills or invoices by Advertising Agency

- 2.1 The Advertising Agency is given ten (10) calendar days from the cut-off date within which to return to Media contested bills or invoices, clearly specifying in writing, the reasons for the return. Beyond this period, the submitted bills or invoices will be considered good and valid.
- 2.2 Media shall be given ten (10) calendar days within which to validate the reason for contesting the bills or invoices.

Once acknowledged as erroneous, the corrected bills or invoices shall be submitted to the Advertising Agency no later than the next cut-off date.

However, once determined that the submitted bills or invoices were valid after all, it shall immediately be resubmitted and the original due date shall apply.

3. Return of bills or invoices by Advertiser

3.1 The Advertiser shall return any contested bills or invoices to the attention of Advertising Agency concerned in writing, clearly specifying the reasons for the return not later than ten (10) calendar days from receipt of the contested bills or invoices.

3.2 Once agency acknowledges the bills or invoices as erroneous, the corrected bills or invoices shall be submitted to the Advertiser within five (5) calendar days and is due and payable within thirty (30) calendar days.

(C) Payments to Media

- a. Media bills or invoices must be paid within the prescribed credit period of sixty (60) in accordance with the prescribed cut-off dates.
- b. Payments must indicate the Media invoice or reference numbers.
- c. Advertising accounts, which have been paid by the Advertisers, shall be remitted by the Agency to Media within ten (10) calendar days from receipt of payment but in no case later than the prescribed credit period.
- d. Irrespective of Agency's collection days, the last day of the 60-day credit period shall automatically be the last collection day, or the following working day if said last day falls on a Saturday, Sunday or Holiday.
- e. The following reasons for non-payment or the delay in payment are not valid and cannot stay the imposition of the appropriate surcharge or the banning process:
 - 1. No signed Cost Estimate
 - 2. Closed books

3. Late billings of Agency to Advertiser
 4. No record, unless the bills or invoices in question has not really been delivered to the Agency.
 5. For reconciliation/ verification, direct collection and write-off.
- f. The Media, in cooperation with the Advertising Agency, may follow-up outstanding accounts beyond the prescribed credit period directly with Clients. The Agency shall provide the information (e.g. Agency invoice details, etc.) required to facilitate joint collection effort.

10.2 NON – MEDIA RELATED (Advertising Services Suppliers and Marketing Researchers)

(A) Billing Requirements

- a. Bills or invoices from Advertising services firms shall present the basic details of the transaction such as:
 1. Amount Due
 2. Particulars of Placement (e.g. project description code)
 3. Agreed rates
 4. Agency/ Client control number such as Purchase/ Job/ Broadcast Production Order (PO/ JO/ BPO).
 5. Advertising Services Supplier References such as Invoice number, Job Order, contract or Memorandum of Agreement (MOA).
 6. Government imposed taxes.
 7. Other relevant data required for billing.

- b. The bills or invoices must be supported by Certificate of Completion or (Service) Completion Report or any equivalent documentation (e.g. contacts, proofs).
- c. A purchase order or any other equivalent documents duly signed by the authorized Client/ Agency representative should be the basis to bill or invoice.
- d. Bills or invoices should be resubmitted to the Advertising Agency Finance Department copy furnished Account Management; or, to the Advertiser's Finance Department in case of direct engagements. Receipts of bills or invoices must be properly acknowledged and dated.

(B) Cut-Off Dates

- a. Submission of Bills or Invoices
 - 1. Bills or invoices must be submitted to the Advertising Agency on or before the 10th of each month. Bills or invoices submitted after this cut-off date will be processed on the following billing cycle. If the 10th falls on a Saturday , Sunday or Holiday, the following working day shall be the cut-off date.
 - 2. Bills or invoices not submitted to the Advertising Agency after two (2) cut-off dates shall be subject to a 2% discount per month based on the amount due to supplier, unless there is due cause.
 - 3. Within ten (10) days from receipt thereof, Advertising Agencies shall submit to their Clients unquestioned bills or invoices from Advertising Services Suppliers along with a copy of the pertinent authorization (e.g. signed C.E., contact report, memorandum of agreement, contract).

4. For failure to submit unquestioned bills or invoices to the Advertiser resulting in the non-payment to supplier within the thirty (30) day credit period, the Advertising Agency shall be held liable for the 2% surcharge.
- b. Return of Contested Bills or Invoices
1. Bills or invoices may be returned only for the following reasons:
 - 1.1 Errors in entries and/ or computations.
 - 1.2 Absence of Certificate of Completion/ Service Completion Report or equivalent documents.
 - 1.3 Control Number of covering purchase order or its equivalent not indicated.
 - 1.4 Bills or invoices does not present the requisite information.
 - 1.5 Number of copies required for bills or invoices and CPs (minimum of 3) not observed.
 2. Return of Bills or Invoices by Agency
 - 2.1 The Agency is given ten (10) calendar days from receipt date within which to return contested bills or invoices to Advertising Services Suppliers, clearly specifying, in writing, the reasons for the return.
 - 2.2 Advertising Services Suppliers shall be given ten (10) calendar days within which to validate the reason for contesting the bills or invoices.

Once acknowledged as erroneous, the corrected bills or invoices shall be submitted to the Advertising Agency no later than the next cut-off date.

However, once determined that the submitted bills or invoices were valid after all, it shall be resubmitted and the original due date will apply.

3. Return of Bills or Invoices by Advertiser

3.1 The Advertiser shall return any contested bills or invoices to the attention of the Advertising Agency concerned in writing, clearly specifying the reasons for the return, not later than ten (10) calendar days from receipt date.

3.2 Once agency acknowledges the bills or invoice as erroneous, the corrected bills or invoices shall be submitted to the Advertiser within five (5) calendar days and is due and payable within thirty (30) calendar days.

(C) Payments to Advertising Services Suppliers

- a. Advertising Services Suppliers shall be paid within the prescribed period in accordance to the terms and conditions as contracted.
- b. A down payment ranging between 50% to 75% of the contracted cost may be required depending on the particular requirements of the project.
- c. Advertising Services invoice, must be paid within the prescribed credit period of thirty (30) calendar days from receipt of the invoice following the submission cut-off dates after performance/ delivery to the Advertising Agency and/ or Advertiser.
- d. Bills or invoices that remain unpaid after the expiration of the 30-day credit term shall be subject to a 2% penalty surcharge per month.

- e. Payments must indicate the Supplier invoice or reference numbers.
- f. Advertising accounts, which have been paid by Advertisers, shall be remitted by Advertising Agency to Advertising Services Suppliers within ten (10) calendar days from receipt of payment but in no case later than the prescribed credit period.
- g. Irrespective of the Agency's collection days, the last day of the 30-day credit period for Advertising Services Suppliers shall automatically be the last collection day, or the following working day if said last day falls on a Saturday, Sunday or Holiday.
- h. The following reasons for non-payment or the delay in payment are not valid and cannot stay the imposition of the appropriate surcharge or the banning process:
 - 1. No signed cost estimate
 - 2. Closed books
 - 3. Late billings of Agency to Advertiser
 - 4. No record, unless the bills or invoices in question has not really been delivered to the Agency.
 - 5. For reconciliation/ verification, direct collection and write-off.
- i. After expiry of the prescribed credit term, the Advertising Agency shall be immediately responsible for the settlement of account, unless the Agency informs the Advertising Services Supplier in writing, that the account remains unpaid by the Advertiser.
- j. Advertising Services Suppliers, in cooperation with the Advertising Agency, may follow-up outstanding accounts beyond the prescribed credit period directly with Clients. The agency shall provide the information (e.g. Agency invoice details, etc.) required to facilitate joint collection effort.