

# International Guide to Developing a Self-Regulatory Organisation

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Practical advice on  
setting up and consolidating  
an advertising self-regulatory system

## Contents

	4
Foreword, Introduction & About	
	8
<b>1</b> Advertising Self-Regulation Explained	
	10
<b>2</b> International Ad Self-Regulation	
	14
<b>3</b> How an Advertising Self-Regulatory System Works	
	23
<b>4</b> Setting up a Self-Regulatory System	
	31
<b>5</b> How to Further Consolidate Self-Regulatory System	
	39
<b>6</b> Useful contacts	
	45
Annex A	



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## Foreword

Advertising Self-regulation is no easy task. Ask anyone who has worked in the field. Developing and maintaining an effective advertising Self-Regulatory Organisation (SRO) requires dedication, commitment, discipline, perseverance, patience, enthusiasm, and a large dose of good humour.

Compounding the challenge is the need for the requisite knowledge and expertise in the art and science of ad self-regulation, both to manage complex issues and build consensus among stakeholders. This is no easy feat – particularly as every jurisdiction and every national advertising eco-system will require a unique, tailor made SRO - a simple copy paste won't do.

So where can one go for help and support? Enter the European Advertising Standards Alliance (EASA) and its International Council on Advertising Self-Regulation (ICAS) – virtual treasure troves of information about best practice in advertising self-regulation. Most importantly, through EASA and ICAS, one can connect, build knowledge, and share insights about emerging issues with a global network of committed advertising self-regulatory professionals.

This second edition of the International Guide provides advice and counsel to those wishing to set up an effective SRO, as well as for those who wish to learn what counterpart organisations are doing to meet best practice standards.

EASA and ICAS have grown into an international network that covers more than 35 countries. If you are from a country that is not a part of our network, or if you are just starting to build the capacity to effectively self-regulate, we invite you to contact us and join our ranks. Through mutual co-operation and sharing of insights, we can continue to serve the public and the industry through effective, responsible, and responsive mechanisms for advertising self-regulation.



**Linda J Nagel**

ICAS Chairman, 2014

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## Introduction

At some point, marketing practitioners in every country realise that there is a need to demonstrate that responsibility matters. Irresponsible marketing communications give little to no sustained return on advertising investments and damage consumer confidence in advertising. Further still, the ethical profile of a company is increasingly important: reputations can be tarnished by irresponsible ads. Effective advertising self-regulation creates an environment that encourages responsible advertising and has been proven to work in a wide range of cultural, legal and economic environments. Creating an effective self-regulatory system makes sense.

This publication offers practical guidance to those who are contemplating setting up a self-regulatory system, or those who are improving or future-proofing one that already exists. It may also be useful to anyone with a professional interest in the regulation of advertising and marketing communications.

If you are beginning to think about advertising standards and are wondering how to go about writing a code or setting up a self-regulatory system, this guide will help you. The guide uses EASA's experience over more than 20 years in coordinating advertising self-regulation projects across Europe and beyond. It combines this knowledge and combines it with the day-to-day experience of Self-Regulatory Organisations (SROs) from around the world, some of which have been in operation for over half a century.

The interest of international organisations, such as the Asia Pacific Economic Cooperation (APEC), in supporting capacity building for advertising self-regulation across the region where there are a number of green field sites, makes this guide even more pertinent. There may of course be many other queries you may have so please don't hesitate to contact us or any of our member or affiliated organisations.

My thanks go to Linda Nagel and Fiona Jolly and the members of EASA for helping to revise this new edition of the guide and to Jennifer Pearson for persevering in putting it together.



**Oliver Gray**

EASA Director General

## About EASA

EASA – the European Advertising Standards Alliance – was created in 1992 to promote high ethical standards in advertising through the use of effective self-regulation. EASA is a not-for-profit organisation and has a membership made up of self-regulatory organisations and the advertising industry (advertisers, agencies and the media).

In 2008, EASA set up its International Council on Advertising Self-Regulation (ICAS) to provide a forum for facilitating information exchange and discussion of best practices between advertising Self-Regulatory Organisations (SROs) around the world. In 2014, ICAS members include Australia, Brazil, Canada, Chile, Colombia, El Salvador, India, Mexico, New Zealand, Peru and South Africa. More information can be found at [www.easa-alliance.org](http://www.easa-alliance.org).

### The Background of this Publication

The first International Guide to Developing a Self-Regulatory Organisation was published in 2009 as a tool to provide support in the development of advertising self-regulation at the global level. Five years later, ad self-regulation continues to advance around the world and has today gained recognition from Asia Pacific Economic Cooperation as a form of best practice. The current guide has been updated to include the new developments in ad self-regulation that have occurred in the interim as well as best-practice examples from SROs around the globe.

This guide is supported by EASA membership, with particular support from the World Federation of Advertisers and the International Advertising Association. The Guide is also supported by the International Chamber of Commerce and the International Centre for Alcohol Policies.

### World Federation of Advertisers

The World Federation of Advertisers (WFA) represents the common interests of marketers at global level. It brings together the biggest markets and marketers worldwide, representing roughly 90% of global marketing communications spend, almost US\$ 700 billion annually.

WFA champions effective marketing communications; helps set standards for responsible marketing communications worldwide, and encourages leadership initiatives, which go beyond compliance with existing industry standards.

More information can be found at [www.wfanet.org](http://www.wfanet.org).

### International Advertising Association

The International Advertising Association (IAA) was founded in 1938 to champion responsible marketing. The IAA, with its 56 chapters in 76 countries, is a one-of-a-kind global partnership whose members comprise advertisers, media, advertising and public relations agencies, media companies, and academics. The IAA is a platform for industry issues and is dedicated to protecting and advancing freedom of commercial speech, responsible advertising, consumer choice, and the education of marketing professionals.

More information can be found at [www.iaaglobal.org](http://www.iaaglobal.org).

### International Chamber of Commerce

The International Chamber of Commerce (ICC) is the world business organization, whose membership is composed of thousands of enterprises from all sectors and geographical regions. ICC is a key player in the ever-changing landscape of modern marketing and advertising. The ICC's Commission on Marketing and Advertising's main advocacy focus is on promoting effective self-regulation that is harmonized to best practice around the world.

More information can be found at [www.iccwbo.org](http://www.iccwbo.org).

### International Centre for Alcohol Policies

The International Centre for Alcohol Policies (ICAP) is a not-for-profit organization, supported by major producers of beverage alcohol. Established in 1995, ICAP's mission is to promote understanding of the role of alcohol in society and to help reduce harmful drinking worldwide. ICAP has encouraged global commitments to progress effective self-regulation.

More information can be found at [www.icap.org](http://www.icap.org).

# 1 Advertising Self-Regulation Explained

## The Importance of Effective Self-Regulation

Advertising plays an essential part in all market economies. It stimulates growth and innovation, encourages competition and increases consumer choice. It is a swift and efficient means of making consumers aware of product innovations and keeping them informed of the range, nature and quality of the products and services available to them. Advertising has an important role to play in maintaining or increasing market share and is vital for the introduction of new products and services and the improvement of existing ones. It is also closely associated with the value of brands, therefore making responsible advertising essential.

Advertising not only informs people of products, services and brands but also provides an indispensable life line for the creation of television and radio shows, magazine and newspaper content and online material, to name a few. To fulfil this important task, advertising must enjoy a high level of consumer trust and confidence as well as the trust of political stakeholders: it must be legal, decent, honest and truthful.

If consumers are misled by advertising, they will not buy again; if it offends them, they are unlikely to buy in the first place. Even though 'bad' advertising only accounts for a small percentage of the whole, it works to undermine consumer confidence and as a result all advertising suffers. If political stakeholders feel that consumers are misled, offended or influenced in an irresponsible way by advertising, they will try and push through detailed legislation restricting certain types of advertising, or possibly ban them entirely.

It is, therefore, in the interest of all those in the advertising industry, be it advertisers, advertising agencies or the media, to ensure that advertising follows a set of rules to make sure that it is practiced responsibly. This is traditionally done through self-regulation (SR), a system that works within the framework of existing legislation.

## What is Self-Regulation?

Self-regulation is a system by which the advertising industry actively regulates itself. The three parts of the industry – the advertisers who pay for the advertising, the advertising agencies responsible for its form and content, and the media that carry it – agree on standards for advertising and set up a system to ensure that advertisements that fail to meet those standards are quickly corrected or removed.

This is achieved by means of standards or principles of best practice, by which the advertising industry voluntarily agrees to be bound. These rules are enforced by a self-regulatory organisation (SRO) set up for the purpose and funded by the industry itself.

Self-regulation exists in most regions around the world. In some jurisdictions self-regulation has been in place for many years; it takes widely varying forms in different countries, but its underlying ethos is always the same: advertising should be legal, decent, honest and truthful, prepared with a due sense of responsibility to the consumer and society and with proper respect for the principles of fair competition. Although in some countries advertising is subject to so much detailed legislation that the scope left for self-regulation is quite narrow, elsewhere legislation is limited to providing a broad framework and advertising content is efficiently regulated by SROs.

## INFO POINT

### Self-Regulation: the Benefits

On average between 30% - 50%<sup>1</sup>, of a company's market capitalisation is represented by its brand reputation, which is why consumer trust in the brand is crucial to corporate success. Advertising self-regulation, through the promotion of responsible advertising, helps build consumer trust in brands, which in turn builds brand loyalty, increases sales, and strengthens market share. Maximised returns on long term investments on advertising benefit not only advertisers but also agencies and media, who will see a higher demand for creative yet responsible advertising.

When looking at advertising, legislators may not fully grasp the full impact of certain laws they pass on the industry. As the advertising industry knows its market, it is in the best position to know how to govern itself and how to respond to issues efficiently without distorting the market. Companies respond well to rules which are more appropriate and proportionate; by making sure industry is involved in developing the rules, buy-in is increased, positively influencing compliance.

For policy makers, self-regulatory ad standards provide an additional layer of consumer protection that complements the legal framework. National advertising self-regulatory bodies help avoid problems before they happen by providing copy advice. They keep track of key concerns about advertising and take steps to address them when needed.

For consumers, self-regulation provides a complaint handling system, that offers quick responses to complaints.

### Self-Regulation and Legislation

Self-regulation is an alternative to detailed legislation, but not to all legislation. It is generally accepted that self-regulation works best within a legislative framework, and it is useful when the concept of self-regulation is formally recognised in framework legislation.

The two complement each other, like the frame and strings of a tennis racquet, to produce a result which neither could achieve on its own. The law lays down broad principles, e.g. that advertising should not be misleading, while self-regulatory codes, because of their greater flexibility and the fact that they are interpreted in spirit as well as to the letter, can deal quickly and efficiently with the detail of individual advertisements.

The legislative framework, therefore, creates a legal backstop that self-regulation will need to invoke when dealing with fraudulent and/or illegal practices as well as rogue traders – those operators who repeatedly refuse to abide by any laws or codes of conduct.

1. Interbrand puts the average at share of top 10 brands' market capitalization at 30.5% whilst for Brandz its 46.7%, World Intellectual Property Report Brands – Reputation and Image in the Global Marketplace [http://www.wipo.int/export/sites/www/freepublications/en/intproperty/944/wipo\\_pub\\_944\\_2013.pdf](http://www.wipo.int/export/sites/www/freepublications/en/intproperty/944/wipo_pub_944_2013.pdf)

# 2 | International Ad Self-Regulation

10

## International Development of Self-Regulation

Advertising and marketing communications are generally adapted to the relevant cultural and societal environment in each country. It therefore, makes sense then that national self-regulatory systems are also locally relevant.

Self-regulation for advertising and marketing communications has been practiced for almost 100 years in some regions. In 2014, self-regulatory systems are in place across Europe and North America, many of the Latin American countries, as well as some countries in Africa and Asia<sup>2</sup>.

## The International Council on Advertising Self-Regulation

The International Council on Advertising Self-Regulation (ICAS) was established in 2008 and is composed of EASA's non-European SRO members which meets on an annual basis.

ICAS :

- Provides a forum to facilitate information exchange and communication among advertising SROs around the world;
- Strengthens and enhances SR mechanisms for responsible advertising around the world;
- Provides resources (through speakers and informal consultation) to facilitate the development of SROs where they do not currently exist.

### INFO POINT

#### CONARED

CONARED, the Latin American Network of Self-Regulatory Organisation, was created in 2007 to promote responsible advertising and share best practices in advertising self-regulation in the region. CONARED has close ties with EASA, which counts a number of the network's members within its own membership.

2. For an overview of the existing self-regulatory bodies across the world [www.easa-alliance.org](http://www.easa-alliance.org) for the latest information.

## International Rule-Making

The International Chamber of Commerce (ICC) has been the international leader with respect to the establishment of broad general principles and codes of practice. The ICC's Commission on Marketing and Advertising places the ICC codes under regular review, adjusting them to meet changing public sensitivities and new technologies.

The ICC created its first code of advertising practice in 1937 to provide a global framework for responsible creativity and ethical commercial communications. It has been revised nine times over the years, staying current with societal changes, marketing techniques and technology. This Consolidated ICC Code of Advertising and Marketing Communications Practice<sup>3</sup> (the Consolidated ICC Code) is seen as the global standard and forms the basis of most advertising codes worldwide.

In 2011, the ninth revision of the ICC Code was published and launched around the world, including the first global guidance for online behavioural advertising. In addition to the printed Code an online, searchable version of the Code is available at [www.codescentre.com](http://www.codescentre.com) along with a wealth of information on self-regulation for marketers, agencies, academics and regulators. The site also contains downloadable translations, companion codes, training materials and links to national and sector-specific codes around the world.

The ICC's Commission on Marketing and Advertising is the place where developments in the area are tracked and reviewed and any adjustments to the global rules are decided. It brings together policy experts from ICC member companies, the marketing and advertising industry, legal advisors from industrial and commercial enterprises, private practice lawyers and representatives from a wide range of business organisations and professional associations.

In addition, ICC has published companion codes and resources:

- ICC Framework for Responsible Marketing Communications of Alcohol;
- ICC International Code of Direct Selling;
- ICC Resource Guide for Self-regulation of Online Behavioural Advertising (OBA);
- ICC Framework for Responsible Environmental Marketing Communications;
- ICC Framework for Responsible Food and Beverage Marketing Communications;
- ICC/ESOMAR International Code of Marketing and Social Research Practice.

The ICC is also involved in educational initiatives, such as its Business Action for Responsible Marketing and Advertising (BARMA) programme.

## International Discussion on Ad Self-Regulation

The effectiveness of advertising self-regulation as a policy option has been cited by the World Health Organisation (WHO) during discussions around public health policies related to food and alcohol; in the UN Environment Programme regarding environment and sustainability issues, and by the OECD's Business and Industry Advisory Committee.

### INFO POINT

#### APEC

Since 2012 EASA has worked with other business organisations to develop the profile of self-regulation within the Asia Pacific Economic Community (APEC). This work has been led by EASA's Australian SRO member, the Advertising Standards Bureau (ASB), which has assisted the development of capacity building initiatives such as a dialogue on ad standards.

3. The ICC Consolidated Code is made up of General Provisions and a further five chapters—addressing provisions specific to Sales Promotion, Sponsorship, Direct Marketing, Digital Interactive Media and Environmental Advertising. The full text can be found at <http://www.codescentre.com/icc-code.aspx>

11

A key document referenced in the outcomes of the dialogue was the **Perspectives For Self-Regulation<sup>4</sup>**. In 2013, APEC leaders endorsed the outcomes, recognising the **Perspectives as a good regulatory practice and highlighting the positive role ad self-regulation has to play in ensuring responsible advertising. In 2014 they reaffirmed this endorsement in the Qingdao Statement. Further capacity building initiatives are underway with the support of EASA, WFA, ICC ICC, the China Association of National Advertisers, and a number of global companies.**

### International Business Perspectives on Self-Regulation and SR initiatives

**“Trust in advertising self-regulation remains a key condition for self-regulation to be considered a viable policy option”<sup>5</sup>**

The industry recognises that advertising self-regulation helps build consumer trust in brands. This in turn builds brand loyalty, increases sales, and strengthens market share.

The 2008 Global Advertising Summit (hosted by the World Federation of Advertisers in Atlanta) recognised that the self-regulatory system should:

- Address the perception that self-regulation only reacts to pressure: the industry needs to demonstrate that self-regulation can pro-actively anticipate trends in the broader environment in which it operates;
- Emphasise consultation and engagement with stakeholders outside of the industry in order to help the industry understand how consumer concerns and expectations are evolving.;
- Share good practice on how to consult and engage, but acknowledge that there is no single ‘one size fits all’ model that would be appropriate for every market, and a commitment to dialogue should not be interpreted as negotiation;
- Report back regularly, in a transparent manner, on how the industry delivers against what it has pledged to achieve via self-regulation.

During an earlier ad summit in Toronto, 2007, participants agreed upon a set of “perspectives for self-regulation”. These perspectives, which can be found in Annex A at the back of this publication, were built around EASA’s Best Practice Model and committed the global advertising industry to support self-regulatory efforts across key emerging markets and encouraging the sharing of good practice globally.

As with all advertising self-regulation, at the heart of the perspectives was the importance of global principles that provide foundations for the development of locally relevant self-regulation that takes account of the cultural and regulatory environment. In 2013, the perspectives were endorsed by the APEC Committee on Trade and Investment as a good regulatory practice.

One of the main international organizations for commercial communications is the International Chamber of Commerce. The Consolidated ICC Code of Advertising and Marketing Communication Practice provides the foundation for national advertising codes and the ICC is also involved in educational initiatives.

The International Advertising Association (IAA) is another international organisation which has supported the development of self-regulation around the world. The IAA assists its local chapters and other bodies involved in setting up appropriate codes and systems in their countries, as well as systems for dealing with trans-border complaints within regional trading blocs.

4. For an overview of the existing self-regulatory bodies across the world [www.easa-alliance.org](http://www.easa-alliance.org) for the latest information.  
5. Conclusions of the 2007 Global Advertising Summit, Toronto.

### Sectoral Commitments and Guidelines

A number of industry initiatives have been developed which see leading companies commit at national, regional or global level to specific sectoral rules on top of self-regulatory codes and compliance thereof.

The EU Pledge for example, is a voluntary initiative by leading food and beverage companies to change the way they advertise to children at European level, similar initiatives are also in place at national levels. Likewise, the Cosmetics industry has developed a voluntary and self-regulatory initiative that shows the commitment of the industry to coherent standards for responsible cosmetics advertising across Europe.

In 2011, the International Centre for Alcohol Policies (ICAP) published its Guiding Principles on the Self-Regulation of Marketing Communications for Beverage Alcohol, to provide guidance to countries seeking to establish or enhance marketing communication codes of practice for alcohol beverages by helping define common core principles<sup>6</sup>. In addition, ICAP, along with the Global Alcohol Producers Group (GAPG), works with 13 of the world’s leading beer, wine and spirits producers to meet their collective commitments to reduce harmful drinking over the next five years which have been made to support the WHO Global Strategy to Reduce the Harmful Use of Alcohol these have included encouraging the creation of local codes, and robust compliance systems.

### Conclusions

From the discussions held with the advertising industry, several points have been highlighted as key to help ensure that advertising self-regulatory systems develop and operate in the best possible circumstances in order to be effective:

- Ensure key support throughout the business community for SR as an operational and proactive activity across the globe;
- Share and learn from existing SR best practices to enable the set up and development of SR systems;
- Create locally relevant systems based on global principles regarding codes and standards;
- Recognise the increasingly inter-related nature of issues related to advertising and its regulation between national, regional and global levels;
- Recognise that the contributions and effects of SR initiatives are being evaluated and measured by governments and national and international institutions.

**“The success of an advertising self-regulatory system says a lot of the society that experiences it. It says that its advertising industry has matured into knowing that only with the highest standards in advertising they will be able to maintain consumer’s trust; that its government trusts competition as the best protector of consumer’s interests and, most important of all, that its consumers have realised the power they have before the advertisers, the advertising agencies and the media.”**

Angel Deleón  
Director and General Counsel Mexico and Central America at Procter & Gamble

6. The Guiding Principles were used as the basis for the ICC Framework on Responsible Marketing of Alcohol

# 3 | How an Advertising Self-Regulatory System Works

Like the advertising that it regulates, advertising self-regulation is essentially a grass-roots activity that is most effective when conducted at the national level.

Two principal factors are decisive in determining the form that self-regulation takes in any country. The first of these is tradition: each country's self-regulatory system should reflect its cultural tradition, its business environment, as well as its legal requirements. The second factor is recognition: self-regulation's relationship with the law is complementary and it can therefore best flourish where the legislative landscape allows it sufficient opportunity and scope to take place.

Because advertising self-regulatory organisations around the world operate within different regulatory, cultural, and societal contexts, this guide can provide only general guidance on processes and structures. Readers desiring a better understanding of the different national systems in place are advised to contact EASA, which can provide more detailed information.

Those wishing to establish a self-regulatory system and self-regulatory organisation should ensure that the model chosen is appropriate and proportionate to their national circumstances.

## INFO POINT

### Defining Characteristics of a Self-Regulatory Organisation

- It is an independent body, i.e. independent of government and of specific interest groups, and has its own decision-making function;
- It is a body set up and funded by the advertising industry (composed of advertisers, agencies and media);
- It has a practical responsibility to enforce advertising standards;
- It has the support and confidence of the advertising industry (composed of advertisers, agencies and media), which accept its decisions;
- It has sufficient support from the constituent parts of the advertising industry (or, in the case of a sectoral SRO, enough of the sector for which it is responsible) to ensure its credibility and funding;
- It is impartial;
- It deals with consumer complaints on a cost-free basis;
- Its decision-making processes and adjudications are transparent.

### Basic Elements of a Self-Regulatory System

A self-regulatory system consists of three basic elements:

1. An independent and impartial self-regulatory body responsible for the implementation of the self-regulatory system and for ensuring that the system is - and is seen to be - impartial in the application and eventual review of the code;
2. A code of standards or set of guiding principles governing the content of advertisements;
3. A system for the adoption, review and application of the code or principles.

### The Self-Regulatory Code or Principles

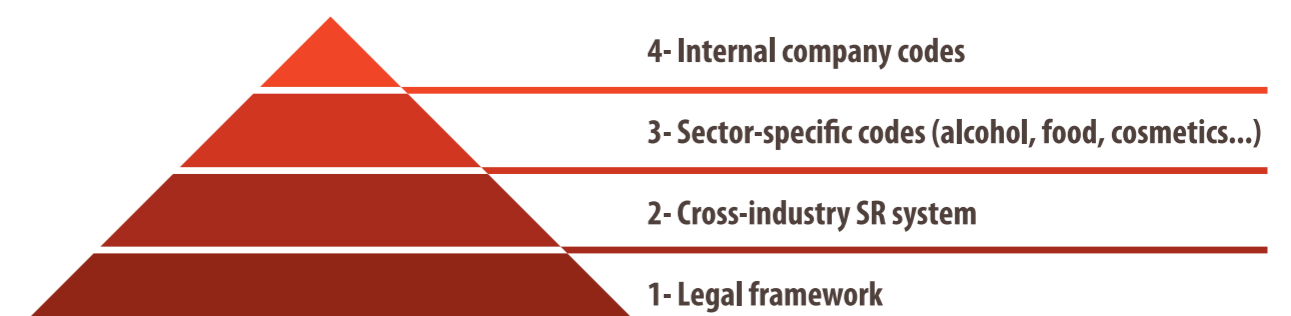
The self-regulatory principles govern the content of advertisements. Individual country self-regulatory codes are most often based on the Consolidated Code of Advertising and Marketing Communications Practice of the International Chamber of Commerce<sup>7</sup> (the Consolidated ICC Code), and then tailored to meet identified national needs.

Every code incorporates the basic principles that all advertising should be legal, decent, honest and truthful, that every advertisement should be prepared with a due sense of social responsibility and should conform to the principles of fair competition, as generally accepted in business, and that no advertisement should impair public confidence in advertising.

The national code or principles apply to all forms of advertising; this is normally defined as paid-for commercial communication, but should be flexible enough to adapt to new forms of advertising techniques and technologies.

In some countries the code also applies to product packaging, mirroring local legal definitions of advertising. Some country codes also encompass non-commercial advertising, such as cause or advocacy advertising.

While some countries adopt the Consolidated ICC Code as written, others adapt it to meet national circumstances and needs. In either case, the ICC Code is considered to be the global baseline and as such should be the first point of reference. In some countries, national codes have expanded beyond the basic ICC Code, but the underlying principles remain the same. Self-regulatory codes are always applied in the spirit as well as to the letter.



Inter-relation between self-regulatory codes



Apart from national codes, there are also sector specific codes in place to make sure that advertising specifically linked to a sector adheres to the pertinent standards. For example, specific codes may exist for alcoholic beverages, food, gambling, cars etc. These codes are developed on a sectoral basis, and implementation is usually done in cooperation with the local advertising industry and national Self-Regulatory Organisation. It may be necessary to come to a formal agreement with the sector on the implementation of the sector code and the handling of sector specific complaints.

The national code or principles, as well as the sector-specific codes, should be reviewed and revised on a regular basis, to ensure that they continue to be relevant and address emerging national developments and requirements.

If a national code is based on the ICC Code, it should be regularly updated to consider the latest revisions to the ICC Code. As well, several Frameworks have been developed by the ICC to provide guidance on the interpretation of the code, for example in the areas of food, alcohol and environmental marketing communications.

While codes should be up to date, they should not be revised too frequently as this can create uncertainty. It is important that the code itself, and any revisions to it, are freely available to everyone involved in advertising or interested in its regulation. New codes or code revisions should be widely publicised to promote awareness among all stakeholders – consumers, industry and government.

### The Code-Making Body

A feature of many SROs is a body whose specific task is to develop and update the code of standards. This may be a committee or council, representing the three constituent parts of the advertising industry: advertisers, agencies and the various types of media. This body ideally represents the whole industry: advertisers, agencies and the various media (e.g. television, radio, press, outdoor advertising, direct mail and digital media).

The purpose of this code-making body is firstly to agree on the code or principles by which the industry is to be regulated, and subsequently to be responsible for reviewing and updating them.

To be effective, a self-regulatory system must be able to rely on the moral support of the advertisers, because they provide the demand for advertising, the agencies, because they are largely responsible for its form and content, and the media, because the SRO must ultimately rely on them to enforce its decisions. Unless the code-making body represents the whole industry, the SRO may find that there are sectors of the industry which do not recognise its authority.

However, when establishing an SRO it is not essential - indeed, it is often unrealistic - to expect complete industry support and representation from the outset. It is often better to start with a body that is not fully representative, and then encourage other players to join as the momentum and participation builds. It is wise, however, to ensure that the principal players (local and multinational) are supportive before launching an SRO.

### Applying and Interpreting the Code

Practical application of the code in individual cases may occur both before and after the publication of an advertisement. Where it occurs before publication, in the form of copy advice<sup>8</sup> or, more rarely, pre-clearance<sup>9</sup>, this is normally the responsibility of the permanent secretariat of the SRO.

8. non-binding advice about the acceptability of a proposed advertisement.

9. It means that such advertisements are evaluated by the secretariat for compliance with a specific self-regulatory or regulatory sector code before they can be broadcast or published.

Application of the code after publication is typically the result of complaints, either from members of the general public or competitors. The SRO may also launch its own investigations about ads as a result of breaches found during its monitoring activities.

The jury, or as it is sometimes called the complaints committee, is the body responsible for authoritative interpretations of the code; it considers cases brought to its attention by the SRO Secretariat where a breach of the code is alleged.

In some systems (particularly in newly created ones) all complaints are referred to the jury, while in others, uncontroversial cases or those where precedent exists are dealt with by permanent staff, with the balance referred to the jury.

If the jury determines a code violation exists, then the complaint is upheld and the jury decides on the appropriate action to take. It should be noted that in a self-regulatory system the burden of proof lies with the advertiser whose advertisement is complained about, rather than the complainant. This means that the advertiser has to prove that the claims in the advertisement are true. Some juries are able to adjudicate on a complaint within three working days, and the majority of complaints are handled within two months<sup>10</sup>.

The jury should be separate from the code-making body and it is particularly important that it is, and is seen to be, independent and impartial.

Within the membership of a jury, senior representatives of the three different parts of the advertising industry are usually included. However, a significant percentage, or better still, a majority of the jury's members should be independent lay experts or represent interests outside the industry, e.g. academics, consumers and professionals, from outside of the advertising industry. Jury members are selected for their expertise and impartiality.

The jury's chairman should always be, and be seen to be, independent from the ad industry. He or she might, for example, be a retired judge, an eminent lawyer or a retired public servant. The chairman and members of the jury must have the necessary status and eminence to maintain public confidence and respect for its decisions, even though in many countries jury members are usually not paid for their time and effort.

It is important for juries to look at precedents when adjudicating complaints. Inconsistent decisions are frustrating for both consumers and advertisers. The secretariat should ensure that juries are provided with information about previous similar cases and their results. It is also important that jury members are trained, especially with regard to sensitivities surrounding specific sector codes and areas of concern to the general public.

### Sanctions

Because self-regulation means more than just self-restraint on the part of individual companies, it is bound to involve sanctions, i.e. ways and means of enforcing compliance on those who breach the industry's rules. Most SROs do not have the power to issue fines; when a jury finds an ad is in breach of the code it will request for an immediate amendment of the ad or a withdrawal of the ad. This in itself is costly, when the system works fast, and therefore can often act as a greater deterrent than a fine. Additionally, jury decisions are usually published; this adverse publicity, often called "name and shame", can have a negative impact on brand reputation; it informs consumers when irresponsible advertising is being practiced and can also be instructive to other advertisers.

10. In 2012, 79% of complaints handled by EASA's international SROs were handled within two months. Visit [www.easa-alliance.org](http://www.easa-alliance.org) for more information.

Because self-regulation has the support of the advertising industry, most advertisers will on the respect the decision of the jury and comply with the it. If an advertiser does not voluntarily withdraw an ad following a negative adjudication, SROs will typically request support from the media to cease running the involved advertising.

In the case of advertisers that repeatedly refuse to change or withdraw advertising following a jury decision against them, some SROs are able to employ other sanctions. Such sanctions may range from the imposition of compulsory pre-clearance of future advertisements, the encouragement of the withdrawal of trading privileges (such as preferential mailing rates) to the expulsion from the SRO or trade organisations.

On those rare occasions where other measures fail, advertisers that have repeatedly and knowingly breached the code can be referred to the relevant authorities.

### The Appeals Body

To ensure fairness, the system should include an appeals procedure. This facilitates due process and allows either the complainant or the advertiser involved to put forward new evidence to challenge the decision of jury. Ideally, appeals should be considered by a different body, or by different jury members, to that which reached the original decision. This body need not be as large as the jury - it might consist of only two or three people.

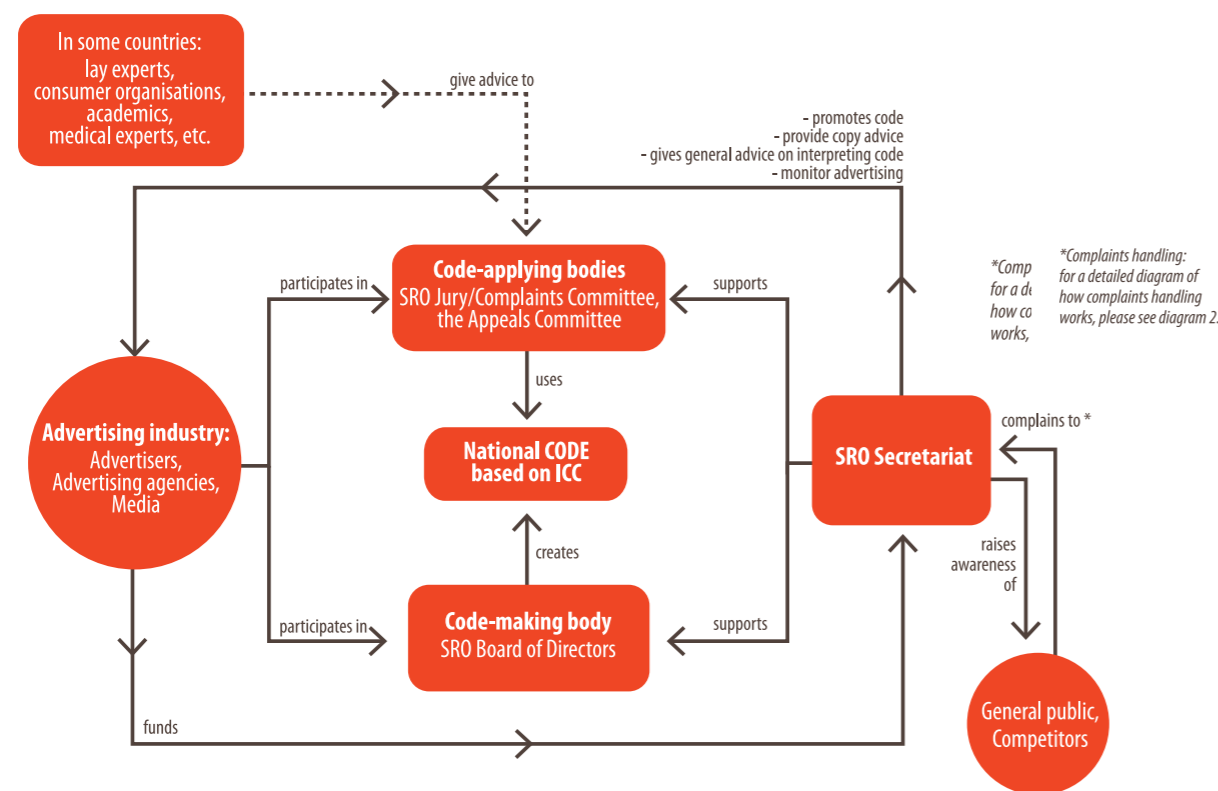
In some SROs, where no appeals body exists or there are insufficient jurors to have a different group for the appeal, the chairman may handle the appeal, or refer the case back to the whole jury for consideration. In order to avoid delay and possible procrastination, appeals are normally subject to conditions, e.g. new evidence being produced, and to strict time-limits.

### The Permanent Secretariat

The SRO should have a permanent professional staff (secretariat) to ensure its proper functioning. This permanent secretariat is usually headed by a chief executive. The secretariat acts as secretary to the code-making and/or the code-applying bodies. The secretariat is responsible for the day-to-day operation of the SRO and should be well trained and resourced in order to operate efficiently.

While different SROs offer different services, the secretariat's range of activities might include: Providing support for the code-writing, code-applying and appeals bodies, arranging meetings, preparing minutes, drafting documents, coordinating the drafting and/or review of codes, etc.;

- Examining complaints received, whether from the public or from competitors, to determine whether or not they are complaints of substance, i.e. whether there appears to be a prima facie case to be considered by the jury. In a developed self-regulatory system, the number of complaints received may be too great for each one to be considered by the jury and non-contentious cases may be dealt with by the secretariat on the basis of previous decisions;
- Communicating the decisions of the jury to the involved parties;
- Publishing the jury's decisions;
- Liaising with advertisers and agencies to obtain evidence in support of advertising claims which have been challenged, either by consumers or by competitors, and examining the evidence to see whether or not it appears to support the claims. In the case of technical claims, many SROs employ independent experts to assess the technical information supplied by advertisers in support of their claims. Although the jury is independent and impartial, it will rely on the expertise of the secretariat (and, where appropriate, its expert technical consultants) to determine the facts of the case, i.e. whether or not the claims in an advertisement can be substantiated;
- Providing advice to advertisers and agencies on the interpretation of the code in particular cases. This is called copy advice – non-binding advice about the acceptability of a proposed advertisement – and it is offered, upon request, by many of the SROs. Copy advice is particularly valuable in pre-production stages of ad development; it helps to prevent problems before they occur and reduces the risk of an advertisement giving rise to complaints. If, however, a complaint is subsequently received, the preliminary judgement of the secretariat is not binding on the jury;
- In some countries there is a system of pre-transmission clearance for specific sectors, e.g. television and radio ads or ads for alcoholic drinks. This is usually referred to as pre-clearance. It means that such advertisements are evaluated by the secretariat for compliance with a specific self-regulatory or regulatory sector code before they can be broadcast or published. In most cases pre-clearance is the result of an agreement with the public authorities, whereby a sector has decided to get its ads pre-cleared in order to ensure that advertising complies with the pertinent code or regulatory instrument. A charge is sometimes made for copy advice and/or pre-clearance, and may be different for members and non-members of the SRO;
- Monitoring advertisements, i.e. carrying out the systematic examination of advertising on a random basis for compliance with the code and taking appropriate action, such as asking an advertiser to supply evidence in support of his claims or referring a case to the jury. Given the number of advertisements that appear each year, it would be impossible for any organisation to examine every single one. However, many SROs carry out own



**Diagram 1:** The working of an SRO based on the Best Practice Model  
 General disclaimer: this diagram aims to give the reader a clearer idea of the composition of an SRO and how it works. There are, however, many countries where the structure and system are very different.

initiative monitoring exercises and deal with any apparent code breaches in the same way as they would complaints. Often such monitoring concentrates on specific media or categories of advertising, particularly those where there may be some public concern, such as advertising of alcoholic beverages. It is also a means of ensuring that the SRO's decisions have been implemented. Where monitoring occurs, SROs also provide feedback to the involved advertisers/sectors to help facilitate future compliance.

- Disseminating information about the SRO, its codes and activities. Very often this takes the form of advertising campaigns designed to raise public awareness of the SRO, so that consumers know how to complain about advertisements which they consider misleading or offensive. These campaigns are often created by advertising agencies on a pro bono basis and advertising space is provided free of charge by the media. SROs should ensure adequate resources to respond to the increase of complaints that may occur as a result of such campaigns;
- Conducting research into areas of particular relevance to advertising regulation/self-regulation to understand consumer concerns;
- Maintaining contact with government bodies, consumer groups, industry bodies and other interested parties, discussing matters of mutual concern, providing evidence on the rules, ensuring the SRO remains in touch with political and social developments and effectively operating the system. This enables appropriate and timely action to be taken, for example the introduction of a new code rule to address a concern, thus averting any need for regulation;
- Raising awareness within the advertising industry of self-regulatory standards and best practice using training events, materials and online tools;
- Participating in, and sometimes organising, educational programmes both aimed at university students and advertising professionals.

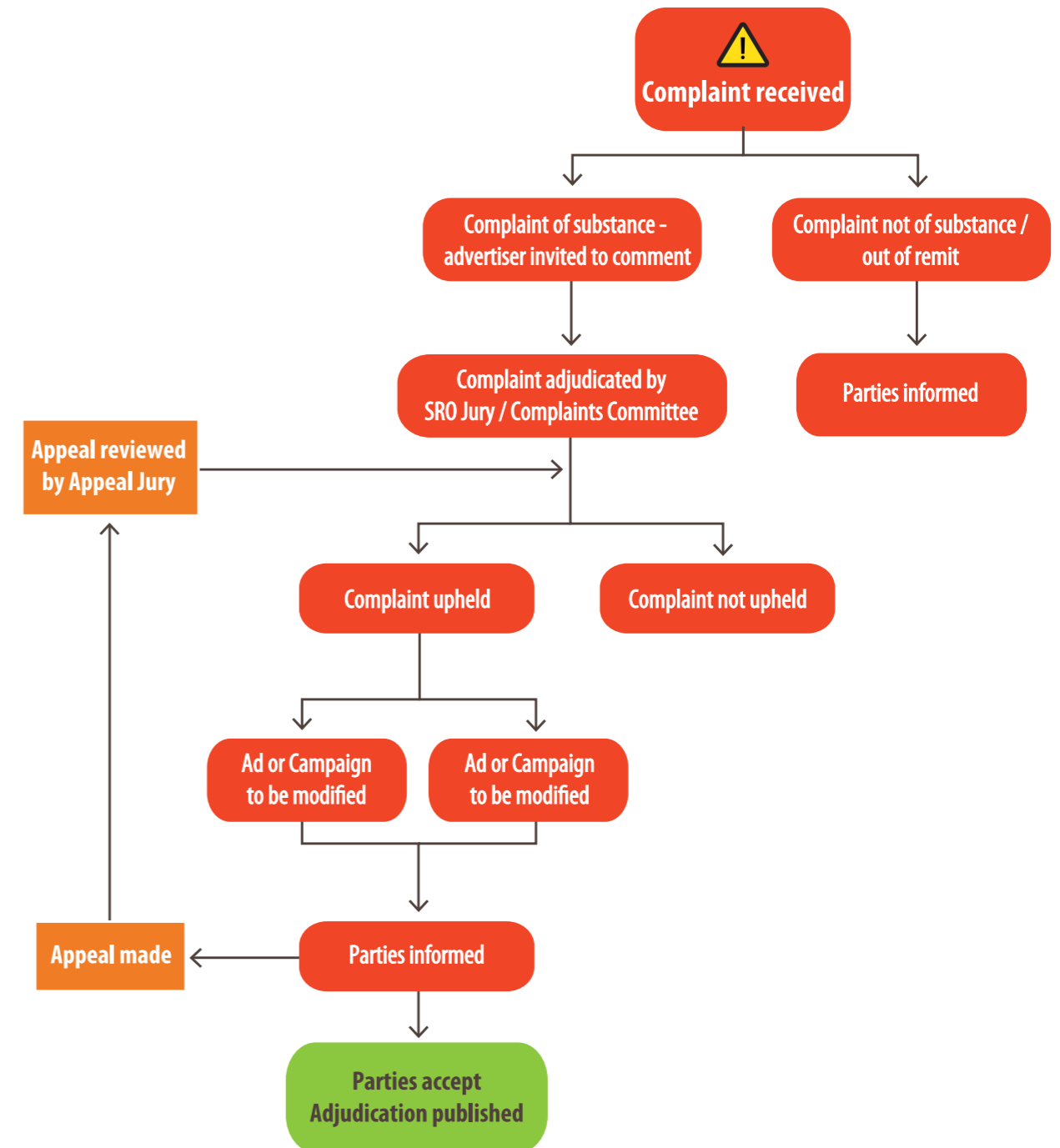


Diagram 2: Complaint handling procedure

\*Note: This is a generic schema that represents the procedure for handling complaints within an SRO. Complaints procedures may however differ within each national SRO. More information can be found on EASA's website.

### Funding and Coverage

Since the SRO is funded by the advertising industry, it is the industry's responsibility to approve its annual budget and to ensure that sufficient funds are available to enable it to function effectively.

Methods of funding vary: many SROs are funded by membership fees, but some others have adopted the levy system, which means that a small percentage charge is made on all advertising, which serves to finance the operation of the SRO. Some systems incorporate a separate body whose sole function is to ensure the financial support, without which the SRO cannot function efficiently. Such a fund-raising body might, for example, be a sub-committee of the SRO.

When setting up a new SRO, it may be necessary to establish a start-up fund to cover costs until a permanent funding model is put in place. This should be properly assessed and provided for in the SRO Action Plan and Budget. Please contact EASA if you would like further information and recent examples from other SROs.

It is important that a self-regulatory system should cover all the areas stipulated in its code. Sectors that account for the majority of ad-spend should be included from the start. Adequate provisions should be made to future proof the self-regulatory system with regards to emerging technologies and techniques.

### Credibility of a Self-regulatory Organisation

It is widely recognised that for self-regulation to be credible it must be, and be seen to be, impartial. Operation and outcome, as well as decisions of the self-regulatory systems, should be made independently of government, specific interests and interest groups. Also decisions taken by SROs and self-regulatory systems should be reached in an independent and impartial manner and this should be reflected in the manner in which the complaints are handled.

The reason as to why an SRO should be impartial, and also be seen to be impartial, is to make the system as legitimate as possible. Consumer organisations, NGOs, governments as well as consumers might have doubts with regard to independence and impartiality when it comes to complaint resolution systems that are funded by the advertising industry. It therefore becomes vital to the systems existence that it is, and is seen to be, impartial and independent.

A self-regulatory system can achieve this by ensuring that it seeks non-binding consultation with relevant external stakeholders when (re-)drafting its codes and by making sure that it includes members of civil society in the form of lay experts in its complaints jury.

Another way to ensure the credibility of a self-regulatory organisation is by ensuring that its system works well and swiftly. A jury that expeditiously adjudicates on complaints about advertisements is more credible than one that operates slowly.

Apart from speed, the SRO should also ensure that it enforces both the national code as well as sector specific codes in the spirit and to the letter. The credible interpretation of codes is essential.

# 4 | Setting up a Self-Regulatory System

### Preliminary Moves

*The following steps do not have to be carried out consecutively - several aspects of the set-up process can be run in parallel, e.g. the development of the code, the drafting of the strategic plan and the establishment of the permanent secretariat. This will help maintain momentum and industry commitment.*

### Getting Consensus

The first precondition for setting up a self-regulatory system is a significant degree of consensus within the advertising industry on the need for such a system. Achieving such consensus may not be easy, particularly if the country has no established tradition of self-regulation. However, once a start has been made, the initiative will gather momentum participation and support will grow.

An effective self-regulatory system must be able to rely on the support from across the advertising ecosystem - the advertisers, because they finance advertising, the agencies, because they are largely responsible for its form and content, and the media channels, because the SRO ultimately relies on them to enforce its decisions by refusing advertisements which breach the rules. The growth of digital advertising means that many new players have recently entered the eco-system; the SRO should endeavour to ensure all players are included from the beginning in the system.

Effective advertising self-regulation is in the interest of advertisers, agencies and media. For the advertisers, advertising SR helps build consumer trust in brands, which in turn builds brand loyalty, increases sales, and strengthens market share. For the agencies it enhances the believability of ads and therefore increases the demand for their services. In general SR helps maintain a sustained return on advertising and therefore for the media it means a sustained inflow of advertising revenue.

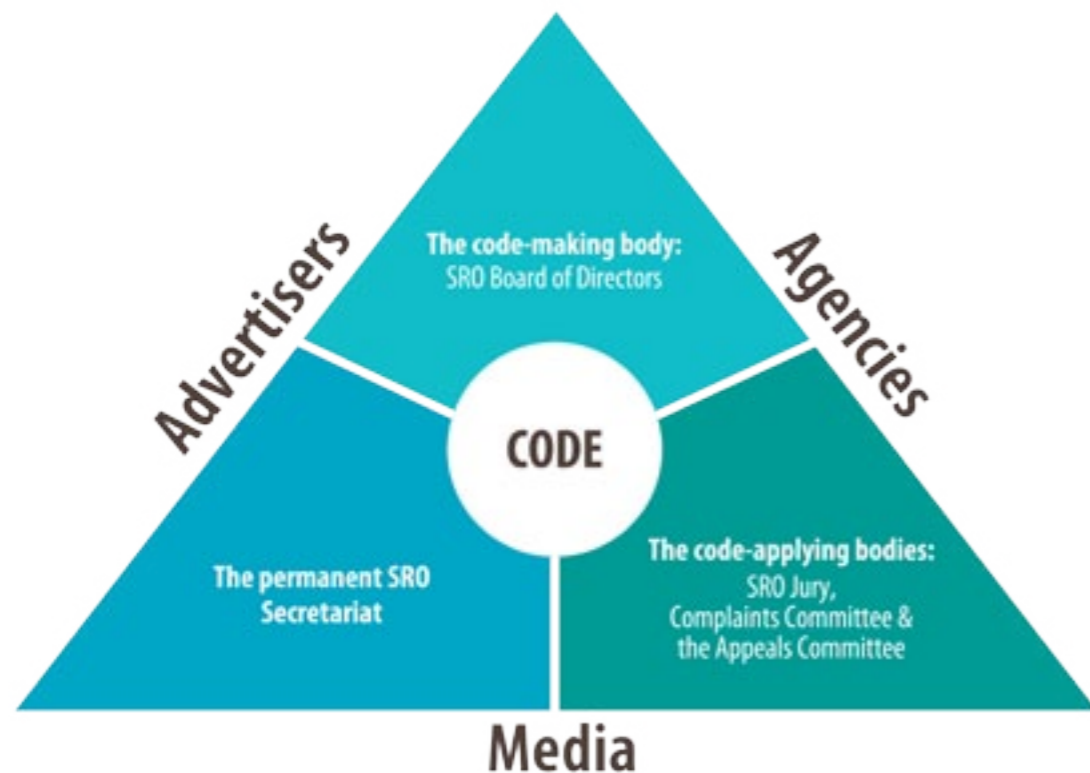


Diagram 3: The advertising industry tripartite (advertisers, agencies and media) needs to find consensus for an SR system

It is often unrealistic to expect to be able to set up a fully-functional self-regulatory system at one stroke - the majority of the most effective national SROs have existed and developed over many years, and indeed continue to develop and grow over time.

Rather than waiting for support from all sectors of the industry, with the attendant risk of losing the momentum in a situation where, for example, there is a threat of detailed legislation or a distinct challenge to the industry for action, it is usually preferable to concentrate on assembling a core-group of influential players who are willing and able to set matters in motion.

It is essential, however, to ensure that full participation (across the ad industry as well as multinational and national operators) is achieved as quickly as possible, since once an SRO has been set up, it will be expected to produce results and provide proof points that the system is working.

### Who to Contact?

Multi-national advertisers, agencies and media are important potential participants and should be involved at the earliest possible stage: they will already have experience in self-regulation and its benefits, acquired in other countries. They may be able to assist with setting up a local advertiser or agency association if none exists.

Similarly, EASA and its member organisations can offer advice and assistance based on experience in many countries and commercial environments. EASA can also provide contact details for relevant industry associations, which can help you to contact key players in your local market. EASA's members include the World Federation of Advertisers (WFA), the European Association of Communications Agencies (EACA) and many European/supranational media

organisations, representing television, press, magazines, radio, outdoor, direct mail, digital and interactive advertising.

New forms of media are increasingly important. Bodies representing the interactive digital media, e.g. internet service providers, third party behavioural advertising companies and mobile phone operators, should be involved in the system from an early stage.

## CASE STUDY

### Getting Consensus and Who to Contact

#### BULGARIA

The Bulgarian National Council for Self-Regulation (NCSR) was established in 2009, and is one of EASA's youngest SRO members.

One of the first steps taken by the NCSR was to find an experienced and trusted local professional to lead the process. Elly Guerganova, a former company representative was asked to take the lead and began by researching which national ad industry associations were present in Bulgaria, and which of these were members of European or International associations.

The next step was to build relationships with these organisations. During this stage including the NCSR sought key support from EASA and its members, WFA, EACA, EGTA and ENPA, the local ICC representative and decision makers for the local ad industry.

One of the main challenges faced during these initial steps was the lack of local understanding of or tradition in self-regulation, EASA's network, along with the ICC and IAA, provided key resources to make the case for self-regulation. In Bulgaria it was necessary to ensure the law recognised the role of the SR system and that a breach in the code could imply a breach of the law.

### Planning the Self-Regulatory Project

The second step in setting up the self-regulatory system is to have a strategic plan managed by a specific team. The plan should cover both functional issues such as the drafting of the code, articles of association, procedural rules, two-year action plan and the SRO's budget as well as the establishment of a permanent secretariat and jury. The plan should set clear targets and deadlines, including, the signing of the code, a date for the public launch of the SRO and subsequent promotional activity to consumers.

EASA can help with the development of your strategic plan and provide guidance, through its diverse network of SRO members. The network provides different examples of scale and legal and cultural contexts as well as SRO and budget models. The EASA network can also provide experts to explain the functioning of the self-regulatory system and to help explain and promote the value of self-regulation to local industry and officials.

## Drawing up the Self-Regulatory Code

An essential step is to draft a credible and locally relevant code of practice. It is recommended that the Consolidated ICC Code of Advertising and Marketing Communications Practice is used as the first point of reference. It can be obtained from the ICC website<sup>11</sup> or from the ICC national committee (for full list please visit ICC's site). If it does not already exist in the relevant language it can be translated.

If the ICC Code does not fully meet local needs, codes and systems already established in other countries may also provide a useful reference.

Self-regulation takes many different forms and familiarity with the systems in other countries will be helpful in determining what will work best in a particular country. EASA can provide advice on this and also operates a buddy system, which puts developing SROs in contact with existing ones that have faced similar challenges and can provide information and advice during the development process.

## Sector and Issue Specific Codes

First and foremost, SROs use their national advertising codes help to ensure that all advertising is decent, legal, honest and truthful. It is important that there is one main advertising code otherwise this causes confusion. However, many SROs are also the administrators of sector, media and/or issue-specific advertising codes.

The ICC has produced a Code on Market and Social Research (together with ESOMAR), as well as a Code on Direct Selling, which both help create, enhance and preserve consumer trust and confidence in the business communities behind it, and thereby in the marketplace itself. The full versions of these codes can be found on the ICC Codes Centre website: [www.codescentre.com/downloads.aspx](http://www.codescentre.com/downloads.aspx)

Another code of self-regulatory conduct of this type is the Code of Conduct for e-Commerce and Interactive Marketing adopted by the Federation of European Direct and Interactive Marketing (FEDMA) in 2000<sup>12</sup>.

Sector-specific codes, like for example specific codes on advertising for alcohol beverages, food products, cosmetics or cars, are usually developed by the specific sectors – sometimes in collaboration with the SRO. Some specific sectoral global initiatives have been mapped in relation with the general ICC codes to produce detailed Framework guidance such as for Food or Alcohol Beverage Advertising and resource guides on topics such as online behavioural advertising (OBA). Other useful ICC initiatives have mapped guidance in relation to Environmental Claims as well as Electronic Product Codes.

Once a sector has agreed on its sector-specific code, it should be entrusted to the SROs for implementation, as these are credible and independent bodies. However, the sector must ensure that their constituent members across a country, area or region are well aware of the commitment made and the responsibility for implementation.

Many SROs also handle local issue-specific codes, relating to for example advertising to children, the portrayal of gender in advertising, and environmental claims in advertising.

In Germany, an extensive code was developed with regard to the portrayal of women in advertising, the French advertising industry agreed on a far reaching code on sustainability going well beyond only environmental claims and Portugal agreed a code on product placement.

There are also several regional bodies that focus on specific issues, such as advertising to children. In the United States, the Children's Advertising Review Unit (CARU) focuses exclusively on promoting responsible children's advertising; in Europe there is the Responsible Advertising and Children Programme (RAC).

In some countries sector and issue codes are combined, like for example in Spain where they produced a code on the advertising of food and non-alcoholic beverages to children, the PAOS code.

## CASE STUDY

### Sector and Issue Specific Codes

#### PERU

CONAR Peru was established in 1998 and is a member of EASA's International Council on Advertising Standards.

Following criticism from the Peruvian Consumer Protection Authority about the transparency and communication of financial products, a code of conduct for the advertising of financial products was developed.

Working with the Banking Association (ASBANC), CONAR assisted in the development of a set of standards and common methodologies for the consumer banking sector. The self-regulatory standards developed went beyond the legal provisions and made sure that these standards could be easily understood by consumers.

CONAR's role was to design the self-regulatory rules and system for financial services, prepare guidelines and carry out daily monitoring and supervision of the commitments taken up by ASBANC.

One of the major challenges was to convince the banking industry of the benefit of self-regulation in this already highly regulated sector. To do this CONAR began by building strong partnerships with a number of the larger banks. In turn this led to other medium and smaller sized banks joining the system.

### Recognition of Self-Regulation in the Law

If discussions are already under way for the drafting of a framework national law on advertising, this is an excellent opportunity for the advertising industry to emphasise to government the potential benefits of self-regulation and provide recognition and scope for it under the proposed legislation. If no such law has yet been proposed, the industry should take the initiative by setting up a self-regulatory system and encouraging government to draft a framework law to support self-regulation by recognising its beneficial and complementary role.

Having a mention in statutory law that advertising self-regulation is a viable policy option creates room for advertising self-regulation to operate within a legal framework. Formal recognition that advertising self-regulation provides an additional layer of consumer protection will also lessen the possibility that a statutory body is set up to do the same.

11. The ICC Consolidated Code and related Frameworks and guidance can be downloaded from [www.codescentre.com/downloads.aspx](http://www.codescentre.com/downloads.aspx)  
12. <http://www.fedma.org/code-of-practice.60065.en.html>

## CASE STUDY

**Recognition of Self-Regulation in the Law****HUNGARY**

Hungarian SRO, ÖRT, was established in 1996 and its Secretary General, Ildikó Fazekas, was Chairman of EASA from 2009-2013.

Early on, ÖRT found that one of the best ways to get self-regulation recognised by law was to build and maintain relationships with the policy makers and decision takers and make sure to meet with them on a one-to-one basis.

This way ÖRT was able to give a human face to self-regulation in Hungary. By making these connections, the key people involved in the decision making process knew who to contact when they had any questions about what ad self-regulation covers and how it interacts with the legal framework.

**Ensuring an Operational System**

The strategic plan should be implemented and the appropriate bodies, structures and procedures (for example an independent jury to handle complaints - see section 3) put in place and tested to ensure that the system can function effectively. Realistic budgets should be drawn up, based on the costs of establishing, operating and promoting the system. As well as financial support, support in kind can be solicited from the advertising industry, e.g. pro bono creative work on the SRO website, logo and promotional advertising, and media space can be provided free of charge for the SRO launch.

**Training and Testing**

Once an SRO has been set up and prior to its operational launch, it is important that SRO staff members are properly trained. EASA representatives can identify volunteers from existing SROs to provide training assistance in activities such as complaint-handling, copy advice, jury operation, communications, etc.

Prior to launch, the SRO's structures and procedures should be tested by, for example, using sample complaints and copy advice requests, and the jury's decision-making process should be rehearsed and tested.

Once these basic structures have been established, the SRO will need to consider further activity, including advertising monitoring and promotion of the SRO to raise public awareness through a strategic communications plan. More information on these points can be found in section 5 which focuses on further consolidating the self-regulatory system.

Whatever other actions the industry may undertake, it is vitally important to communicate the industry's commitment to high standards and responsible advertising self-regulation. A code signing ceremony or charter of intent can be useful in this respect. An industry that claims the right to regulate itself must be able to demonstrate that it is capable of the self-discipline required. It should always be borne in mind that once an SRO has been set up, it will be expected to function efficiently and the effectiveness of self-regulation will be judged by its practical performance.

## CASE STUDY

**Training and Getting Ready to Launch the SRO****CYPRUS**

Cypriot SRO, CARO, was formally established in 2013 and is EASA's newest European SRO member.

The process to set up an SRO in Cyprus began on 21 September 2009 when a group of influential industry representatives held an event to discuss advertising self-regulation. From this point on consensus quickly gathered around the idea of developing self-regulatory system for Cyprus, and so the Cyprus Advertising Regulation Organisation (CARO) was born.

Training was identified as a key part of developing CARO into a fully functioning SRO. After selecting a voluntary panel of jury members, training was organised in two stages.

The first stage was a one-day workshop with Piet Jaspert who was at the time the jury chairman of Belgian SRO JEP and EASA Vice-Chair on 18 April 2011. Participants heard about EASA, complaints statistics and were shown examples of ads that touched on sensitive areas, such as misleading advertising, taste and decency, health and safety.

For the second stage, jury members took part in model complaints-handling committees each lasting approximately 3 hours over a period of several months.

In January 2013 CARO joined EASA and a joint meeting with the EASA Executive Committee and CARO Board took place to discuss how to further enhance self-regulation in Cyprus. From the date of its conception, CARO took three and a half years to become operational; it is important to get the details right when setting up a self-regulatory system to make sure that it is credible from the start.

**How EASA can Help**

EASA, and its members around the globe via ICAS, can provide help and guidance through all the processes detailed in this guide.

EASA promotes self-regulation as a preferable alternative to detailed legislation, helping to set up new national SROs and to strengthen self-regulation in countries where it is not yet consolidated and assistance is requested.

It also acts as a coordination point for self-regulation, providing information, conducting research and publishing the results. Its members meet regularly, to share and develop best practices and to identify areas where they can work together to solve problems. EASA has developed a Best Practice Model comprising guidelines for SROs on various aspects of self-regulation, as well as detailed best practice recommendations.

For further information on EASA and a list of useful SRO and industry organisation contacts, see Section 6.

For the most up-to-date contacts and information please visit the EASA website on [www.easa-alliance.org](http://www.easa-alliance.org). It has all the information you need about advertising self-regulation, including:

- Regular news updates on European and global self-regulation;
- Briefs on the key issues and challenges faced by the advertising industry;
- Updates on the status of self-regulation across the EU and beyond;
- Document library, recommended reading list and self-regulation links;
- An extensive extranet for EASA members;
- Annual national statistics;
- Information on national self-regulation awareness campaigns;
- Information on the role and value of self-regulation.

# 5 | How to Further Consolidate Self-Regulatory System

## Next steps

*The following section has been developed for those self-regulatory organisations that have ensured that their basic self-regulatory system as described in section 4 is fully functioning and have a proper funding system in place.*

## Extending Self-Regulation across all Marketing Communications and Product Sectors

It is vital to any self-regulatory organisation that its remit includes all types and sectors of marketing communications as depicted in the Consolidated ICC Code of Advertising and Marketing Communication Practice, which says:

“ *The Consolidated ICC Code applies to all advertising and other marketing communication for the promotion of any kind of goods and services, corporate and institutional promotion included.*

*[...] advertising as well as other techniques, such as promotions, sponsorships and direct marketing, and should be interpreted broadly to mean any form of communication produced directly by or on behalf of marketers intended primarily to promote products or to influence consumer behaviour*

*The same is reflected in the Perspectives of Effective Self-Regulation, a document that was the outcome of the Global Advertising Summit in Toronto in 2007 (see Annex A)“.*



Effectively functioning SROs help ensure high advertising standards irrespective of the product/service advertised or the method of communication.

If a certain product or service group poses an issue for the SRO, it is useful to see what product or service specific codes exist in other similar countries. If applicable, these should be adjusted to reflect national circumstances. It is never a good idea to transpose another SRO's code directly without first checking it is applicable and adapting it to the local market.

If the SRO was set up without all types of media included in order to get the project going, then these types of media channels should now be involved. With the increase in digital advertising and new techniques, SROs should look to ensuring that they are covering the significant marketing communications across this channel such as mobile, online websites, endorsed virals, social media, apps etc. SROs will need to engage with the major players in these channels and platforms.

An ambitious programme to deliver self-regulation for online behavioural advertising (OBA) started to be rolled out in the US in 2010. Today OBA is handled by SROs around the globe. Existing advertising self-regulation systems have been combined with technical solutions for consumers to exercise choice and control over the types of ads they wish to receive. The Digital Advertising Alliance (DAA) is responsible for the application of OBA self-regulation in the US and the European Interactive Digital Advertising Alliance (EDAA) is in place in Europe<sup>13</sup>.

These new schemes have necessitated close cooperation between SROs and the business sector concerned. Discussions are of a technical nature, so adequate time should be given to ensure that these start from a place of being well informed. The normal SR process may need to be supplemented by online technological solutions for consumers such as the US Ad choices <http://www.youradchoices.com/> and <http://youronlinechoices.eu/> to gain transparency and exercise control and choice.

### Ensuring up-to-date Codes through Informal Stakeholder Consultation

Both the EASA Best Practice Model<sup>14</sup> and the Perspectives of Effective Self-regulation (Annex A) emphasise the importance of establishing a procedure for regular review and update of the Code. This ensures that codes remain abreast of developments in the market place, shifts in public concerns and sensitivities, as well as technological developments which see and advent of new forms of advertising.

A distinction could be made between “technical updates” on the one hand, and fundamental changes to the core of the code on the other. Minor updates can occur on a ‘need to have’ basis, whereas a complete rewrite of the code may not be necessary for a decade or more. It is, however, recommended that codes be reviewed at least every three to four years in order that their coverage stays relevant. Revising codes in more frequently can create problems of awareness and certainty of rules. ICC revisions to their code should be taken into account as and when they occur.

As with the production of the code there can be considerable variation in the procedures by which codes are amended. It is essential, however, that the process is perceived as transparent, pragmatic and not controlled by vested interests. Otherwise the Code's credibility, support and acceptance could be seriously jeopardised.

To ensure transparency and credibility it is recommended that all interested parties are consulted with regard to changes or additions to the code. Ensuring that the key business

players affected by the codes, whether they are members or not, are involved at an early stage is important. It is advised that such a non-binding consultation process should be undertaken with not only key industry representatives but also in some form with civil society representatives as in most countries consultation is fundamental for the credibility of self-regulation. Experience suggests that SROs should provide some means for interested parties, to register an interest in participating in the consultation, for example via the SRO website or in response to a direct request for input.

### Pre-Screening Complaints

Start-up SROs may have some experience in complaint handling but may find that the jury does not have the capacity to handle a growing volume of complaints, even where juries are drawn from a pool of experts. In many developed SROs, senior secretariat staff pre-screen complaints. Complaints that are out of remit or do not raise issues under the code are not referred to the jury. Some mature SROs may utilise staff to adjudicate complaints similar to those previously adjudicated based on jury precedent.

All complaints that are of a different nature or that are on a different execution of the ad will be referred to the jury together with all new complaints.

### Providing Copy Advice Facilities

As mentioned in section 3, many SROs provide copy advice, as a service to advertisers and agencies. Copy advice is defined as non-binding confidential pre-publication advice about a specific advertising proposal. This service can take the form of advertisers and/or agencies sending in their advertisement at the planning stage to the SRO for consultation. The SRO will review the advertisement for compliance with the code and will provide advice regarding potential changes if it does not conform to the code.

As a reviewed ad is likely to generate less complaints than one that has not received any copy advice, advertisers, agencies and media should be actively encouraged to seek copy advice and SROs should provide it to everyone who requests it (except in cases where there are legal constraints on the provision of advice to non-members).

SROs should not regard copy advice as a principle source of revenue and any charge made should not be so great as to act as a deterrent. SROs should look to provide such services at beneficial rates to members where a membership system is in place.

In order to be able to give copy advice, at a minimum, SROs should request the script in the case of an audiovisual advertisement, or the text in the case of printed or digital media. Whether or not visual details are also needed will depend on the ad itself. Copy advice should be provided in writing. Keeping a permanent record of the copy advice provided helps ensure consistency. It is also useful to have as background information in case of future complaint about the advertisement, and for statistical purposes.

Some established SROs have very elaborate copy advice systems whereby the advertiser / agency enters the idea for the ad in the SRO's online database. For more information on the different systems used by SROs please contact EASA.

The International Copy Advice/ Pre-Clearance Facility ([www.ad-advice.org](http://www.ad-advice.org)) was jointly developed by EASA and its UK SRO member Clearcast. The Facility enables ad professionals to submit requests for copy advice and pre-clearance for campaigns across multiple markets.

13. Details for the DAA and EDAA can be found at the back of this publication.

14. EASA Best Practice Self-Regulatory Model can be downloaded from <http://www.easa-alliance.org/page.aspx/237>.

## Providing Copy Advice Facilities

### SPAIN

Spanish SRO, Autocontrol, was created in 1995, although there has been a self-regulatory system in Spain since 1977.

Since Autocontrol began offering copy advice services in 2003, requests for advice have grown from 873 a year to over 20,147. Bringing a number of benefits for the ad industry and the SRO.

For industry, it has helped protect the reputation of the advertisers and has reduced the number of complaints. Ads that are found to breach the rules have to be amended or even withdrawn; by requesting copy advice, advertisers can make sure that they don't invest time and money on 'bad' advertising.

Because copy advice acts as an alternative control method for industry it has helped to avoid further mandatory legal controls. For example, in Spain the generalized use of copy advice for the advertising of financial products helped to remove the advance controls required by the Bank of Spain.

Copy advice has also strengthened the profile of Autocontrol in the eyes of consumers and the public authorities, who see can see the direct impact it has in ensuring responsible advertising.

The success of Autocontrol's original copy advice service led to the decision to expand it further to meet the technological developments related to internet advertising. In 2013 the Cookie Advice Service was launched. This takes the form of a technical as well as legal consulting service, helping advertisers and webmasters to comply with legal requirements.

## Ensuring Organised Compliance Monitoring

Some consumer organisations and national authorities suggest that the weakness of self-regulatory systems is that they intervene only when they receive complaints and are therefore insufficiently proactive.

Monitoring of advertising allows an SRO to take action on its own initiative and to be seen to play a proactive role in ensuring advertising code compliance. Monitoring that is carried out regularly and consistently can also identify trends and provide analyses and feedback to the advertising industry, which in turn will help improve compliance levels.

Monitoring of advertising can be carried out by an SRO's staff on a regular basis (e.g. daily, weekly or monthly). Usually a product or service group is monitored across a range of media or all ads in one type of media are reviewed. The purpose is to review advertising appearing in the media for compliance with the advertising code, and to take appropriate steps in cases of non-compliance.

Also, when advertisers and agencies are contacted in the course of monitoring, this helps increase industry awareness of the SRO and its codes and policies. Monitoring data contribute an extra dimension to the statistics published by an SRO as evidence of its activities. This data also provides an invaluable set of examples for industry education and training.

Special care should be taken, in cases arising from monitoring, to ensure that the code is applied with absolute impartiality. Advertisers are likely to object strongly if they suspect that monitoring is being conducted on an arbitrary, 'hit-or-miss' basis, or that they are being asked to comply with standards more rigorous than those applied to their competitors' advertising.

As with all services, monitoring requires funds. Depending on the financial situation, monitoring can be done in-house as part of the typical activities an SRO undertakes; this is the ideal situation. If the funding is not sufficient to cover in-house monitoring, extra funds can be obtained from the product or service sector or the medium that is being monitored as the SRO is giving them the chance to publicly show how well they are complying with the code by creating benchmarks of compliance. The monitoring also provides useful examples for in-house training with the sector concerned and awareness around the code provisions.

EASA organises monitoring exercises and provides support to SROs who plan to carry them out.

## Awareness Raising Campaigns

Self-regulatory systems, processes and procedures should be transparent, understandable and easily accessible in order to be professional and maintain credibility. It is vital for SROs to communicate and demonstrate the effectiveness of self-regulation as a complement to legislation on a direct basis with the main three target groups of all SROs: individual consumers, government bodies and industry professionals.

This can be done in many different ways but one tried and tested way is the awareness campaign. It is recommended that SROs undertake regular publicity campaigns, both in traditional media and the increasingly important electronic media, to create and maintain consumer awareness of the system. This can be supplemented by the provision of reduced-fee or pro-bono media space, creative work etc. from the advertising industry.

To secure support from industry members, SROs should be able to present a plan outlining the purpose and measurable outcomes of the proposed communications campaign and how it will contribute to raising awareness of the SRO. EASA has a large number of examples from different countries of promotional campaigns by SROs.

## Awareness Raising Campaigns

### INDIA

The Advertising Standards Council India (ASCI) was established in 1985 and is a leader in self-regulation in the Asian continent.

In 2011 ASCI launched a three part initiative to raise awareness of its work in raising advertising standards. The initiative was based around two conferences and a public ad campaign. ASCI felt it was important to take a holistic approach which aimed not only at raising awareness of consumers and regulators about the SRO, but also targeted at encouraging responsible advertising amongst the ad industry.

The first conference held by ASCI was aimed at regulators and consumer activists. ASCI made sure that the main regulators responsible for issues related to advertising were present by securing the attendance of the Minister of Information and Broadcasting and the Minister of Consumer Affairs.

The second conference was designed to connect ASCI with the ad industry and took place during GoaFest 2011, India's biggest advertising awards festival. 100 young creatives were invited to take part in the Creativity with a Conscience competition, which involved teams creating installations based around the theme of responsible advertising for display around the venue.

The third step was a consumer campaign, which sought to raise awareness of ASCI amongst the general public. The campaign was created pro bono by ad agency BBH India and was also displayed and published in the media for free.

As a result of the campaign complaints doubled, ASCI developed a better relationship with key consumer activist associations, and the SRO gained twenty new members. In addition the government ministers publically commended the work of the SRO and highlighted their intention to work with ASCI on the subject of regulating ad content in the future.

As well as getting industry involved in the conference and the development and roll out of the campaign, the ad industry, mainly in the form of ASCI members, sponsored the conference. The World Federation of Advertisers (WFA) has also provided key financial support for ASCI in its awareness raising activities.

### Handling a Surge of Complaints as a Result of an Awareness Campaign

When an SRO is initially established, it will launch its first awareness campaign to inform the public of its existence. Once an SRO is more established it should consider launching a new awareness campaign to encourage consumers to send in their complaints and/or be aware that the SRO ensures high standards in advertising. Based on previous experience of SROs around the world, the increased number of complaints brought about by an awareness campaign can be anywhere between 20% and 300%. The worst-case scenario would be to have such a surge in complaints and not to have the resources to deal with them.

It is advised that SROs, prior to launching an awareness campaign, are familiar with the complaint handling procedure as explained in section 3 and are ready to meet the expectations of stakeholders with regard to speed of response and the types of media channels covered.

### Undertaking Research and Consumer Awareness Surveys

Consumer awareness surveys are a very useful way of finding out how familiar the general public is with the SRO and the concept of self-regulation. Based on the survey responses, an SRO can decide whether it is necessary to launch an awareness campaign, or the impact of a recent campaign. In terms of resources needed for such a survey, the advertising industry should be able to help. If resources permit, it is recommended to measure consumer awareness of the SRO before and after the campaign.

### Education, Training Resources and Events

As mentioned in section 3, it is important for SRO staff to be trained prior to the launch of the SRO. Once the SRO is more established, however, and it is looking into expanding its services, education and training remain key to ensuring top quality service. Especially the jury should be re-trained in accordance with changes in the code.

Many SROs also provide in-house training courses for ad professionals to make them more familiar with the code. These can be held both in person and online. Very often this training takes the form of a workshop to increase its accessibility, enable the sharing of experiences and to ensure SRO staff have the opportunity to meet with local industry representatives.

SROs should also look to encourage the inclusion of the study of self-regulation, responsibility and ethics into marketing and communications courses in higher education. EASA has established an 11 course education programme, the 3E module which can assist SROs and others wishing to run such courses.

### CASE STUDY

#### Education, Training Resources and Events

##### BRAZIL

The Conselho Nacional de Auto-Regulamentação Publicitária of Brazil (CONAR) was established in 1980 is one of the founding members of CONARED (the Latin American Network of SROs). CONAR Brazil is a longstanding member of ICAS, EASA's International Council.

In 2005 CONAR identified a need to strengthen the evidence based arguments in defence of the right to advertise, in particular against repeated threats on the basis of sensitive issue and products and communications techniques, for example the exposure of children or product placement.

To meet this need they created a partnership with Escola Superior de Propaganda e Marketing (E.S.P.M.), a leading education institution in Brazil dedicated to professional training, teaching and research in the area for creation of a Reference Center on Freedom of Speech.

Ethics and legislation is already a compulsory part of all communications courses in Brazil, however the Partnership with ESPM goes a step further. It is aimed at providing a range of stakeholders, including academics, communications professionals and lawyers, with training on the principle of freedom of speech, with emphasis on freedom of commercial speech, a key tool for marketing communications.

## Tools and Resources

The EASA website [www.easa-alliance.org](http://www.easa-alliance.org) contains a range of information on self-regulation including:

- Regular news updates on European and global self-regulation;
- Briefs on the key issues and challenges faced by the advertising industry;
- Updates on the status of self-regulation across the EU and beyond;
- Document library, recommended reading list and self-regulation links;
- An extensive extranet for EASA members;
- Annual complaints statistics for European and non-European SROs;
- Information on national self-regulation awareness campaigns;
- Information on the role and value of self-regulation.

EASA, in cooperation with other partners, has been involved in the development of key industry tools and educational projects.

### EASA's 3E Module – EASA | Ethics | Education

EASA, led by programme Director Arthur Pober, has developed an interactive training module of eleven lessons on ethics in advertising. These have been principally developed for people who have recently, or are about to become involved in advertising with a focus on students of marketing and advertising, but not only limited to this target group. The 3E Module lessons are aimed at “Stimulating improved thinking to build an ethical base for a responsible professional future and business growth”. They include a number of case studies on product areas such as food, alcohol and tobacco advertising and issues such as gender portrayal and advertising to children.

The EASA EDU mini-site [www.easa-edu.org](http://www.easa-edu.org) can provide more information.

### Business Action for Responsible Marketing and Advertising (BARMA)

Through its ICC's advocacy and educational initiative, Business Action for Responsible Marketing and Advertising (BARMA), the full range of industry stakeholders—advertisers, agencies, intermediaries and media work together to “...promote greater application of ICC's international codes for advertising and marketing practice and to support self-regulation in markets where it is underdeveloped or at risk...”

The objectives of BARMA are to:

1. Educate current and future practitioners on the importance of compliance with the Code and the role of effective self-regulation in building consumer confidence, maintaining corporate reputation and preserving business' license to market its products and services;
2. Increase public and political awareness of self-regulation in marketing and its advantages;
3. As a catalyst for further development of self-regulation in key international markets.

Together with international business school INSEAD, ICC developed the 90-minute case-study based module for use in marketing programmes. This programme was made available for free to professors and SROs around the world to assist them in teaching the application of the code principles. A modular version of this training programme has also been developed by ICC for use in seminars with practitioners and policymakers.

Several other education and training initiatives on advertising also exist throughout the world such as those run by the IAA. For the latest list please contact EASA.

# 6 | Useful Contacts

## Contact Information – EASA and its members<sup>15</sup>

### The European Advertising Standards Alliance (EASA)

Rue des Deux Eglises 26, 1000 Brussels, Belgium  
T: +32 2 513 78 06 | [info@easa-alliance.org](mailto:info@easa-alliance.org) | [www.easa-alliance.org](http://www.easa-alliance.org)

## Self-Regulatory Organisation Members

### Australia

Advertising Standards Bureau (ASB)  
T: +61 2 6173 1500 | [administration@adstandards.com.au](mailto:administration@adstandards.com.au) | [www.adstandards.com.au](http://www.adstandards.com.au)

### Austria

Österreichischer Werberat (ÖWR)  
T: +43 5 90 900 - 3577 | [office@werberat.at](mailto:office@werberat.at) | [www.werberat.at](http://www.werberat.at)

### Belgium

Jury voor Ethische Praktijken inzake Reclame / Jury d'Ethique Publicitaire (JEP)  
T: +32 2 502 70 70 | [info@jep.be](mailto:info@jep.be) | [www.jep.be](http://www.jep.be)

### Brazil

CONAR – Conselho Nacional de Autorregulamentação Publicitária  
T: +55 11 3284 8880 | [diretoria@conar.org.br](mailto:diretoria@conar.org.br) | [www.conar.org.br](http://www.conar.org.br)

### Bulgaria

National Council for Self-Regulation (NCSR)  
[office@nss-bg.org](mailto:office@nss-bg.org) | [www.nss-bg.org](http://www.nss-bg.org)

### Canada

Advertising Standards Canada (ASC)  
T: +1 416 961 6311 | [linda.nagel@adstandards.com](mailto:linda.nagel@adstandards.com) | [www.adstandards.com](http://www.adstandards.com)

### Chile

Consejo de Autorregulación y Etica Publicitaria  
T: +56 2 331 04 41 | [conar@conar.cl](mailto:conar@conar.cl) | [www.conar.cl](http://www.conar.cl)

15. As of April 2014, EASA has 54 Members: 27 European SRO members and 11 SRO members from outside Europe as well as 16 industry associations. For the latest information please visit [www.easa-alliance.org](http://www.easa-alliance.org).

**Colombia**

CONARP - Comisión Nacional de Autorregulación Publicitaria (CONARP)  
T: +57 (1) 611 0011 | ucep.ucep@outlook.com | www.ucepcol.com/conarp

**Cyprus**

Cyprus Advertising Regulation Organisation (CARO)  
T: +357 99 198 954 | info@fed.org.cy | www.fed.org.cy

**Czech Republic**

Rada pro reklamu (RPR)  
T: +420 2 57 53 14 41 | info@rpr.cz | www.rpr.cz

**El Salvador**

Consejo Nacional de la Publicidad (CNP)  
T: +503 2259-2444 | direccionejecutiva@cnp.org.sv | www.cnp.org.sv

**Finland**

Mainonnan eettinen neuvosto (MEN)  
T: +358 9 42 42 62 00 | men@chamber.fi | www.mainonnanneettinenneuvosto.fi

**France**

Autorité de régulation professionnelle de la publicité (ARPP)  
T: +33 1 40 15 15 40 | contact@arpp.org | www.arpp-pub.org

**Germany**

Deutscher Werberat (DW)  
T: +49 30 59 00 99 700 | werberat@werberat.de | www.werberat.de  
Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V. (WBZ) (Wettbewerbszentrale)  
T: +49 617 212 150 | mail@wettbewerbszentrale.de | www.wettbewerbszentrale.de

**Greece**

Συμβούλιο Ελέγχου Επικοινωνία (ΣΕΕ)  
T: +30 210 68 99 331-2 | info@see.gr | www.see.gr

**Hungary**

Önszabályozó Reklám Testület (ÖRT)  
T: +36 1 301 0410 | ort@ort.hu | www.ort.hu

**India**

The Advertising Standards Council of India (ASCI)  
T: +91 22 253 21 066 | asci@vsnl.com | www.ascionline.org

**Ireland**

The Advertising Standards Authority for Ireland (ASAI)  
T: +35 31 613 7040 | standards@asai.ie | www.asai.ie

**Italy**

Istituto dell'Autodisciplina Pubblicitaria (IAP)  
T: +39 02 58 30 49 41 | iap@iap.it | www.iap.it

**Lithuania**

Lietuvos Reklamos Biuras (LRB)  
T: +37 0 601 07333 | info@reklamosbiuras.lt | www.lrb.lt

**Luxembourg**

Le conseil de la publicité (CLP)  
T: +352 439 444 713 | info@conseilpublicite.lu | www.conseilpublicite.lu

**The Netherlands**

Stichting Reclame Code (SRC)  
T: +31 20 696 00 19 | info@reclamecode.nl | www.reclamecode.nl

**Mexico**

Consejo de Autorregulación y Ética Publicitaria (CONAR)  
T: +52 (55) 9000 3051 | conar@conar.org.mx | www.conar.org.mx

**New Zealand**

The Advertising Standards Authority (ASA NZ)  
T: +64 4 472 7852 | asa@asa.co.nz | www.asa.co.nz

**Peru**

Consejo de Autorregulación Publicitaria del Perú (CONAR)  
T: +51 1 421 1096 | conar@conarperu.org | www.conarperu.org

**Poland**

Związek Stowarzyszeń Rada Reklamy (Rada Reklamy)  
T: +48 22 6213194 | biuro@radareklamy.org | www.radareklamy.org

**Portugal**

Instituto Civil da Autodisciplina da Comunicação Comercial  
T: +351 21 303 7000 | icap@icap.pt | www.icap.pt

**Romania**

Publicitate/Romanian Advertising Council (RAC)  
T: +40 21 312 25 83 | www.rac.ro | office@rac.ro

**Slovakia**

Rada Pre Reklamu (RPR)  
T: +421 2 59324249 | rpr@rpr.sk | www.rpr.sk

**Slovenia**

Slovenska oglaševalska zbornica (SOZ)  
T: +386 1 439 60 50 | info@soz.si | www.soz.si

**South Africa**

The Advertising Standards Authority of South Africa (ASA SA)  
T: +27 11 781 20 06 | info@asasa.org.za | www.asasa.org.za

**Spain**

AUTOCONTROL - Asociación para la Autoregulación de la Comunicación Comercial  
T: +34 91 309 66 37 | autocontrol@autocontrol.es | www.autocontrol.es

**Sweden**

Reklamombudsmannen (Ro.)  
T: +46 (0)8-662 05 50 | ro@reklamombudsmannen.org | www.reklamombudsmannen.org

**Switzerland**

Schweizerische Lauterkeitskommission (SLK)/Commission Suisse pour la Loyauté (CSL)  
T: +41 1 211 79 22 | info@lauterkeit.ch | www.faire-werbung.ch

**Turkey**

Reklam Özdenetim Kurulu (RÖK)  
T: +90 212 351 63 70 | rok@rok.org.tr | www.rok.org.tr

**United Kingdom**

Advertising Standards Authority (ASA)  
T: +44 20 7492 2222 | enquiries@asa.org.uk | www.asa.org.uk / www.cap.org.uk  
Clearcast  
T: +44 207 339 4700 | enquiries@clearcast.org.uk | www.clearcast.org.uk

**Industry Members****Advertising Information Group (AIG)**

T: +44 (0)207 340 1100 | sue.eustace@adassoc.org.uk | www.aigeuropa.org

**Association of European Radios (AER)**

T: +32 2 736 91 31 | vincent.sneed@aereurope.org | www.aereurope.org

**Association of Commercial Television in Europe (ACT)**

T: + 32 2 736 00 52 | info@acte.be | www.acte.be

**European Association of Communications Agencies (EACA)**

T: +32 2 740 07 10 | communications@eaca.eu | www.eaca.eu

**Association of Television and Radio Sales Houses (egta)**

T: +32 2 290 31 31 | info@egta.com | www.egta.com

**European Magazine and Media Association (EMMA)**

T: +32 2 536 06 06 | info@magazinmedia.eu | www.magazinmedia.eu

**European Newspaper Publishers Association (ENPA)**

T: + 32 2 551 01 90 | enpa@enpa.be | www.enpa.be

**European Publishers Council (EPC)**

T: +32 (0) 2 231 12 99 | info@epceurope.eu | www.epceurope.eu

**Electronic Retailing Association Europe (ERA)**

T: +49 (0) 27 81 88 50 | contacteraeurope@retailing.org | www.eraeurope.org

**European Sponsorship Association (ESA)**

T: +44 20 8390 3311 | enquiries@sponsorship.org | www.sponsorship.org

**Federation of European Direct and Interactive Marketing (FEDMA)**

T: + 32 2 779 4268 | info@fedma.org | www.fedma.org

**FEPE International**

T: +44 7973 538930 | info@fepe.com | www.fepe.com

**International Advertising Association (IAA)**

T: + (1) 646 722 2612 | iaa@iaaglobal.org | www.iaaglobal.org

**Interactive Advertising Bureau Europe (IAB Europe)**

T: +32 (0) 2 526 55 68 | communication@iabeuropa.eu | www.iabeurope.eu

**Search and Information Industry Association (SIINDA)**

T: +32 2 892 3979 | stephanie@siinda.com | www.siinda.com

**World Federation of Advertisers (WFA)**

T: +32 2 502 57 40 | info@wfanet.org | www.wfanet.org

**Other Useful Contacts**

*Associations mentioned in this guide*

**Asia-Pacific Economic Cooperation (APEC)**

www.apec.org

**Digital Advertising Alliance (DAA)**

www.aboutads.info

**European Interactive Digital Advertising Alliance (EDAA)**

www.edaa.eu

**International Centre for Alcohol Policies (ICAP)**

www.icap.org

**International Chamber of Commerce (ICC)**

T: +33 1 49 53 28 07 | www.iccwbo.org

**Non- EASA SROs and Co- and Self-Regulatory Systems****Argentina**

Consejo de Autorregulación Publicitaria (CONARP)  
info@conarp.org.ar | www.conarp.org.ar

**Ecuador**

Special Advertisement Committee  
T: (5932)3966800 | mario.benavente@mccann.com.ec

**Hong Kong**

Communications Authority  
T: (852) 2961 6333 | webmaster@ofca.gov.hk | www.coms-auth.hk

**Ivory Coast**

Conseil Supérieur de la Publicité (CSP)  
T: +225 22 41 11 36 | conseilsupub@avisoci.ci |

**Japan**

Japan Advertising Review Organization (JARO)  
T: +81-3-3541-2811 | http://www.jaro.or.jp/

**Korea**

Korea Communications Standards Commission (KCSC)  
T: +82 2 3219 5600 | www.kocsc.or.kr | jyang@kocsc.or.kr

**Korean Online Ad Association**

T: +82 2 2144 4422 | koa@onlinead.kr | www.kiado.kr

**Malaysia**

Advertising Standards Authority Malaysia  
T: 03-7660 8535 | asa@macomm.com.my | www.asa.org.my

**Nigeria**

Advertising Practitioners Council of Nigeria  
T: +234 1 773 3308 | apconhouse@apconng.com | www.apcon.gov.ng

**Paraguay**

Centro de Regulacion, Normas y Estudios de la Comunicacion (CERNECO)  
T: 595 21 213-639 | cerneco@cerneco.org.py | www.cerneco.org.py

**Philippines**

Advertising Standards Council  
T: +63 893 8103 | www.asc.com.ph

**Singapore**

Advertising Standards Authority of Singapore (ASAS)  
T: +65 6461 1888 | asas@case.org.sg | www.asas.org.sg

**Taiwan**

The National Communications Commission (NCC)  
po2@ncc.gov.tw | www.ncc.gov.tw/

**Uruguay**

Consejo Nacional de Autorregulación Publicitaria (CONARP)  
T: +598 2 402 2552 | www.conarp.com.uy

**US**

Advertising Self-Regulatory Council (ASRC)  
T: +1 212 705 0104 | www.asrcreviews.org

# Annex A

## Perspectives on Effective Self-Regulation

This document sets out perspectives on advertising self-regulation emanating from the Toronto Global Advertising Summit in April 2007. It describes the various component parts of effective self-regulatory systems.

The elements outlined in this document are based on experience in implementing self-regulation at a local level. They will not necessarily need to be implemented simultaneously, and should not be understood as universally applicable to all local systems. This document, rather, is intended to serve as an informal guidance document for stakeholders to evaluate, initiate and develop effective and credible systems in key emerging markets. It will help identify areas where investment is needed to develop existing national arrangements in order to improve the provision and operation of self-regulation.

## 1. Universality of the Self-Regulatory System

An effective advertising self-regulatory system should apply without exception to all practitioners—advertisers, agencies and media. To achieve this, there needs to be a general consensus on the need for a self-regulatory system and the practical, active support of all three parts of the industry. Additionally, a self-regulatory organisation (SRO) must be able to depend on the moral support of a large majority of the industry, to lend credibility to its decisions and ensure that they can be applied even to uncooperative advertisers. This can be achieved only if the system covers all significant forms of advertising and has the active participation of practitioners in all areas of commercial communications, including Direct Marketing and new forms of advertising e.g. the so-called New Media.

## 2. Sustained and Effective Funding

Effective self-regulation is the best means of maintaining the freedom to advertise and freedom has a price. Self-regulation is not a cut-price option: it can function effectively only if it is properly funded. A self-regulatory system requires a robust method of funding involving the commitment of all the parties involved in the various sectors of commercial communications. It is important that such a method is sustainable, i.e. affordable and not extravagant, but it should also be buoyant, i.e. so designed that it cannot be placed in jeopardy by the unilateral action of any company or industry sector. Finally, the funding method should be indexed to ensure that it keeps pace with increased costs and reflects changes in the advertising market. A levy system based on a small percentage of all advertising expenditure has been found to be a very satisfactory way of fulfilling all these criteria.

## 3. Efficient and Resourced Administration

SROs should be managed in a cost-efficient and business-like manner with defined standards of service. To maintain public confidence in the system, an SRO must be—and be seen to be— independent of the industry which funds it. To achieve this, it requires a dedicated secretariat within a structure that provides the necessary independence and external credibility. The number of staff will depend to some extent on the size of the market, but it must be adequate to ensure the efficient functioning of the SRO. Even the smallest SRO is unlikely to be able to function properly with fewer than two full-time staff and most will need substantially more.

Staff numbers should be reviewed regularly to ensure that they are appropriate to the workload and the SRO's budget should be reviewed each year and kept at a level adequate to meet its needs. To maintain impetus, the SRO is encouraged to have a strategic action plan, put in place at its inception and updated on an annual basis. To establish and maintain awareness of its activities, it is also advisable to have a communications plan, conducted on the same basis.

## 4. Universal and Effective Codes

A key element of any self-regulatory system is an overall code of advertising practice. This should be based on the universally-accepted ICC Codes of Marketing and Advertising Practice; it may subsequently be extended and developed in response to national requirements. It is important that the code should apply to all forms of advertising. It is equally important to establish a procedure for the regular review and updating of the code, ensuring that it keeps abreast of developments in the market place, changes in public concerns and consumer sensitivity, and the advent of new forms of advertising. Finally, the code must be made widely available and advertisers, agencies and media must be familiar with its contents.

## 5. Advice and Information

One of self-regulation's key roles is to prevent problems before they happen by providing advice to advertising practitioners. The advice provided by an SRO can take several forms: first, copy advice, i.e. confidential, non-binding advice about a specific advertisement or campaign, may be supplied on request before publication. Secondly, the SRO can offer general advice on code interpretation; this advice will also draw on 'case law,' i.e. precedents established in previous adjudications. General advice of this kind can also be made available in the form of published guidance notes, which supplement the code and indicate best practice, for example in high-profile or problem areas. Like the code itself, guidance notes can be updated as necessary. International Guide to developing a self-regulatory organisation n 25

## 6. Prompt and Efficient Complaint Handling

The public perception of a self-regulatory system will depend to a very large extent on how efficiently it is seen to deal with complaints. One of self-regulation's principal advantages over the judicial process is, precisely, its speed. Consequently it is essential that complaints are seen to be handled promptly. The amount of time required to investigate a complaint will depend on its complexity. Business to business complaints typically may take longer to resolve. SROs however should manage their activities particularly in this area against defined standards of service, including complaint handling targets.

In cases alleging misleadingness, a fundamental principle of self-regulation is that the advertiser must bear the burden of appropriately substantiating his claims. The SRO should ensure that it has the means to evaluate technical evidence produced by advertisers to support their claims, including access to independent, specialist experts. Competitive complainants should be able to show prima facie evidence of a code breach in order to avoid abuse of the system.

## 7. Independent and Impartial Adjudication

A self-regulatory system must be able to demonstrate that it can judge cases brought before it efficiently, professionally and above all impartially. Different ways to structure the complaints handling process exist, including alternative dispute resolution systems and formalized complaints committees. Deliberations in such bodies must be conducted in an independent and unbiased manner.

The adjudication process is incomplete without some provision for the review of decisions in case of appeal. The review process should be thorough but need not be elaborate; it should be so designed that it cannot be used merely as a delaying tactic to postpone the implementation of a decision.

## 8. Effective Sanctions

Although in most cases self-regulatory systems can count on voluntary compliance (however reluctant) with their decisions, their credibility depends in no small measure on an ability to enforce them. The so-called 'name and shame' principle, involving routine publication of adjudications, with full details of the complaint and the name of the brand and the advertiser, has proved to be a powerful deterrent. It can, where necessary, be reinforced by deliberately publicising a case where voluntary compliance with a decision is not forthcoming. However,







*“Advertising supports the foundation of a free press and a thriving economy, but advertising must be “responsible” at all times. Self-regulation creates the “accountability framework” necessary for responsible advertising to flourish. The IAA understands the true benefits of self-regulation and is proud to be a strong supporter and advocate of advertising self-regulation, and the work EASA accomplishes, in furthering the goal of promoting effective and meaningful industry self-regulatory objectives.”*

**Carla Michelotti**

Chief Legal, Government & Corporate Affairs Officer at Leo Burnett Worldwide,  
Vice-President, International Advertising Association (IAA)

*“Trust is essential in order to build successful brands. Trust starts with truthful and responsible communication. Effective industry-wide advertising standards are a pre-requisite for this; they underpin the integrity of the whole brand marketing community. This guide spells out the basics for effective advertising standards in practical terms. It is the basis on which industry partners around the world can build and strengthen their own systems so that they too can increase trust in brand marketing communications.”*

**Stephan Loerke**

Managing Director, World Federation of Advertisers

*“In 1937, the International Chamber of Commerce issued its first advertising code, the foundation of what would become the most important resource to spread advertising self-regulation across markets and reduce trade barriers from divergent laws or restrictions. Today’s globalized economies and technology have resulted in unfathomable connectivity and cross border flows. This only underscores the value and relevance of the Consolidated ICC Code on Advertising and Marketing Communication Practice. This EASA Guide offers practical guidance on implementing the rules for markets new to self regulation and ensuring credible systems to enforce them. EASA’s valuable contribution to this shared goal is most commendable.”*

**Brent Sanders**

Chair ICC Marketing and Advertising Commission and Assistant General Counsel, Microsoft Corporation



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