



International Chamber of Commerce

The world business organization

Department of Business Policy and Practice

Commission on Marketing and Advertising

Frequently Asked Questions

Consolidated ICC Code for Advertising and Marketing Communication Practice

A. SELF-REGULATION AND ICC INVOLVEMENT WITH CODE-MAKING

What is advertising self-regulation?

Self-regulation in the advertising sector is the recognition by the advertising industry (advertisers, agencies and the media) that advertising should comply to a set of ethical rules, namely that it should be legal, decent, honest and truthful, prepared with a sense of social responsibility to the consumer and society as a whole and with due respect to the rules of fair competition.

All major markets have adopted and have in place robust advertising self-regulatory systems. The ICC Codes on marketing and advertising, due to their international scope, reflect a consensus of views about fundamental principles that should govern many significant marketing and advertising activities. The codes form the underpinnings of local self-regulatory codes in many of these areas.

Effective self-regulation allows government consumer protection agencies and other public enforcers to focus their activities on cracking down on rogue traders and fraudsters, which requires additional resources as the perpetrators tend to operate increasingly across frontiers.

Why does ICC write codes?

ICC's advertising and marketing codes guide advertising practitioners in shaping their marketing communications; they are designed to make a tangible difference to the advertising we see on a daily basis. They set universal standards that can be accepted and applied by different cultures. The self-regulatory codes and guidelines offer a basis for national codes applied by professional associations. ICC's Commission on Marketing and Advertising places the codes under regular review, adjusting them when necessary to meet changing public sensitivities and the demands of new technologies.

In contrast to legislation which takes several years to draft and to transpose, self-regulatory codes can be rapidly drawn up and adopted in the face of societal or technological change. Self-regulation is more flexible because it has the implicit support of the advertising and marketing communication involved and can respond more rapidly

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to problems that arise than the law. The onus in the consolidated Code remains on the application of advertising standards both in spirit and to the letter.

ICC's International Code of Advertising Practice was first issued in 1937, and is now used together with other specific codes of advertising and marketing (Sales Promotions, Sponsorship, Direct Marketing, Market Research, Environment, the Use of Electronic Media, Direct Selling) throughout the world. It remains one of the most successful examples of voluntary business self-regulation in marketing, as it provides a simple internationally-recognized means to set global standards and is used as the point of reference by all code implementation bodies across the world.

Self-regulation has a value only if it is implemented and practiced. In order for self-regulation to gain momentum, there has to be a clear and agreed ethical message, paired with strong leadership. The ICC codes have always provided the platform for this. However, a comprehensive and directly applicable instrument, capable of addressing new social phenomena, is required to take self-regulation to the next level and to bring it to areas where it is not present in any organized form, or playing only a minor role. The ICC Consolidated Code provides that.

B. THE NEW CONSOLIDATED CODE FOR ADVERTISING & MARKETING COMMUNICATION PRACTICE

What is the ICC Consolidated Code?

This new ICC code addresses the current need for a single "Consolidated Code for Advertising and Marketing Communication Practice". In addition to bringing previously separate codes (Sales Promotion, Sponsorship, Direct Marketing, the Use of Electronic Media and the Environment) under one roof, it contains new material ranging from advertising on the Internet to the do's and don'ts of communicating to children. (For example, the Code states that communications aimed at the young must never exploit their inexperience.)

Intended as a key instrument of self-regulation for commercial communications, the Code will strengthen the cause of self-regulation as the preferred method of setting standards for marketing and advertising. It will also reaffirm ICC's position as the global leader in this area, serving as a primary resource for governments and policymakers addressing these issues.

As we worked on this new Code, uppermost in our thinking was that consumers want to know the advertisements directed to them will not be deceptive or misleading – that they are honest and truthful. They also want to know the personal information they give companies will be protected. This Code provides that assurance for consumers from the hundreds of thousands of businesses around the world that abide by it. For example, the Code states that marketers must safeguard personal data and discard it after a limited time.

The Code is one element of an extensive system of regulation that includes a global process of enforcement. Code enforcement agencies around the world review allegations of tens of thousands of violations annually. If found to be justified, they are corrected or the businesses are sanctioned.



The number of cases handled by self-regulatory organizations (SROs) often far exceeds those brought by government regulators, which indicates how robust the system of self-regulation is in the industry.

For example, in Germany last year, 258 cases were brought to the local SRO, versus 121 to the regulatory body.

What's new?

- This is the first ever consolidated code of advertising and marketing communications
- It is simpler, more concise and user-friendly than previous codes
- All principal rules regarding advertising and marketing communications are now contained in one code
- The new code represents a major shift from advertising to marketing communications
- The principles previously related only to electronic media and direct marketing are now integrated (cost of communication, profiling, data collection) and apply to all marketing communications. (Art 6 Use of technical scientific data and terminology; Art 10 Identity of advertiser; Art 19 Data protection and Privacy; Art 20 Transparency on cost of communication section; Art 21 Unsolicited products and unsolicited costs)
- The rules on children are strengthened (See Art 18 Children and young people; Art 19 Data protection and privacy)
- Companies are encouraged to include compliance clauses with SR rules/decisions in contracts

What does the ICC Consolidated Code cover?

The Code deals with marketing communications, which is to be taken in a broad sense. It applies to all advertising and marketing communications for the promotion of any kind of goods or services, including corporate and institutional promotion. For the purposes of this Code the term “*advertising*” or “*advertisement*” means any form of marketing communication carried by the media, usually in return for payment or other material consideration; the term “*marketing communication*” includes 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 Code does not extend to all forms of corporate communications. For instance, the Code does not apply to corporate public affairs messages in press releases and other media statements, or to information in annual reports and the like, or information required to be included on product labels. Likewise, statements on matters of public policy fall outside the scope of this Code. Finally, communications whose primary purpose is entertaining or educational and not commercial, like the content of television programmes, films, books, magazines or videogames, are not covered by this Code.

What are the Code's objectives?

- To demonstrate responsibility and good practice in advertising and marketing communications across the world;
- To enhance overall public confidence in marketing communication;



- To respect privacy and consumer preferences;
- To ensure special responsibility as regards marketing communication to children/young people;
- To safeguard the freedom of expression of those engaged in marketing communications (as embodied in article 19 of the United Nations International Covenant of Civil and Political Rights);
- To provide practical and flexible solutions;
- To minimize the need for detailed governmental and/or inter-governmental legislation or regulations.

How is the Code structured?

The Code is constructed as an integrated system of ethical rules. Its General Provisions and Definitions apply without exception to all marketing communications; they should be read in conjunction with the more detailed provisions and specific requirements set out in the relevant chapters on Sales Promotion; Sponsorship; Direct Marketing; Advertising and Marketing Using Electronic Media and the Telephone; Environmental Advertising and Marketing Communication.

The Code should also be read in conjunction with other ICC codes, principles and framework interpretations:

- ICC International Code of Direct Selling;
- ICC/ESOMAR International Code of Marketing and Social Research Practice;
- ICC Principles on Responsible Deployment of Electronic Product Codes;
- ICC Framework for Responsible Food and Beverage Communications.

What is not included?

The new consolidated code has not included the separate ICC codes on Direct Selling and Market Research which remain in place. The Market Research code is currently under review.

Who is the new consolidated Code for?

The code is for **consumers and advertising practitioners;**

- By setting out clear standards that advertising and marketing communications should adhere to, the Code establishes a minimum level for consumer protection which maximizes consumer confidence in the means used.
- By consolidating the codes on advertising and marketing communications, the new Code sets out clear global minimum standards of ethical conduct for all involved with marketing communication, whether as advertisers, marketers, advertising practitioners or agencies, in the media, or in related functions.

Why now?

The consolidated Code demonstrates SR is a flexible form of regulation in constant motion, constantly updating itself and effectively responding to the changing media environment and the changing ways in which consumers interact with the media.

- Because the capabilities of new media are constantly evolving — driven by a consumer hungry for greater technological advancement



- To respond to the increasing number of new marketing techniques and call to the attention of those involved the need to adhere to advertising standards

To provide a response to the regulatory debates on coverage in relation to marketing communications such as the revision of the EU TV without frontiers directive and debates on the regulatory mix – EU discussions on better regulation (i.e. less state regulation and use of instruments such as effective SR)

What difference will this make?

- The Code demonstrates that SR is constantly adapting to the new environment in order to ensure all marketing communications are responsible.
- With the increase in the number of advertising and marketing communications channels and techniques, it provides a top line signal to markets across the globe to integrate these rules and to develop systems for applying them and staying in step with changing technologies
- Despite the new challenges, the fundamental principles of the ICC Code – that advertising and marketing communications should be legal, decent, honest and truthful with a sense of social responsibility and respect for the rules of fair competition – are still valid today.

How to use the Code?

The Code is devised so that advertising practitioners can adapt their advertising projects and creative ideas to be in line with globally understandable standards. For maximum effect it is best if this occurs at the beginning of the process of creating a marketing communication.

To fully understand the application of these rules to specific advertising needs, we encourage users of this consolidated Code to read both the general provisions and the relevant chapters relating specifically to the advertisement and technique they are using.

Who helped write the Code and how often is it revised?

We have drawn on the best marketing, self-regulatory and legal expertise available from around the world. The Consolidated ICC Code was drawn up by a specific task force of ICC's Commission on Marketing and Advertising, the Task Force on Code Revision, composed of advertising practitioners (advertisers, agencies and media) and self-regulation experts. The ICC's Task Force on Code Revision will regularly review the Code's provisions, to ensure that they continue to reflect the latest developments in technology, marketing practice and society.

The task force includes John Manfredi, Chair of the Commission on Marketing and Advertising; Chairman, Manloy Associates; Former Senior Vice President, Corporate Affairs, The Gillette Company; Anders Stenlund, Vice-chair of the Commission on Marketing and Advertising, Co-chair of the Task Force on Code Revision; Director, Confederation of Swedish Enterprise and Oliver Gray, Co-chair of the Task Force on Code Revision; Director-General, European Advertising Standards Alliance.



How is the Code applied and interpreted?

- The Code is for all those involved in advertising and marketing communications to integrate into their day-to-day practices
- Code implementation bodies, such as self-regulatory organizations, ensure adherence at a national level to advertising standards through copy advice, proactive monitoring and sanctions in response to upheld complaints. SROs exist across most of the EU and other countries across the globe, including Australia, New Zealand, Canada, US, India, Singapore,
- South Africa, Brazil, Mexico and Russia. ICC is drawing up a global roadmap to facilitate the further extension of SR and SRO development in the remaining countries.
- Through the International Council on Marketing Practice (ICMP), ICC provides where necessary a supranational means to review conformity of advertising practices with the Code.
- The Code is to be applied against the background of applicable legislation.

How is the Code being publicized?

- The Code is being launched via press briefings by business spokesmen across the globe, national awareness schemes and key business and marketing events in the next few months. A section of ICC's website is devoted to the Code, building awareness and providing free electronic copies of the Code and supporting documents (see below).

Where can I get a copy of the Code and further info on ICC?

- The Code is available online at the ICC website www.iccwbo.org where further guidance is provided with regard to its use, national interpretation and revision.
- A paper copy can be obtained from ICC; details are on the website.
- Local language versions will become available via ICC national committees around the world; see ICC website for details.