

Perspective from Asia: Overview of Philippine Advertising Regulation

Submitted by: Ad Standards Council

Perspective From Asia:

Overview of Philippine Advertising Regulation



Self-Regulation in PH

Historical Background

- Advertisers (PANA), ad agencies(4As) and media(KBP) got together during Martial Law period - decided to regulate themselves instead of government
- Led birth to the formation of the Philippine Board of Advertising on May 3, 1974
 - Aug 1989 – changed to Advertising Board of the Philippines (Adboard)
 - Mar 2008 – established Ad Standards Council(ASC)
- 42 years of self-regulation



Self-Regulation in PH

All of us in the business of
advertising have a responsibility:

Responsibility

to our Public,
to our Consumers and
to One Another.



Self-Regulation in PH

Responsibility means

Advertising must

Inspire Public Confidence

Be Legal

Be Decent

Be Honest and above all,

Truthful



Self-Regulation in PH

Self-regulation is a system
by which the Industry
actively polices itself



Our Success Factors

1. **A Common Neutral Review Body (ASC)**
is recognized by tripartite stakeholders (advertisers, ad agencies and media)
2. **Common Code of Ethics & Manual Procedures**
tells us what is allowed/not allowed; what /how to do it
3. **Media is ultimate gatekeeper**; implements what is approved by ASC and honors/ implements CDOs issued by ASC



Our Success Factors

4. **Sanctions** are strictly enforced and **Penalties** for non-conformance are stiff
5. **Strong Financial Standing** of the organization.
6. **Strong Partnership** with various government agencies in the implementation of Admin Orders/Memorandum Circulars



Self-Regulation in PH

- Government agencies have jurisdiction over almost all of the products and services being advertised: DOH-FDA, DTI, MTRCB, HLURB, NMIS, CAB, DA, PAGCOR, BSP, DOLE, MMDA, DOTC, FPA, BAI, etc.
- However, the concerned government agencies do not have the manpower, technical and other resources to review an average of 150 ad materials and release results on a daily basis.
- MOAs/MOUs with ASC



Self-Regulation in PH

- The ASC has incorporated all government agencies' Administrative Orders and Implementing Rules & Regulations in the Code of Ethics and Manual of Procedures pertaining to advertising.
- The Code & Manual of Procedures are regularly updated as new rules are introduced, e.g., FDA's Administrative Order on Food/Dietary/Health/Herbal Supplements which do not have therapeutic claims or benefits



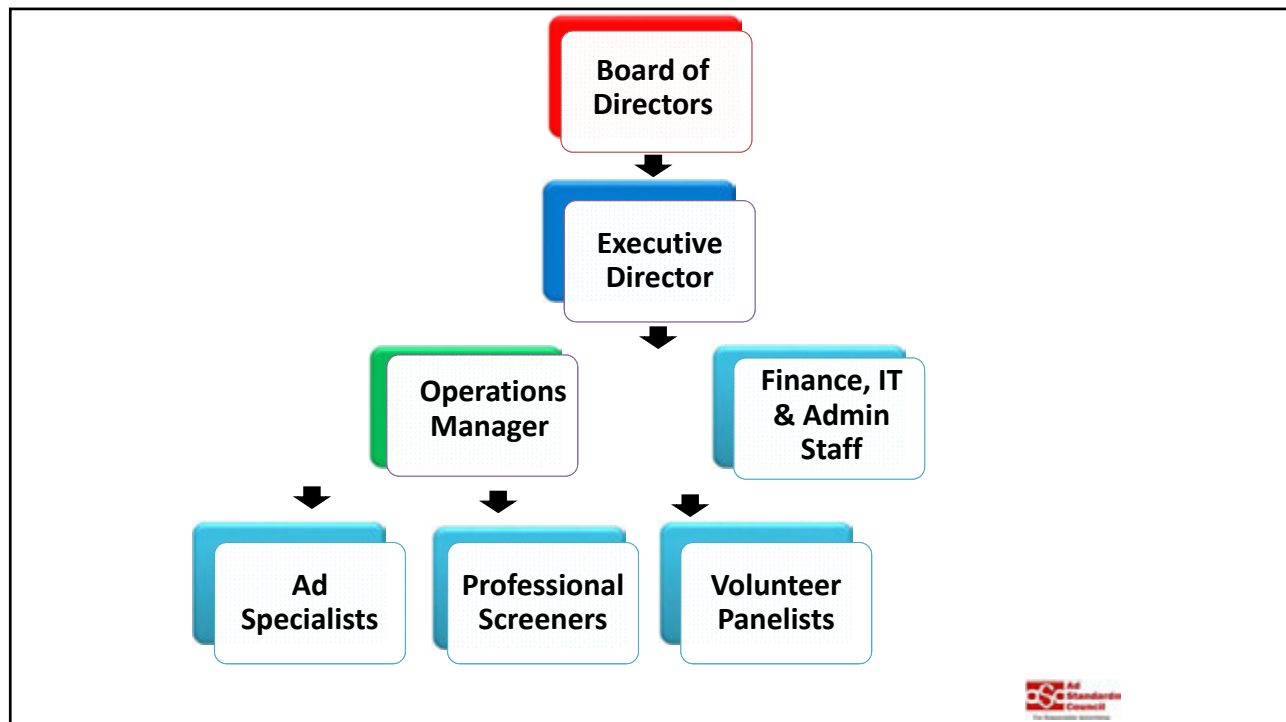
The Ad Standards Council

The Ad Standards Council

- Is a non-stock, non-profit organization which aims to **promote content regulation for responsible advertising**.
- Its primary function is **screening of ads** for truth and fairness.
- It also **hears complaints** and **settles disputes** regarding advertising content.

ASC Member-Organizations





ASC 2016 Board of Directors



FDA Director General Ma. Lourdes Santiago as keynote speaker and inducting officer.

Other Affiliate Organizations



**ADVERTISING
FOUNDATION
OF THE
PHILIPPINES**



Local Gov't & Global Alliances



ASC

Mission:

To **champion truth and fairness** in advertising within the context of the local environment and within the constraints of the laws of the land

Vision:

To be seen as the **ultimate and respected authority** in the effective implementation of the policies and regulations governing advertising content.

Values:

Truth, Fairness, Professionalism, Respect, Leadership, and Service

ASC Mandate

Protect consumers from
misleading and offensive
advertising.

The ASC is Guided by these Laws

1. The Laws of the Land
 - a. The Philippine Constitution
 - b. AOs and IRRs from government agencies like DTI, DOH-FDA, CAB, DOLE, CAB, NMIS, MTRCB, HLURB, DOTC, MMDA, BSP, NHC, etc.
 - c. The Milk Code
 - d. The Consumer Protection Act
 - e. The Magna Carta for Women, etc.
 - f. Protection of Children and Minors
2. The ASC Code of Ethics & Manual of Procedures
3. AdBoard /ASC Precedent Decisions



Updated Code of Ethics & Manual of Procedures

- Principles and guidelines on contests and promotions
- Guidelines on categories that fall under mandatory screening, i.e., alcohol beverages, OTC drugs, and food supplements
- Guidelines on Digital Marketing
- More guidelines on Protection for Children
- Review on Gender Equality
- Sensitivity in Alcohol Advertising
- Environmental protection
- Additional product categories allowed in Direct Advertising

* ICC Code/EASA Digital Mktg Comm. Best Practices



Materials That Are Screened

- **TV/CINEMA and RADIO** – pre-screened
- **OUT-OF-HOME** – pre-screened
- **PRINT ADS/MERCHANDISING MATERIALS, DIGITAL/MOBILE** – generally post-screened, **EXCEPT** if they have any of the following themes or classifications:
 1. With Number 1 claim
 2. With product claim/s that need/s to be substantiated
 - i. With exclusivity claim
 - ii. With absolute claim
 - iii. With comparative claim
 - iv. With superiority claim
 3. With sexy tones, exposure of human body and similar execution
 4. With tones of violence



Materials That Are Screened

5. With direct/brand-identified comparison on categories where such comparison is allowed

If belong to any of the following categories:

1. Products, brands & services covered by the Milk Code
2. Over-The-Counter (OTC) Drugs
3. Food/Health/Dietary Supplement products
4. Alcoholic Beverages
5. Airlines and other carriers with promotional fares

Historical Breakdown of Applications

	2008	2009	2010	2011	2012	2013	2014	2015	2016
TV/Cinema		9,498	9,064	8,649	8,848	8,602	8,561	8,425	4,049
Radio		5,686	5,986	6,704	6,719	7,056	7,042	6,546	2,977
Print		1,590	1,913	2,360	2,649	2,712	2,301	2,142	910
OOH		2,641	3,204	3,940	3,968	4,709	5,527	5,813	2,989
Collaterals		1,139	1,367	1,443	1,440	1,725	2,289	2,484	1,498
Digital								329	159
Social									342
TOTAL	11,319	20,554	21,534	23,096	23,624	24,804	25,720	25,739	12,924
% Inc vs PY			4.8	7.2	2.3	5.0	3.7	-	-

2008: April to December

2016: January to June



The ASC Processes

The ASC Processes

1. Application for Screening
2. Filing of Complaints
 - Panel Hearing
3. Resolution of Complaints
4. Settlement of Disputes



The ASC Review & Approval Process

2-Step Process

- (S1) Review & approval of materials before these are produced
- (S2) Review & approval of finished/produced materials before these are aired/published/displayed/ posted



ASC in Action



Applicants submit their materials
(S1 for production and
S2 for final materials for
airing/publication/display/posting)

S1 & S2 Application Forms

ASC
Advertising Standards Council
The Responsible Advertising

1200 North Street, Singapore 319808
Tel: 6733 1234
Email: info@asc.org.sg
Website: www.asc.org.sg

DATE: _____

REFERENCE NUMBER: _____

FORM S1: APPLICATION FOR AIRING TO BROADCAST/POST/DISPLAY

ADVERTISER: _____

PRODUCT: _____ BRAND: _____

AD TITLE: _____

TYPE OF MESSAGE

☐ TELEVISION ☐ RADIO ☐ CABLE ☐ PRINT

☐ BILLBOARD ☐ COLLATERAL ☐ DIGITAL SIGNAGE ☐ DIGITAL VIDEO

STATUS OF APPLICATION

☐ NEW COMPLAINT/COMPLAINT ☐ NEW MESSAGE ☐ NEW COMPLAINT TO AIR/POSTING/POST/DISPLAY

☐ NEW COMPLAINT - DATE OF AIRING: _____

REQUESTED BY: _____

SIGNATURE (OR PRINTED NAME) (PRESIGNATURE): _____

ASC
Advertising Standards Council
The Responsible Advertising

1200 North Street, Singapore 319808
Tel: 6733 1234
Email: info@asc.org.sg
Website: www.asc.org.sg

DATE: _____

REFERENCE NUMBER: _____

FORM S2: APPLICATION FOR AIRING TO BROADCAST/POST/DISPLAY

ADVERTISER: _____

PRODUCT: _____ BRAND: _____

AD TITLE: _____

TYPE OF MESSAGE

☐ TELEVISION ☐ RADIO ☐ CABLE ☐ PRINT

☐ BILLBOARD ☐ COLLATERAL ☐ DIGITAL SIGNAGE ☐ DIGITAL VIDEO

STATUS OF APPLICATION

☐ NEW COMPLAINT/COMPLAINT ☐ NEW MESSAGE ☐ NEW COMPLAINT TO AIR/POSTING/POST/DISPLAY

☐ NEW COMPLAINT - DATE OF AIRING: _____

REQUESTED BY: _____

SIGNATURE (OR PRINTED NAME) (PRESIGNATURE): _____

ASC Rates (Php)

Type of Material	Length	Member	Non-Member
TV Ads	End Tags	550.00	660.00
TV/Cinema Ads (including OBBs/CBBs/End Tags)	5s, 10s, 15s	715.00	880.00
	16s - 30s	1,430.00	1,650.00
	31s - 60s	2,750.00	3,300.00
	Above 1 min. but not more than 5 min.	4,125.00	4,950.00
	Above 5 min.	7,150.00	8,250.00
Radio Ads (including live or recorded AOB/DJ spiel)	5s, 10s, 15s	550.00	660.00
	16s - 30s	715.00	880.00
	31s - 60s	1,430.00	1,650.00
	Above 1 min. but not more than 5 min.	2,090.00	2,420.00
	Above 5 min.	3,575.00	4,125.00
Print Ads	All sizes	550.00	660.00
Out-of-Home Static Ads	All sizes	550.00	660.00
Out-of-Home Moving Ads	5s - 30s	1,430.00	1,650.00
	31s - 60s	2,750.00	3,300.00

The Ad Specialists

- Serve as the first line of service in the screening process: review materials and support documents if complete and up-to-date
- Currently 8 Ad Specialists
- Additional Ad Specialist when Online Application starts September 1, 2016

Ad Specialists in Action



Ad Specialists checking applications if all required document are complete before turning over to Professional Screeners for review of content and decision: Approved, Approved with Caution, Disapproved, Incomplete or Refer to Panel

The Professional Screeners

- Seasoned marketing and advertising practitioners with extensive experience and wisdom in developing and evaluating advertising campaigns
- Review materials and substantiations and render any of 4 decisions
- Currently a pool of 15 Professional Screeners with 7 everyday who review an average of 150-S1 and 80-S2 per day

Professional Screeners in Action



Applicants presenting their S1 materials (for production) Professional Screeners

The Professional Screeners

Render one of the following decisions:

APPROVED

DISAPPROVED

INCOMPLETE

REFER TO PANEL

APPROVED

- When an Advertiser/Ad Agency is able to substantiate the claim/s in the ad material
- When ad material does not violate any provision in the Code of Ethics & Manual of Procedures



DISAPPROVED

- When an Advertiser/Ad Agency fails to substantiate the claim/s in the ad material
- Applications with incomplete support or substantiation to claim/s
- When ad material violates any provision in the Code of Ethics & Manual of Procedures



INCOMPLETE

- When applications lack mandatory government requirements from concerned government agency like NTC or FDA except promo permit and approved mechanics.
- When applications lack mandatory copy or statement that are not content-related
- Given 10 calendar days from date of filing to completed; otherwise will be given outright Disapproval without notice to advertiser or agency



Mandatory Government Document and Copy/Statement



Mandatory Government Document

Government Clearance	Product and/or activity
<ul style="list-style-type: none"> FDA Certificate of Product Registration (CPR) FDA Certificate of Product Notification (CPN) 	<ul style="list-style-type: none"> Food , Drugs & Medical Devices Cosmetic products
<ul style="list-style-type: none"> DOH-FDA Sales Promo Permit <u>and</u> Approved Mechanics 	<ul style="list-style-type: none"> Sales and promo materials of OTC drug, food & food supp
<ul style="list-style-type: none"> Department of Health-Interagency Commission (DOH-IAC) Approval 	<ul style="list-style-type: none"> For products under the Milk Code
<ul style="list-style-type: none"> DTI Sales Promo Permit <u>and</u> Approved Mechanics 	<ul style="list-style-type: none"> Sales and promo materials of non-FDA registered products, services, and categories

Mandatory Government Document

Government Clearance	Product and activity
<ul style="list-style-type: none"> Housing and Land Use Regulatory Board (HLURB) - License to Sell (LTS) 	<ul style="list-style-type: none"> Real estate ads
<ul style="list-style-type: none"> National Historical and Cultural Commission (NHCC) Approval 	<ul style="list-style-type: none"> When showing the flag or other national symbols
<ul style="list-style-type: none"> Bangko Sentral ng Pilipinas (BSP) Permit 	<ul style="list-style-type: none"> When showing facsimile of Philippine currency
<ul style="list-style-type: none"> DOLE permit 	<ul style="list-style-type: none"> When using Filipino talents of minor age

Mandatory Government Document

Government Clearance	Product and activity
• National Telecommunication Commission (NTC) Permit	• Sales promo ads of mobile and network services
• Civil Aeronautics Board (CAB) Approval	• Promo airfare rates of local and international airlines
• Bureau of Animal Industry (BAI) Certificate of Product Registration (CPR)	• Ad, sales, and promo materials of veterinary products
• Music License or Agreement to use intellectual property	• If using music, copyrighted materials, trademarks, etc.

Mandatory Statement/Copy

Products or Services	Mandatory Statement
• Promo Materials	• Per DTI promo permit <u>and</u> promo period • Per DOH- FDA permit <u>and</u> promo period
• Price Advertising	• Qualified with Suggested Retail Price (SRP)
• Airline Promos	• CAB Permit Number
• Real Estate Materials	• HLURB License to Sell (LTS)
• Broadband network offering	• Minimum guaranteed connection speed and service reliability (%)

Mandatory Statement/Copy

Products or Services	Mandatory Statement
• Over-the-Counter (OTC) drugs	<ul style="list-style-type: none"> • If symptoms persist, consult your doctor • Prominent exposure/mention of Generic Name
• Food/Dietary/Herbal/Health supplements	• <u>MAHALAGANG PAALALA: ANG (NAME OF PRODUCT) AY HINDI GAMOT AT HINDI DAPAT GAMITING PANGGAMOT SA ANUMANG URI NG SAKIT</u>
• Alcoholic Beverages	• Drink Responsibly
• Under Milk Code Products	• Breast Milk is Best for Babies up to two years old

Mandatory Statement/Copy

Products or Services	Mandatory Statement
• Banks	<ul style="list-style-type: none"> • Supervised by the Bangko Sentral ng Pilipinas Telephone Number: (632) 708-7087 E-mail Address: consumeraffairs@bsp.gov.ph

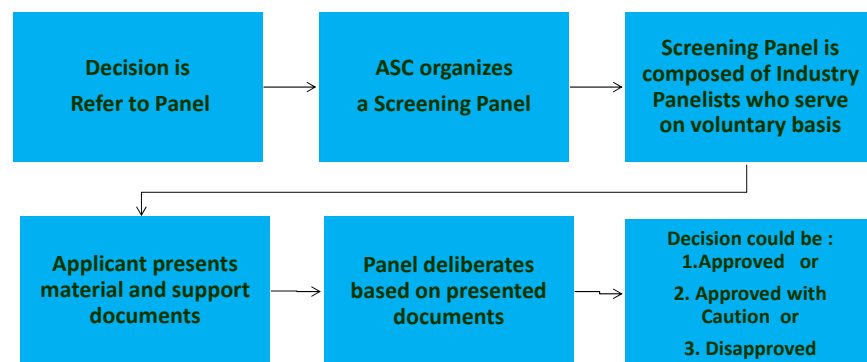
REFER TO PANEL

- When subject or execution deals with sex, sexy theme or innuendo, violence or morbidity and other sensitive themes

When claims require further or complex technical substantiation from independent source/s or a 3rd party



REFER TO PANEL



Decision is APPROVED, APPROVED with CAUTION OR DISAPPROVED

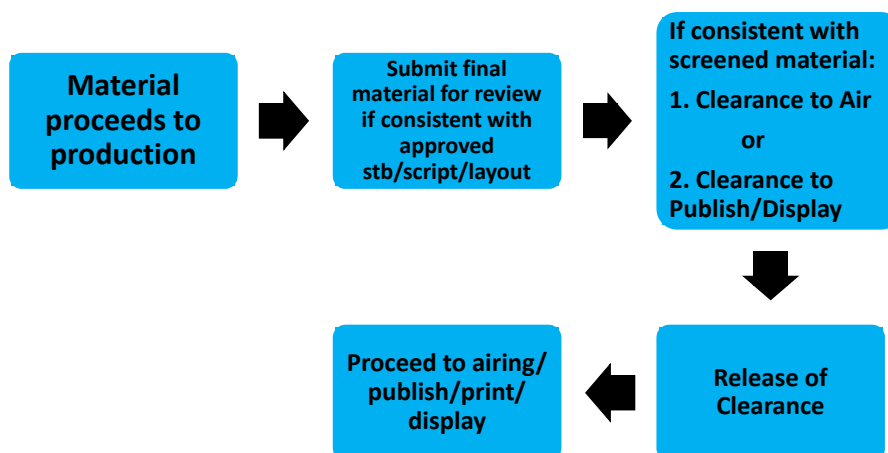


PANELISTS

- A pool of 120+ Industry volunteers
- Nominated by their respective associations based on their experience in marketing and/or advertising and exposure in campaign evaluation and development
- Must go through an orientation seminar and periodic review on ASC rules and procedures
- Must sign a vow of confidentiality and must declare account involvement to avoid Conflict of Interest (COI)



APPROVED BY PANEL



DISAPPROVED BY PANEL

On the spot revision for alternative copy and/or visual.
If revision is acceptable,
Panel may approve on the spot.

Revise the material.
Apply for screening of new material. Only the portion questioned
by the Panel will be reviewed.
The Panel approval on the rest of the material will be upheld.

File an appeal.
An Appeal may be requested,
with or without new evidence.

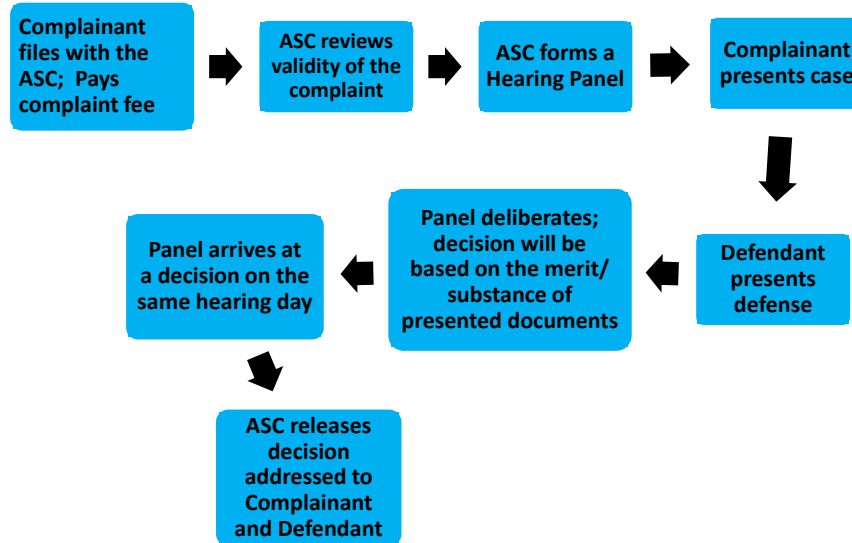


The Complaint Process

- When there are complaints by a party of interest against ad materials except those of government agencies and political ads
- The panel will review only the issues mentioned in the complaint letter
- Party of interests are all stakeholders, including consumers, concerned groups, or institutions



The Complaint Process



The Complaint Process

If complaint is not valid,
life goes on 😊



If Complaint is VALID

A Cease and Desist Order (CDO) is released to the Defendant and materials must be pulled-out with effect from receipt of CDO notice as follows:

- **TV and Radio**
 - *within 5 working days upon receipt of notice*
- **Print and Out of Home**
 - *effective immediately if with pre-screening violation*
 - *effective 7 calendar days (if passed through ASC)*
- **Digital**
 - *within 5 work days upon receipt of notice*
- **Point of Sale Materials**
 - *within 30 days in Metro Manila and modern trade*
 - *within 60 days outside Metro Manila and across all store types nationwide*
- **Compliance letter** is required to indicate levels of pullout within the prescribed period



Review or Screening Panel

- When there are complaints on print or digital materials which were not screened prior to publication or upload
- Panelists may review other elements of the complaint material which were not raised by the complainant



Basis of Decision

Screening and Hearing Panelists base their decision on appreciation of evidence presented by applicant and/or both parties.



Basis of Decision

Quality of Data is Key

- In-house tests
- 3rd party research
- Methodology or protocol used
- Sample size
- Qualitative or Quantitative research
- Clinical studies/medical journals
- Data from other countries or territories
- Government data
- Industry syndicated research
- Reference books and other published references



Penalties (Php)

Offense	Penalty
Airing/publication/ installation or display without proper ASC clearance	1st Offense – P100,000
Refer to Manual of Procedures Rule I, Section 3 for materials covered by the ASC rules.	2nd Offense – P200,000 plus non-screening of advertising materials of the product concerned for three (3) months. The guilty party may opt to pay P500,000 in lieu of non-screening for three (3) months, thus the total to be paid is P700, 000.
	3rd Offense – P300,000 plus non-screening of advertising materials of the product concerned for one (1) year. The guilty party may opt to pay P1,500,000 in lieu of non- screening for one (1) year, thus the total to be paid is P1,800,000.
	<ul style="list-style-type: none"> Non-payment of penalties shall result to non-screening of materials of the product concerned.

Review or Screening Panel

Screening Panel may question any element in the material under review even if not raised by the Professional Screener

- *However, when a material being reviewed is an Appeal on Disapproval by a Professional Screener or Screening Panel, review must be confined to the copy, claim, or visual element under question by the Screener or original Screening Panel*
- All claims must be supported by data
- Understand the spirit of the provisions in the Code when reviewing a material

The Appeal Panel

Appeal on a Hearing Panel's Decision

- A quorum of 5 ASC panelists is convened when an advertiser or ad agency files an appeal on the decision of a Hearing Panel provided there is new evidence on the same provisions, copy/claims, visuals, or elements originally complained on
- The Appeal Panel follows the rules and procedures of the Hearing Panel
- The Techcom, only in case of reasonable doubt, must first determine if the appellant's evidence has not been previously presented to the ASC

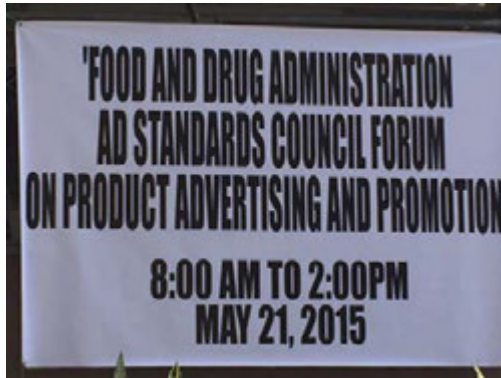


Partnership with Government

The ASC is committed to cooperate and assist in the implementation of Cease & Desist Order (CDO) and Recall of Clearance to Air/ Publish/ Display issued by government agencies like DTI, DOH-FDA, MMDA, NTC, HLURB, DA, CAB, NMIS, etc.



FDA-ASC Forum In Davao City



FDA-ASC Forum at Shangri-la Makati



ASC Industry Orientation



Industry orientation on Updated Code of Ethics & Manual of Procedures

Challenges & Opportunities in PH Self-Regulation

Challenges in PH Self-Regulation

- Getting everyone in the digital space to be aware of self-regulation and the ASC Code of Ethics & Manual of Procedures
- Wider scope of coverage in the review of advertisers' materials given the Philippines is an archipelago with 7,100 islands
- Diversity and inclusiveness of small and medium enterprises in advertising self-regulation



Challenges in PH Self-Regulation

- Increase awareness for Philippine self-regulation outside of the advertising industry.
- Entry of various imported products like food/herbal/health supplements, drugs, chemical & hazardous products that are being sold via TV/Online Home Shopping



Opportunities in PH Self-Regulation

- Facilitate approval of digital applications using guidelines developed by the Internet and Mobile Marketing Association of the Philippines (IMMAP) in cooperation with ASC.
- Implement Online Application to facilitate application of advertisers outside of Metro Manila and small to medium enterprises.
- Educate small to medium enterprises on the importance of self-regulation thru orientation talks in partnership with Department of Trade & Industry (DTI) and SMEs associations



Opportunities in PH Self-Regulation

- Partner with Communications Educators to teach the ASC Code of Ethics and Values Formation to current Advertising students; conduct an information campaign on self-regulation on radio, print, digital
- Closely work with MTRCB for products in TV/online home shopping; secure CPR/CPN from FDA and ad clearance from ASC



Thank you!

