



**This seal is symbolic of the 5 areas of endeavor engaged in by the nine (9) associations comprising AdBoard; advertiser, advertising agency, media, advertising services sector and the consumer sector. The 5 elements are shown as adjacent circles, which symbolize unity and harmony. They appear to be in motion which depicts vitality and dynamism. The background is a deep blue field which symbolizes social consciousness and service to country.**

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## P R E F A C E

The need for an alternative democratic system of self-regulation in the advertising industry became apparent in the early 1970s when the Marcos administration sought to impose controls on media use, including on advertising, through the Mass Media Council.

Through the efforts of advertising industry leaders, the Mass Media Council eventually gave way to a Council of Advertising, Public Relations, Research and Sales Promotion chaired by respected advertising practitioner Francisco Floro. This Advertising Council, in turn, created a sub-committee composed of representatives from the Association of Philippine Advertising Agencies, the Cinema Advertising Association of the Philippines, Kapisanan ng mga Brodkaster sa Pilipinas, Lapihan ng mga Adbertaysing Praktisyoners na Pilipino sa Ikauunlad ng Sambayanan, the Outdoor Advertising Association of the Philippines, the Philippine Association of National Advertisers, the Print Media Organization, the Office of Civil Relations, Institute of Mass Communications, and the consumer sector. The sub-committee under the chairmanship of Lyle K. Little, undertook the drafting of a Code of Ethics for the advertising industry. After 15 months of preparation, the Code was signed and ratified in March of 1974 by all participating organizations represented in the sub-committee.

Following its formation in May, 1974, the Philippine Board of Advertising (PBA), later renamed the Advertising Board of the Philippines (AdBoard), formally adopted the Code on April 15, 1975 and commenced its implementation. Since then, the Code has undergone a series of reviews and revisions to address developments in the industry. Updated revised editions of the Code were adopted in 1975, 1979, 1984, 1987 and 1990.

In November 1994, the AdBoard Board of Directors decided to conduct another comprehensive review of the Code to make it more responsive and relevant to the industry's needs and current advertising practices.

The Code of Ethics Review Committee was then formed in March 1995 with AdBoard Advertising Content Regulation Committee (ACRC) Regular member Antero B. Javier, Jr. as Chairman. The final draft of this edition of the Code was completed by the Review Committee on August 31, 1995 and ratified by the AdBoard Directors on January 23, 1996.

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**ASSOCIATIONS COMPRISING THE ADVERTISING BOARD  
OF THE PHILIPPINES**

**Advertising Suppliers Association  
of the Philippines (ASAP)**

**Association of Accredited Advertising  
Agencies - Philippines (4As)**

**Cinema Advertising Association  
of the Philippines (CAAP)**

**Independent Blocktimers Association  
of the Philippines (IBA)**

**Kapisanan ng mga Brodkaster  
sa Pilipinas (KBP)**

**Marketing & Opinion Research Society  
of the Philippines, Inc. (MORES)**

**Outdoor Advertising Association  
of the Philippines (OAAP)**

**Philippine Association of National Advertisers (PANA)**

**United Print Media Group (UPMG)**

## CODE OF ETHICS FOR ADVERTISING

### INTRODUCTION

Advertising being an effective and efficient tool for communication with the public, is an activity having substantial impact upon society. Accordingly, engaging in such an activity, especially in its creative aspect, entails a responsibility not only to the members of the industry and the business sector but, at the same time, also to the community which is exposed to and is affected by advertisements. This responsibility should, at all times guide the efforts and activities of the advertising industry, and balance the dedication of its members to the interests of their clients. The recognition of these responsibilities, in turn, serves as the cornerstone for the industry's self-regulation. The Advertising Board of the Philippines and its constituent membership recognize that it is in this context that this Code of Ethics has been adopted and within which the following purposes must be pursued:

1. To promote truthful and informative advertising for the benefit of consumers and the public in general.
2. To upgrade the practice of advertising in order to develop public confidence in advertised products and services and in the credibility of advertising as an economic activity.
3. To strengthen the effectiveness of the industry's self-regulation.
4. To enhance professional relationship and to promote greater cooperation among the various sectors of the industry.
5. To develop industry awareness and commitment to its social responsibilities, including the promotion of values.
6. To enhance the industry's contribution to economic progress and in nation-building.

### ARTICLE I

#### STATEMENT OF GENERAL PRINCIPLES

**Section 1.** Advertising plays an important role in the development of nation's economy, its social progress and in raising its living standards.

**Section 2.** Advertising is an inherent part of total marketing, and reasonable cost thereof is an inherent part of marketing cost.

**Section 3.** In the spirit of free enterprise and fair play, advertising must seek to sell a product or service on its own merits. Advertising must be used positively, not negatively.

**Section 4.** Advertising must provide the general public with relevant and truthful information on products and services, thereby helping consumers make their respective choices.

**Section 5.** Advertising, by encouraging healthy competition, promotes free enterprise which in turn, generates better products and/or services for the consumers.

**Section 6.** Advertising helps to establish mass markets, which make mass production possible, thereby promoting economies of scale and contributing to the generation of employment.

**Section 7.** Advertising also serves the social purpose of working in partnership and collaboration with media to support national programs of information, education and entertainment.

**Section 8.** Advertising has a social, economic, and cultural responsibility to the community and the advertiser's interest should take into account community interest.

**Section 9.** Advertising and its practitioners are encouraged to promote the following additional values:

1. National unity
2. Respect for human dignity and the rights of all
3. Decency and courtesy
4. Respect for religious beliefs, customs and traditions
5. Pride in things Filipino
6. Respect for law and authority
7. Adherence to principles of justice, honesty and fair play
8. Dignity of labor
9. Environment concern.

**Section 10.** Practitioners shall cooperate with one another and with the government for the achievement of the public good.

**Section 11.** The Advertising industry should continue to improve the levels and standards of advertising.

## **ARTICLE II**

### **APPLICABILITY**

**Section 1.** This Code shall apply to the Philippine Advertising community which includes advertisers, advertising agencies, media and advertising support groups.

**Section 2.** The AdBoard shall exert all efforts to obtain voluntary compliance with its rules and regulations, even by non-members.

### ARTICLE III

#### DEFINITION OF TERMS

Whenever used in this Code and unless the context indicates otherwise the following terms shall have the following meanings:

1. **ADBOARD** shall mean the Advertising Board of the Philippines.
2. **ADVERTISEMENTS** shall mean the form (e.g. print or broadcast commercial, outdoor signs, posters) through which the advertising information or message is disseminated.
3. **ADVERTISER** shall mean the person or entity on whose account or for whom the advertisement is prepared and disseminated.
4. **ADVERTISING** shall mean dissemination of information or messages for a business purpose, usually intended to promote commercial transactions or to enhance a business' general standing in the marketplace or the community.
5. **ADVERTISING** shall, where context requires, also refer to the "advertisements" as defined herein.
6. **ADVERTISING AGENCY** or **AGENCY** shall mean a service organization or association, including those in the form of single proprietorship, partnership, or corporations, which is established and operated for the purpose of counseling on, creating, producing, and/or implementing advertising programs for and behalf of advertisers in various forms of media.
7. **ADVERTISING SUPPORT GROUPS** shall mean the entities or persons, other than advertising agencies, who supply, produce or provide the materials or services for the creation and production of advertisements or the implementation of public relations programs, such as writers, arts studios, consultants, photographers, job printers, talents, talent agencies, audio-visual producers, phototypesetters/photoengravers and research firms.
8. **ALCOHOLIC BEVERAGE** shall mean any product meant for human consumption which is defined or classified as an alcoholic beverage by the Bureau of Food and Drugs.

9. **BFAD** shall mean the Bureau of Food and Drugs.
10. **CHILDREN** shall mean persons below twelve years of age.
11. **CONSUMER/MARKET/PUBLIC** shall mean the person or persons who are the actual or intended recipient of an advertising message.
12. **CORPORATE** or **INSTITUTIONAL ADVERTISING** shall mean advertising intended directly or indirectly to create a specific awareness of or positive regard for the corporate or institutional advertiser on the part of its consumers or the general public and may or may not relate to any of its particular business activities or commercial undertaking.
13. **DIRECT COMPARISON ADVERTISING** shall mean advertising, which involves a comparison of the advertiser's company, product or service with an identified competitor, product or service.
14. **GAMING** shall mean the playing of games of chance.
15. **GUARANTEE** shall mean an express or implied assurance in respect of specific properties or characteristics of a product or service upon which the consumer may be expected to rely.
16. **INFANTS** shall mean persons below one year of age.
17. **MATERIAL BENEFIT** shall mean a measurable improvement in the utility of the product or service to the consumer in terms of quantity, efficacy, price, value or in such other similar features.
18. **MEDIA** shall mean any means of mass communications used to disseminate information or messages publicly, such as television, cable television, radio, magazines, newspapers, cinema, or outdoor signs.
19. **MINORS** shall mean persons below 18 years of age.
20. **PHARMACEUTICAL PRODUCTS** shall mean any pharmaceutical products or biological products primarily intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or any function of the body of man or animals.
21. **PRESCRIPTION OR ETHICAL DRUGS** shall mean any pharmaceutical products or drug preparations that are dispensed only upon written order of a duly-licensed

physician, dentist or veterinarian for the treatment of a condition or a diagnosed disease of man or animals.

22. **NON-PRESCRIPTION OR OVER-THE-COUNTER DRUGS** shall mean any pharmaceutical products or drug preparations that can be dispensed even without the written order of a duly- licensed physician, dentist, or veterinarian, for the use of consumers for the prevention or symptomatic relief of minor or self-limiting ailments.
23. **PACK/PACKAGING** shall mean any container or wrapping in which any product is enclosed for its delivery or display to retail purchaser; it shall not include shipping containers not intended to reach the retail purchaser.
24. **PARITY CLAIMS** shall mean claims that a product or service has properties or characteristics comparable or similar to those of a competitive product or service.
25. **PRODUCT** shall mean an item or commodity intended for commerce; when used in this Code, unless otherwise indicated, it shall include services, which shall mean the performance of, or engagement in, work or activity for a consideration.
26. **PROMOTIONS** shall mean the practice of giving temporary additional value to a product or service to achieve specific market objectives.
27. **SELL** shall mean to offer or exchange a product/service to, or with members of, the public for a price and/or consideration.

**ARTICLE IV**  
**ADVERTISING CODE OF ETHICS**

**Section 1. PRESENTATION**

1. Claims of product and service properties or characteristics should be clearly presented and should not, in the guise of creativity, be confusingly or misleadingly distorted or exaggerated in the light of the product's or service's market.
2. To safeguard the integrity of advertising materials, advertisements should not substantially or materially have the same distinguishing features unique to other advertisements, regardless of product or service category, including general layout, copy, slogan, visual presentation, music or sound effects.
3. An advertisement should avoid any possible confusion as to the identity of the advertiser or the source or identity of a product or service.
4. Profanity, obscenity and vulgarity, or presentations which are offensive to contemporary standards of decency or morals, shall not be allowed, even when understood only by a part of the audience.
5. Indecent exposure of the human body shall not be allowed. Some exposure of the human body may be allowed in advertisements when in good taste and relevant to the product or service being advertised, the situation being portrayed or the audience being addressed. However, suggestive portrayals shall not be allowed.
6. Advertisements should not depict or exploit persons as sex objects and should not carry any sexual double entendres.
7. Advertisements should not unduly capitalize on fear or sow panic; neither should they be prepared or disseminated in a manner as to exploit the ignorant and/or superstitious.
8. Advertisements should not undermine the public's regard for government, law and duly constituted authority.
9. Advertisements should always be readily perceptible as commercial announcements and should not create any misimpression that they are news or editorial items or public service announcements. Applicable guidelines of the relevant media industry should also be observed.

10. Advertisements should not depict dangerous practices or encourage disregard for safety, unless adequately qualified or balanced with a positive presentation or a clear warning within the advertisements.
11. Advertisements should not exploit or tend to promote physical, verbal or psychological violence or the use of deadly weapons (other than for lawful purposes) whether achieved through real or fictional characters or situations.
12. Advertisements should not emphasize or dramatize ailments, distress or morbid situations or use such situations in an offensive manner. Neither should advertisements demean or ridicule persons suffering from physical or mental afflictions or deformities.
13. Advertisements incorporating a test or demonstration of a product or service property or characteristics must clearly, fairly, factually and accurately present the test or demonstration confirming the claimed product or service property or characteristic. Any test or demonstration may be used only if it directly proves the claimed product or service property or characteristics.
14. Price and purchase terms, when used, should be clear and complete. When parts or accessories that the consumer might reasonably suppose to be part of the original sale are available only at an extra cost or for further consideration, such should be clearly indicated.
15. Advertising of product or service found by the appropriate government agency to be below standards or specifications or to be otherwise unsafe shall not be allowed.
16. Advertisements for any product or service should not depict the actual act of drinking alcoholic beverages or smoking tobacco products.

## **Section 2. DISPARAGEMENT**

1. Advertisements should not directly or indirectly disparage, ridicule or unfairly attack competitors or non-competitors, competing or non-competing products or services, including distinguishing features of their advertising campaigns such as specific layout, copy, slogan, visual presentation, music/jingle or sound effects.
2. Neither should advertisements directly or indirectly disparage, ridicule, criticize or attack any natural person or groups of persons especially on the basis of gender, social or economic class, religion, race or nationality.

## **Section 3. COMPARISON ADVERTISING**

1. Direct comparison advertising shall not be allowed.
2. Comparison advertising may be permitted provided it does not use symbols, slogans, titles, or statements that are clearly identified or directly associated with competitive brands. Competitive claims inviting comparison with a group of products or with other product categories (without identifying any specific brands) may be allowed provided these are adequately substantiated.
3. A comparison of competitive products or services must provide a clear, substantiated and verifiable basis for any comparative claim favorable to the advertiser. An unqualified, sweeping claim may be permitted only if proven to be true on all material respects in relation to all products of the same category in the market.
4. Parity claims may be allowed provided they are properly qualified and substantiated.

#### **Section 4. ADVERTISING SLOGANS AND TERMS**

Advertising copy, slogan or terms should not tend to mislead, or confuse the consumer as to the materials, content, origin, utility or function of any product or service.

#### **Section 5. SPECIFIC CLAIMS**

##### **5.1 INGREDIENTS ADVERTISING**

- 5.1.1 Advertisements should not contain any reference which could lead the public to assume that a product contains a specific ingredient unless the ingredient's quantities and properties as well as the material benefit that results from its inclusion in the product formulation have been technically substantiated.
- 5.1.2 Advertisements should not imply that a certain benefit is due to a specific ingredient unless a verifiable cause and effect relationship exists.

##### **5.2 PROFESSIONAL DATA REFERENCES**

- 5.2.1 Advertisements using the results of a bona fide research, surveys, or test relating to a product should not be so prepared or disseminated as to be misleading or inaccurate in any manner, including by creating or claiming any implication beyond that clearly established by the research, survey or test.

##### **5.3 QUALIFIERS IN REFERENCE TO CLAIMS.**

- 5.3.1 For Advertising materials that require the presence of qualifiers in reference to claims, such should be prominently readable and last for at least two (2) seconds.

#### **Section 6. "NO.1" CLAIM (OR EQUIVALENT)**

- 1.1 No "No.1" claim with respect to any product or service shall be allowed unless it is clearly delineated and qualified as to render the claim objectively verifiable. The claim should, in any case, be substantiated.
- 1.2 A "No.1" claim without a qualifier will be taken to mean as No.1 in sales.
- 1.3 A "No.1" claim may be made only with respect to a clearly delineated and defined category of product or service.
- 1.4 No "No.1" claim may be made by a product or service with no competitors.
- 2.1 Substantiation(s) for a "No.1" sales claim must confirm that the claimant is leading in both (i) physical units sold and (ii) in the resulting peso volume on a cumulative basis. "No.1" claims made on any other basis may be allowed only if the AdBoard is satisfied that the basis and scope of the claim is clear and advertisement is not misleading in any way.
- 2.2 A claim to be "No.1" in sales relating only to specific area(s), must prominently specify the area(s) covered.
- 2.3 The substantiation of a "No.1" claim shall cover at least the immediately preceding 12-month period and should be supported by data from independent sources acceptable to the AdBoard. Where there are no figures for the last 12-month period, the substantiation may be based on the latest available reliable figures provided these are shown to be reasonably current to the satisfaction of the AdBoard.
- 2.4 A previously allowed "No.1" claim can be discontinued or prevented from being used if it is proven by a competitor that its cumulative sales figures (minimum six months) put it ahead of the leading brand. However, for the challenger brand to earn the right to claim No.1, a 12-month basis is still needed.

#### **Section 7. TESTIMONIALS**

1. Testimonial claims should be genuine and truthful and should be categorically stated as the personal experience or opinion of the endorser and should be clearly presented as part of a testimonial statement.

2. The advertiser must substantiate a testimonial by producing the original written and signed evidence supporting the endorsement.
3. Testimonials based solely on subjective judgment are allowed provided that they are not presented as statements of fact. However, when such testimonials also include specific claims regarding product performance, the said testimonials a) should be consistent with actual product performance which should be fully substantiated; b) should also reflect endorser's own personal experience in using the product; and c) should be clearly presented as the experience or opinion of the endorser by the use of such qualifiers as, for example, "In my experience", "In my opinion", "Para sa akin", "I think". Substantiations must be submitted along with the endorser's signed testimony.
4. Testimonials of professionals should observe the ethics of their professions and should not violate regulations of the government bodies or institutions regulating that profession.
5. Any endorser who is presented as an expert must have demonstrable credentials to substantiate the claimed expertise.
6. Advertisements shall not contain or feature testimonials/endorsements of models/endorsers which contradict/dispute previous competitive endorsements or make direct reference to previously endorsed competitive brands by the same models/endorsers, within a period of three (3) years from the last airing or publication of broadcast/print advertisements of said competitive brands containing the competitive endorsements.
7. Advertisements shall not feature talent/models who have been prominently associated with a directly competitive advertisement, within a period of three (3) years from the last airing or publication of the competitive broadcast/print advertisement.

#### **Section 8. SCIENTIFIC CLAIMS**

1. All quotations from or references to laboratory data, statistics and scientific terms used should be presented fairly and in their correct context and should in any case not be presented as to create an impression other than that originally intended by the source.
2. Visual representation of laboratory settings may be employed, provided it bears a direct relationship to and accurately reflects the bona fide research conducted for the advertised product or service.
3. In case of references to tests by professionals or institutions (e.g., doctors, engineers, research foundations), documented and authoritative evidence should be submitted to substantiate such tests and the claims based thereon.

### **Section 9. SUGGESTIVE BRAND NAME ADVERTISING**

Advertisements for any product whose brand name may suggest a different product, commodity or product from or nature should contain a clear statement of the true nature of the product represented by that brand name (e.g. "True-Milk, A Filled-Milk Product).

### **Section 10. "BEFORE" and "AFTER" COMPARISONS**

1. "Before" and "After" situations must reflect truthful and factual comparisons. Comparisons of the "antecedent" situation with the "subsequent" situation must not be exaggerated or misleading.
2. Advertisements comparing "before" and "after" situations should cite with prominence the specific time elapsed between the two situations.

## **Section 11. USE OF “NEW” OR “IMPROVED”**

1. The word “new”, “improved” or “introducing” or similar words which connote ‘new-ness’ or an ‘improvement’ of a product may be used in advertisements only for a period of one (1) year from the time the new or improved product/service has been introduced in the market, excluding reasonable test market periods.
2. Where claimed improvement relates not to the product’s basic utility or function but to one of its other features, such as appearance, fragrance, color or packaging, the word “new” or “improved” may be used only if clearly limited to the specific change (e.g., “new fresh fragrance” or “new plastic/bottle”).
3. In a permanent price reduction or price rollback, the principle of Item 1, Section 11 will be adopted.

However, there is no time frame for the mere mention of a product price as long as there is no reference to a previous price or a price reduction.

## **Section 12. NON-PRESCRIPTION DRUGS, DEVICES AND TREATMENTS**

### **12.1 GENERAL PROVISIONS**

1. No pharmaceutical product may be advertised unless it has been duly registered with the BFAD. Only non-prescription drugs may be advertised in the mass media; prescription drugs can only be advertised through publications solely intended for the medical and allied professions.
2. Advertisements for non-prescription drugs, devices and treatments should not describe or dramatize distress (e.g., death or serious illness) in a morbid manner.
3. Advertisements of all non-prescription drugs should carry the advice, “If symptoms persist, consult your physician.”
4. Advertisements of the benefits or use of non-prescription drugs, devices and treatments should be based on, or be within the context of and consistent with the indications and labeling of said products as approved by the BFAD.
5. Advertisements should not depict consumers relying on, or otherwise encourage reliance on medicines as a solution for psychic, emotional or mood problems.
6. Advertisements of products designed to calm, sedate or stimulate should refer to the temporary symptomatic relief provided and should include a recommendation that label directions be followed.

7. Advertisements should not offer false hopes in the form of a cure or relief for the mentally or physically handicapped either on a temporary or permanent basis.

#### **12.2 SPECIAL TERMINOLOGY/CLAIMS**

1. In advertising medical products, claims that a product will effect a cure and the use of such words as “safe”, “without risk”, “harmless”, “instant”, “effective” or terms of similar import shall not be permitted, unless based on or within the context of and consistent with the indications and labeling of said products as approved by the BFAD.
2. Advertisements should not contain claims that a product or treatment will promote sexual virility, or be effective in treating sexual weakness, conditions associated with sexual excess or over-indulgence, or any ailment, illness or disease associated with these habits.
3. Non-prescription drugs devices treatments may not be directly or indirectly advertised as the answer to conditions of premature aging or loss of virility, unless officially so allowed in writing by the BFAD.
4. Advertisements should not offer any product or treatment for slimming/ weight reduction or figure control if independent medical opinion considers the use of the product or treatment can be harmful.
5. The word “tonic” when used in advertisements shall state clearly the specific purpose for which the tonic is to be used or taken and shall not claim nor imply treatment or results related to sexual potency, inadequacy or the aging process.

#### **12.3 MEDICAL PRACTITIONERS**

1. Endorsements, direct or implied, by physicians or actors portraying physicians, of non-prescription drugs, devices, treatments and medical equipment shall not be allowed.
2. Unlicensed medical practitioners shall not be allowed to advertise their services.
3. Advertisements by a medical practitioner shall be subject to the Code of Ethics and applicable laws and rules of his profession. In any event, where allowed, such advertisements may state only the professional’s name, address office hours and licensed area of practice or specialization. Specialization shall mean the particular field of practice for which the professional has the appropriate education, training and expertise. The advertisement may not mention any specific ailments.
4. No clinic or hospital shall be used or portrayed in advertisements without the knowledge of and the written permission from its proper authority/ies.

## **12.4 VITAMINS/FOOD SUPPLEMENTS**

1. Advertisements should not state or imply that vitamins and/or minerals alone can ensure or promote good health. Neither should advertisements state or imply that good health is likely to be endangered solely because people do not supplement their diet with vitamins and/or mineral.

## **12.5 PROMOTIONS**

1. Advertisements for propriety drugs, devices and treatment offering prizes, promotions, competitions and additional rewards or benefits other than those which can be reasonably expected from the product's use, or otherwise involving any promotion may be permitted only with the express written approval of the BFAD.
2. A propriety drug, device or medicine may not be used as a promotional item for any product or services without the express written approval of the BFAD.

## **Section 13. ALCOHOLIC BEVERAGES**

1. Advertisements should not state that drinking is essential to social success or acceptance, that drinking is a genuine symbol of masculinity or that refraining from drinking is a sign of weakness.
2. Advertisements for alcoholic beverages should not depict the act of drinking such as the liquid entering the mouth and/or being swallowed, explicitly or implicitly.
3. Advertisements should not feature or promote excessive drinking.
4. Advertisements should not claim that drinking brings about therapeutic, sedative, tranquilizing or stimulating effects or that drinking enhances sexual prowess or appeal.
5. Advertisements for local beverages may not be aimed at or directed to minors as the target audience. Specifically models and talents who are minors and those who portray authority figures or roles meant to appeal specifically to minors (e.g., folk or comic book heroes, war/national heroes, law enforcers) may not appear in such advertisements.
6. Advertisements should not in any manner represent or imply that drinking and driving are safe compatible activities.
7. Alcoholic beverage advertisements should carry the device "DRINK MODERATELY".
  - a. For Tagalog, the allowed translation is: "Uminom ng katamtaman lamang."

b. For regional dialects, the following are the allowed translations:

- i. Bicol – “Mag-inom ning tama sana.”
- ii. Cebuano – “Inom ra sing gihustong kadaghanon.” Or “Inom sa husto gidaghanon.”
- iii. Chavacano – “Toma con moderacion.”
- iv. Ilocano – “Uminum laeng iti kalalainganna.”
- v. Ilonggo – “Inom sing Insakto lang kadamuon.” Or “Inom lang sing Insakto”
- vi. Pangasinense – “Uninom labat na duga.” Or “Uninom labat na daiset”
- vii. Waray – “Inom la hinay-hinay.”

c. The use of the dialect translations of the mandatory tag shall be allowed only for materials solely intended for a particular region and using the dialect of that region.

8. “Drink moderately” in all television advertisements should be shown/flushed in a separate frame with no other copy or visual at the end of a material.

#### **SECTION 14. CIGARETTES AND TOBACCO PRODUCTS**

1. Advertisements should not suggest that smoking is essential to social success or acceptance, that smoking is a genuine symbol of adulthood or that refraining from smoking is a sign of weakness.
2. Advertisements shall not claim directly or indirectly that smoking is necessary for work and relaxation.
3. Cigarette and tobacco product advertisements should not depict the act of puffing, inhaling or exhaling smoke or having a lit cigarette in the mouth. Radio advertisements shall not depict, by use of sound effects, the pleasure and attraction of smoking.
4. Cigarette/Tobacco advertisements should not feature or promote excessive smoking. Neither shall advertisements seek to encourage non-smokers to smoke, or exaggerate the attraction of smokers or otherwise seek to persuade people to start smoking.
5. Advertisements should not suggest that smoking bring about therapeutic, sedative, tranquilizing or stimulating effects or that smoking enhances sex appeal. Advertisements shall not claim directly or indirectly any health advantage of one cigarette brand over other brands.
6. All cigarette advertisements should carry, at the end, the statement, “**GOVERNMENT WARNING: CIGARETTE SMOKING IS DANGEROUS TO YOUR HEALTH.**” (Refer

to Appendix I - AdBoard ACRC Guidelines for Screening of Cigarette/Tobacco advertisements).

7. Advertisements for cigarettes and tobacco products will not be aimed at or directed to minors as the target audience.
8. Advertisements shall not exploit the youth younger than 18 years of age who are especially vulnerable, whether on account of their youth or immaturity, or as a result of any physical, mental or social handicap in any form of cigarette advertising.
9. Models and talents who are minors or appear to be minors and those who portray authority figures or roles meant to appeal especially to minors (e.g., folk or comic book heroes, war/national heroes, law enforcers) will not appear in such advertisements.
10. No advertisements on cigarettes shall appear in any children's programs, or in children's magazines, or publications directed specifically to children and minors.
11. Cigarette advertising in television should not be aired in programs whose audiences are predominantly below eighteen (18) years of age.

#### **SECTION 15. CHILDREN**

1. Advertisements directed primarily at the children should not exploit their natural credulity.
2. Advertisements and promotional activities for proprietary drugs, medicines, devices and treatments should not be directed to children.
3. Advertisements should not allow children taking drugs and medicines without the supervision of a responsible adult.
4. Advertisements should not encourage reckless, improper or antisocial behavior and should not show children in activities that would normally not be allowed by responsible adults for reasons of safety or propriety.
5. Advertisements should not undermine children's enjoyment of present possessions.
6. Advertisements meant for children should not contain indelicate references to infirmities or scenes depicting physical and mental cruelty. In general, advertisements for children should not show irresponsible, violent or reprehensible acts/practices in a manner that may lead children to interpret or adopt them as normal or acceptable social behavior.

#### **SECTION 16. PHILIPPINE STANDARDS AND SYMBOLS**

1. The Philippine National Flag or any of its earlier versions and the Seal of the Republic may be used as illustrative material only in sober and respectful advertising whose theme is patriotic or commemorative, or reflects the heritage and/or traditions of the Filipino people.
2. Historical/national events, national events, national heroes and national shrines can be used in advertisements only if presented accurately and respectfully and used to promote positive values.
3. The representation of the Philippine Currency in advertisements shall be governed by the rules promulgated by the Bangko Sentral ng Pilipinas Circular No. 61 s. 1995).
4. The use of the Philippine National Flag in advertising shall conform with the standards set by the National Historical Institute and the National Commission for Culture and Arts.

#### **SECTION 17. FINANCIAL SERVICES**

1. Advertisements for financial services such as lending, investing and other similar transactions should comply with applicable rules, regulations and circulars of the Bangko Sentral ng Pilipinas and other appropriate government agencies.
2. Such advertisements should contain a sufficiently clear, concise and complete statement of all the material terms and conditions of the offered financial product, transaction or service in order that the consumer is fairly apprised of the total consideration for and the essential nature of the product, transaction or service.
3. Where other specific details which could influence the consumer's decision are not stated, the advertisement should so indicate this and the manner in which complete information may be obtained. For this purpose, the advertisement may use a statement such as "For other important details and information, please contact or see \_\_\_\_\_."

#### **Section 18. EDUCATIONAL/TRAINING INSTITUTIONS**

Advertisements for educational, development or training institutions or enterprises should not exaggerate or mislead regarding the opportunities supposedly awaiting those who enroll in their courses.

#### **Section 19. ARTICLES THAT REQUIRE ASSEMBLING**

All products, which require assembling, should state this clearly and prominently in their advertisements.

## **Section 20. ADVERTISING FOR CHARITABLE CAUSES**

Advertisements involving charitable causes as beneficiaries should indicate the particular beneficiary.

## **Section 21. CORPORATE ADVERTISING**

Corporate advertising must be fair, truthful and accurate; it should not contain any exaggerations or sweeping generalizations that may mislead the public regarding the advertiser or the attributes of its products or services. Where the advertisements contain specific claims regarding the company or its product or services, such claims must be verifiable and subject to substantiation in the same manner as regular product or service advertisements.

## **Section 22. EXPLOITING UNNATURAL PHENOMENA**

Advertisements should not exploit public credulity related to superstition, fortune telling, dream interpretation, faith healing, the occult and other similar matters.

## **Section 23. AGROCHEMICAL AND VETERINARY PRODUCTS**

In addition to the requirements of this Code, the advertising of agrochemical and veterinary products, particularly fertilizers and pesticides, shall likewise be governed by and should comply with the specific advertising guidelines set out by the Food and Agriculture Organization (FAO) Code of Ethics as well as all rules and regulations issued by appropriate governmental agencies.

## **Section 24. PRICE ADVERTISING**

1. Advertisements should not contain misleading, exaggerated or fictitious price comparisons, discounts or other claimed savings. All indicated prices and other economic terms should be complete and accurate and should not mislead the public by distortion, omission or undue emphasis.
1. All price comparisons should conform to Rule IV (Price Advertising), Chapter VI, Title III of the Department of Trade and Industry's D.A.O. No. 2, s. 1993. (Refer to Appendix III).
2. Advertisements relating to a discount price shall not be allowed unless the discounted price is compared to the previous price and the discount price is maintained throughout the promotional period advertised.

3. Advertisements for installment sales, lease-purchase and other similar transactions (including those where the consideration for the product or service is to be paid over a period of time) which makes any reference to prices or terms should likewise provide all pertinent information on terms of payment, additional charges, if any, and all other economic or financial features of the transaction so as to reflect the total cost/consideration for the goods or services being advertised
4. Advertisements for special sales should conform with applicable government regulations. In any case, such advertisements should contain no false or misleading price or savings claims and should specify which store, branch, department and lines of goods are covered by the sale.

### **Section 25. MISCELLANEOUS**

1. The word “win” and/or words of similar meaning may not be used without qualification or as a categorical claim to imply a certainty of winning unless justified by the mechanics of the promotion.
2. Specific prizes, which can be won by a single individual, must be made clear and the total value of the prizes may be used only if plainly described as the aggregate value of several prizes.
3. Gaming, except those forms authorized by law, shall not be advertised.
4. Advertisements of raffles, contests, or competitions, which offer prizes should state all the material conditions for participation. However, if no details or conditions are announced, the advertisement should also state how and where the purchaser may obtain full details of the rules, e.g., “See posters and print ads for details.”
5. Advertisements of contests or competitions must conform to the regulations of the appropriate government agency.
6. The word “free” or words of similar meaning may be used in promotional advertising only under the following conditions:
  - 6.1 The normal or regular price of the product or service being purchased has not been increased.
  - 6.2 The “free” item is not integral or necessary part of a complete unit that is being sold.
  - 6.3 The “free” item provides a value to the consumer in addition to the original product or service, e.g. accessories, premiums, extra product, extra weight or extra volume.

7. Advertisements of offers that do not provide the consumer a fair and reasonable opportunity to purchase or avail of the products or services as advertised shall not be allowed.
8. Advertisements should clearly and conspicuously disclose the nature, value, extent, and duration of a guarantee.

## **ARTICLE V**

### **IMPLEMENTATION AND PROCEDURE**

Complaints for alleged violation of this Code shall be handled by the Advertising Content and Regulation Committee (ACRC) in accordance with its rules of procedures. Current procedures for the implementation of this Code of Ethics are contained in the ACRC Manual of Procedures for Screening of Advertising Materials and Filing of Complaints and Appeals.

## **ARTICLE VI**

### **SANCTIONS**

Violation of any provision of this Code shall result in sanctions as provided in the ACRC Manual of Procedures for Screening of Advertising Materials and Filing of Complaints and Appeals, and such other sanctions and measures the ACRC may deem reasonably necessary for the achievement of the purpose of this Code.

## **ARTICLE VII**

### **CLEARANCES, INTERPRETATION AND AMENDMENTS**

#### ***Section 1. GOVERNMENT CLEARANCES***

Any clearance given by the AdBoard for activities requiring prior approval(s) by any government agency should be deemed conditioned upon the securing of such appropriate approval(s).

#### ***Section 2. INTERPRETATION***

The Code of Ethics shall be interpreted and shall be liberally construed to give effect to its purposes.

#### ***Section 3. AMENDMENTS***

This Code may be amended by the AdBoard from time to time.

#### **Section 4. EFFECTIVITY**

This Revised Code shall take effect on January 31, 1996.

### **APPENDIX I**

#### **ADBOARD ACRC GUIDELINES FOR SCREENING OF CIGARETTE/TOBACCO ADVERTISEMENTS**

##### **Screening Policies and Guidelines**

1. All cigarette/tobacco advertisements shall be screened on the basis of the following:
  - a. Code of Ethics of the Advertising Board of the Philippines; and
  - b. Section 94 of RA 7394, otherwise known as the consumer Code of the Philippines.
2. The Advertising Board of the Philippines shall:
  - a. Pre-screen broadcast advertisements;
  - b. Post-screen print advertisements, as well as billboards and non-traditional media. No cigarette/tobacco advertisements shall be aired in broadcast media without the proper clearance issued by the *Advertising Board of the Philippines*.

This Code of Ethics for Cigarette and Tobacco Product Advertising shall form part of the Code of Ethics of the Advertising Board of the Philippines. It shall be a basis of the AdBoard ACRC for screening cigarette/tobacco advertisements.

##### **IMPLEMENTING GUIDELINES**

1. In case of public service announcements or advertisements, the integration of the health warning shall be waived, provided that no selling message, outside of a brand name and logo, is placed thereon.
2. Application to Print and Outdoor Advertisements (including Electronic Billboards). Print and outdoor advertisements shall integrate the health warnings as follows:
  - a. The health warning shall be boxed in a space occupying ten percent (10%) of the total advertisement;

- b. The health warning shall be rendered in clearly legible types on a white background;
  - c. If the print ad or billboard has a colored background, then a box with a white background containing the warning be sufficient even without a border. However, if the ad or billboard has a white background, there should be a thin line border on the box, which would be in any color at the option of the advertiser.
  - d. No extraneous text nor visual design that adversely affects the readability of the health warning shall be allowed.
3. **Application to Outdoor Advertisements.** No permanent billboard advertising for cigarettes or tobacco products will be allowed within 100 meters of primary or secondary schools.
4. **Application to Radio Advertising.** Radio advertisements shall voice over the health warning within the last three (3) seconds of a commercial for cigarette/tobacco products regardless of the duration of the radio commercial. The health warning shall be voiced-over without any extraneous sound nor effect that will adversely affect the clarity of the message.
5. **Application to Television Advertising.** Television advertisements shall visually feature the health warning in the last three seconds. However, materials which five (5) seconds or less in length maybe exempted from this provision, provided such exemption is first cleared with AdBoard. The text of the Health warning in cigarette/tobacco advertisements shall be:
- (1) in legible black types,
  - (2) rendered on white background,
  - (3) arranged in three (3) lines;
  - (4) occupying no less than 30% of the end frame thereof; and
  - (5) set to center of the frame thereof.

No distracting visual effect that adversely affects the readability of the health warning shall be allowed.

### **Product Sampling and Giveaways**

- 1. Cigarette and tobacco manufacturers, their advertising, promotion agencies, or their representatives, should not give out product samples to the youth. Neither shall the

- youth be used as a channel to deliver product samples to their parents or adult relatives.
2. Cigarette and tobacco manufacturers, as well as their advertising and promotion agencies, shall refrain from developing or using promotional premium items or giveaways that are primarily intended for the youth.
  3. Manufacturers of children's products, including food and beverage items, will also refrain from developing, selling or merchandising products taking the shape and form of existing cigarette brands or packages, as well as facsimiles of such.

## **APPENDIX II**

### **BANGKO SENTRAL NG PILIPINAS** *Maynila, Pilipinas*

#### **CIRCULAR NO. 61** *Series of 1995*

### **CONSOLIDATED RULES AND REGULATIONS ON CURRENCY NOTES AND COINS**

#### **CHAPTER II**

#### **REPRODUCTION AND/OR USE OF FACSIMILES OF LEGAL TENDER PHILIPPINE CURRENCY NOTES**

- Section 8. No person or entity, public or private, shall design, engrave, print, make or execute in any other manner, or utter, issue, distribute, circulate or use any handbill, advertisement, placard, circular, card or any other object whatsoever bearing the facsimile, likeness or similitude of any legal tender Philippine currency note, or any part thereof, whether in black and white or any color or combination of colors, without prior authority therefore having been secured from the Governor, BSP or his duly authorized representative.
- Section 9. The reproduction and/or use of facsimiles or any illustration bearing the likeness or similitude of legal tender Philippine currency notes referred to in the foregoing section may be authorized by the Governor, BSP or his duly authorized representative for printed illustrations in articles, books, journals, newspapers or other similar materials and strictly for numismatic, educational, historical, newsworthy or other purposes which will maintain, promote or enhance the integrity and dignity of said note, provided, however, that any such facsimile or illustration shall be of a size less than three-fifths (3/5) or more than one and one half (1 1/2) times in size of the currency note being

illustrated and that will be no deviation from the purpose for which the notes will be used.

### **CHAPTER III**

#### **REPRODUCTION AND/OR USE OF FACSIMILES OF LEGAL TENDER PHILIPPINE CURRENCY COINS**

- Section 10. No person or entity, public or private, shall design, engrave, make or execute in any other manner, or use, issue, or distribute any object whatsoever bearing the likeness or similitude as to design, color or the inscription thereon of any legal tender Philippine currency coin or any part thereof, in metal form, irrespective of size and metallic composition, without prior authority from the Governor, BSP or his duly authorized representative.
- Section 11. The reproduction and/or use of facsimile or of any object bearing the likeness or similitude of legal tender Philippine currency coins referred to in the foregoing section may be authorized by the Governor, BSP or his duly authorized representative, strictly for numismatic, educational, historical and other purposes which will maintain, promote or enhance the integrity and dignity of said coins.
- Note: This circular supersedes Bangko Sentral ng Pilipinas Circular Nos. 204, 351, 563 and 564.

### **APPENDIX III**

#### **KAGAWARAN NG KALAKALAN AT INDUSTRIYA** *(Department of Trade and Industry)*

#### **DEPARTMENT ADMINISTRATIVE ORDER NO. 2** *Series of 1993*

#### **SUBJECT: RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES**

#### Title III

#### **PROTECTION AGAINST DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS AND PRACTICES**

**CHAPTER VI  
ADVERTISING AND SALES PROMOTION**

Rule IV. Price Advertising

*Section 1.* Price advertising - comparative price advertising by sellers of consumer products or services shall conform to the following conditions.

- 1.1 Where the comparison relates to a former price of the seller, the item compared shall either have been sold at that price within the ninety (90) days immediately preceding the date of the advertisements, or it shall have been offered for sale for at least four (4) weeks during such ninety day period. If the comparison does not relate to an item sold or offered for sale during the ninety-day period, the date, time or seasonal period of such sale or offer shall be disclosed in the advertisement.
- 1.2 Where the comparison relates to a seller's future price, the future price shall take effect on the date disclosed in the advertisement or within ninety (90) days after the price comparison is stated in the advertisement. The stated future price shall be maintained by the seller for a period of at least four(4) weeks after the effective date: Provided, that compliance thereof may be dispensed with in case of circumstances beyond the seller's control.
- 1.3 Where the comparison relates to a competitor's price, the competitor's price shall relate to the consumer products or services advertised or sold in the ninety-day period and shall be representative of the prices of similar consumer products or services sold or advertised in the locality where the price comparison was made.

**APPENDIX IV**

**REPUBLIC OF THE PHILIPPINES**  
*CONGRESS OF THE PHILIPPINES*

**Second Regular Session**  
(July 25, 1988)

**REPUBLIC ACT NO. 6675, OTHERWISE KNOWN AS THE GENERICS ACT OF 1988**

## Section 6

### **Guidelines on Advertisement and Promotions of Generics Act of 1988**

Sec. 6 (c) Any organization or company involved in the manufacture, importation, repacking, marketing and/or distribution of drugs and medicines shall indicate prominently the generic name of the product. In any case of brand name products, the generic name shall appear prominently and immediately above the brand name in all product labels as well as in advertising and other promotional materials.

### **Administrative Order #65 series of 1989**

#### **Section 2.0**

#### **GUIDELINES ON ADVERTISEMENT AND PROMOTIONS BASED ON PRIOR LAWS**

- 2.1 No person shall advertise or promote a pharmaceutical product unless such product is duly-registered by Bureau of Food and Drugs (BFAD).
- 2.2 All therapeutic claims for drugs, medicines or any pharmaceutical product made in advertising or promotional materials must be based on adequate scientific, pharmacological, and clinical evidence, responsible medical opinion or long therapeutic value, and must be within their therapeutic indications approved by the BFAD.
- 1.3 No pharmaceutical product classified by BFAD as a Prescription or Ethical Drug shall be advertised or promoted in any form of mass media except through medical journals, publication and/or literature solely intended for medical and allied professions.
- 1.4 The pharmaceutical company which owns the pharmaceutical product, and its Medical Director shall be responsible and accountable for the content and form of its advertisement and promotional materials.

#### **SECTION 3.0**

#### **GUIDELINES ON ADVERTISEMENT AND PROMOTION TO IMPLEMENT SECTION 6.C OF THE GENERICS ACT OF 1988 (R.A. 6675)**

##### **3.1 GENERAL PRINCIPLE**

Consistent with section 6.c of RA 6675, all advertising and promotional materials, whether print, visual or auditory, shall feature prominently the generic name of the

drug product designated by BFAD. In the case of branded products, the prominence of the generic name shall be insured in all print, visual or auditory materials that feature the brand name.

### 3.2 PRINT AND STATIC VISUAL MATERIALS (e.g. Posters, Billboards)

The pertinent provisions of A.O. 55 s. 1988 on Requirements for Labeling Materials of Pharmaceutical Products quoted hereunder shall apply with the exception that the word "label" will be substituted by "advertising, and other promotional material."

3.1.1 In all cases, the generic name shall be the prominently printed element on the [label] advertising and other promotional material defined as the one with the highest point size among the various printed elements on the [label] advertising and other promotional material. It shall be enclosed exclusively by an outlined box rendered in the same color as the generic name. The background color inside the box, against which the generic name is rendered, should be the box, against which the brand name is rendered.

The above-mentioned items in Section 3 of this AO shall be interpreted as follows:

3.1.1.1 When a print advertisement shows the product with its label, the provision on product labeling shall apply.

3.1.1.2 When print advertisement uses the brand name in its headline, the generic name shall be placed immediately before or after the brand name, rendered in the same type size as the brand name and shall be enclosed in an outlined box, the background color of which is the same as the background color outside the box.

3.1.1.3 When a brand name is mentioned in the body copy, the generic name shall be placed immediately before or after the first mention of the brand name, but using the same type size as that of the brand name and shall be enclosed in a parenthesis."

3.1.2 In all cases, the generic name shall be printed in full, not abbreviated and in accordance with the International Non-Proprietary Name (INN). In case the salt or the specific chemical form of the drug needs to be indicated, this must be included inside the box but in smaller point size.

3.1.3 if a product is identified by a brand name together, with its generic name, the following shall be required in addition to 3.1.1 and 3.1.2.

3.1.3.1 The generic name and brand name shall be rendered using the same typeface, font and color, with the generic name appearing immediately above the brand name and rendered in a point size bigger than the name.

3.1.3.2 If the brand name is presented using a special typeface exclusively designed and used for it, the generic name shall be rendered in Helvetica Medium or Univers Medium while complying with the other pertinent provisions above.

### 3.3 Other Visual Materials

For other forms of visual materials, such as television, cinema or movies, etc., the general principle in 3.1 will be applied, and consistent with A.O. 55 s.1988 as amended, the generic name designated by BFAD shall appear prominently within the outlined box, immediately above and in larger point-size than the brand name, if any.

### 3.4 Auditory Materials

For auditory materials used in radio or other media, the general principle in 3.1 will be adopted according to the convention of the medium.

**Annotation: For substantial compliance, the Phil. Board of Advertisement recommended a Supplementary Guideline to A.O. 65 s. 1989 which was acceptable to BFAD. The guideline included the following provisions:**

- a) For branded products, the generic name may be placed immediately before or after the brand name on its first mention.
- b) For audiovisual advertisements 30 seconds or more, it shall end with an audio: “(GENERIC NAME) is the generic name of (BRAND NAME)” together with a product shot showing the generic name, otherwise, the text of the whole statement shall be shown for at least 2 seconds.
- c) For auditory advertisements 30 seconds or more, it should likewise end with the line: “(GENERIC NAME) is the generic name of (BRAND NAME)”.
- d) For advertisements 15 seconds or less, the generic name must be mentioned or shown at least once within the commercial.
- e) All advertising materials must be approved by the PBA and all “questionable” materials must first be evaluated by it. (Ref. Supplementary Guidelines to Administrative Order No. 65)

## **MANUAL OF PROCEDURES FOR SCREENING AND FILING OF COMPLAINTS AND APPEALS**

### **I. STATEMENT OF GENERAL PRINCIPLES**

The System of Advertising Content Regulation was established to form part of the implementation of the AdBoard Code of Ethics for Advertising, in the belief that the

industry and its interprets can be protected by advertising practitioners themselves, pursuant to government policy that encourages self-regulation within the private sector.

The AdBoard, as matter of policy, encourages resolution of advertising issues/ conflicts by practitioners themselves and should provide ways by which contending parties could settle disputes/ conflicts among themselves. Only when mediation fails will a case be brought to the Advertising Content Regulation Committee (ACRC) for a decision.

The overriding principles that guide the voluntary adoption of this system to which all members subscribe, are:

- A. The paramount consideration is the interest of the consumer.
- B. Content regulation serves to safeguard truth in advertising.
- C. It is meant to facilitate the production and placement of advertisements.

## **II. ADVERTISING CONTENT REGULATION COMMITTEE (ACRC)**

The Advertising Content Regulation Committee was formed following the amendment of the By-Laws of the Advertising Board of the Philippines (AdBoard) and the corresponding reorganization ratified by the AdBoard on May 17, 1984.

### **A. ACRC ORGANIZATION**

The composition of the ACRC is based on the principle of equal representation from among the three (3) advertising sectors- the Advertiser, the Advertising Agency, and the Media. The ACRC is composed of 18 regular members of senior status in the advertising industry with seven (7) members from each sector.

Each sector has seven (7) alternate members that will take over in each cases of unavailability of the regular members to attend the hearings. They do not, however, attend Policy Meetings.

There shall be appointed six (6) people additional members, who will serve as alternates, upon recommendation of the ACRC Chairman or the Executive Director subject to the approval of the main ACRC Policy Making Body in consultation with the Associations involved.

The ACRC Chairman and members are all appointed by the Chairman of the AdBoard, in consultation with the three (3) sectors. The AdBoard Chairman automatically sits in the Main ACR Committee as a non-voting Ex-Officio member.

### **B. FUNCTIONS**

The ACRC is tasked with the formulation and implementation of the policies, rules and regulations governing the screening of advertisements. Such policies, rules and regulations are subject to AdBoard Board approval.

The ACRC has the final and exclusive jurisdiction of the AdBoard Code of Ethics and the final decision in the resolution of disputes arising there from.

## **C. MEETING REQUIREMENTS**

### **1. POLICY MEETINGS**

A quorum of a minimum attendance of fifty per cent (50%) plus one from the total membership of the ACR Committee, or at least eight (8) members with each sector represented is required.

### **2. CASE HEARINGS**

A quorum of a minimum attendance of five (5) members provided that at least two (2) out of three (3) sectors are represented is required.

## **D. TECHNICAL SUB-COMMITTEE**

All technical problems regarding policies, rules, regulations, and procedures as well as their interpretations are referred to the Technical Sub-Committee of the ACRC. Its Chairman and members are all appointed by the ACRC Chairman.

The Technical Sub-Committee is composed of a Chairman, representing one (1) sector, and two (2) members representing the other participating ACR sectors. The ACRC Chairman automatically sits in this Committee as a non-voting Ex-Officio member.

The members of the ACRC Technical Sub-Committee, except for its Chairman, may not necessarily come from the ACRC regular and alternate members. The ACRC Chairman may appoint TSC members who were former ACRC members and the appointments will be approved by the ACRC Policy Making Body. TSC members may be composed of former or current ACRC members.

## **E. THE SCREENING PANEL**

The members that compose the Screening Panel are experienced advertising practitioners chosen to represent their particular sectors in the Advertising Content Regulation system. A regular member of the Main ACR Committee or an alternate member is chosen as the Chairman of the Screening Panel.

In the event that the designated Chairman of the Screening Panel is not available, the ACRC Chairman designates another ACRC member. The same applies in cases of conflicts of interests.

## 1. COMPOSITION OF THE SCREENING PANEL

A Screening Panel shall consist of top executives who are known for their objectivity and the mature judgment, from among the Advertiser, Advertising Agency and Media and Advertising supplier sectors.

Screening groups shall consist of a pool of senior advertising practitioners (representatives of the advertiser sectors(PANA), advertising agencies (4As) and media sector (KBP, UPMG, CAAP, IBA & OAAP) and suppliers (ASAP & MORES).

## 2. QUORUM REQUIREMENT

Screening shall be done by at least three (3) members. The Executive Director or any AdBoard Director (respectively, from the advertiser, agency or media sector) may serve as the third member of a screening panel.

## 3. TECHNICAL RESOURCE PERSONS

Technical experts or other practitioners outside of the sectoral representation within the ACRC, whose expertise and advice may be sought in screening particular advertising materials, may be invited to participate in the Screening Panel sessions.

They will not participate in voting.

## **III. GENERAL PROVISIONS**

### **A. GENERAL REVIEW GUIDELINES**

In the screening of advertisements and in the review of complaints and appeals, the Advertising Content Regulation Committee shall be guided by:

1. The Laws of the Land;
2. The AdBoard Code of Ethics for Advertising;
3. AdBoard precedent decisions.

### **B. MATERIALS COVERED BY REGULATIONS**

The ACRC has established the general principle that all advertising materials will be screened regardless of whether they are commercials or not. Commercials are pre-screened, whereas non-commercials are post-screened.

Following are the criteria in determining what constitutes a commercial:

1. If advertising claims are made;
2. If airing time of an advertising material has been paid for, regardless of frequency of airing;
3. If the material is of standard length or does not exceed five (5) minutes.

The presence of the first criterion alone or the combination of the second and third criteria will determine whether or not a material is a commercial.

All radio and television advertisements including AOBs additional tie-up tags or other similar materials must be submitted to the Advertising Board of the Philippines for the appropriate clearance prior to their release to media, as follows:

1. All advertisements, whether “locally” or “foreign-made” of national advertisers, including materials for test markets.
2. All advertisements for products or services manufactured, sold and distributed or offered within the Greater Manila Area, or in more than one region of the country.
3. All the advertisements for accounts handled by an advertising agency based in the Greater Manila Area.
4. All Infomercials / Direct-Selling / Tele-Marketing on TV and Radio shall be pre-screened.

Print materials are post-screened except in the following cases:

1. Materials with No. 1 or superiority or exclusivity claims
2. Infant Food Products
3. Print ad that shows partial or total nudity or skimpy attire or any visual that suggests sexual stimulation or satisfaction or gratification.

Casual plugs on TV and Radio shall be post-screened if there is/are any complaint(s).

### **C. MATERIALS EXEMPTED FROM REGULATIONS**

The following types of materials will not require screening clearance:

1. Local accounts, or advertisements for any product, brand or service manufactured, sold and distributed or offered within a limited geographical province outside of the Greater Manila Area.
2. Public service and emergency announcements of utility companies.
3. Advertising materials of recognized religious organizations.
4. Political advertisements.
5. Advertising materials under the supervision of government entities such as motion picture advertisements.

#### **D. PRE-SCREENING BY THE EXECUTIVE DIRECTOR**

All materials requiring AdBoard clearance will go through a screening panel except:

1. Straightforward announcements making no advertising claims.
2. Editdowns, translations of previously approved commercials presented in the context of the approved claims.
3. Commercials carrying previously approved claims.

Provided that the presentation of the above materials is not potentially offensive.

Special attention should be given to the following materials which in no case may be reviewed by a single individual:

1. Materials inviting comparison and requiring substantiation of high technical complexity.
2. Materials with claims whose substantiation is not measurable, i.e. highly qualitative.
3. Materials with claims bordering on:
  - Disparagement
  - Comparison advertising
  - No. 1 claims without previously approved substantiation
4. Materials with claims or visuals bordering on obscenity, profanity or vulgarity; those particularly sensitive or controversial in nature.

5. All other materials from time to time may be considered controversial.

## **E. CONFIDENTIALITY OF INFORMATION**

- I. Materials under review and deliberations thereon are confidential. This covers:
  1. Advertising materials presented to a Screening Panel for “Approval to produce” and/or “Clearance to Air”. The Confidentiality extends until such time as these materials are actually aired /published/ displayed.
  2. Advertising materials referred to a Hearing Panel and/or other Appeals bodies. The Confidentiality applies from the time of hearing to fifteen (15) days after a decision on the case, provided no further appeal to the super Body is made within the prescribed period. Should there be an appeal the confidentiality holds until the Super Body renders its decision thereon.
  3. Print ads scheduled for and deliberated on at post-screening hearings. The confidentiality applies from the time of hearing to the resolution of the case, provided the affected party/ies have been duly advised of the decision.
  4. All parties involved in any and all of the hearings attendant to the above are required to sign a Pledge of Confidentiality to ensure the security of information discussed.
- II. Policy on Press Releases (a.k.a. Publicity)
  1. Press Releases may be allowed after the specified confidentiality periods, provided it is limited to the specific ACRC Decision thereon. Provided, further, that the news story is cleared with the AdBoard – ACRC Chairman.
  2. The AdBoard reserves the right to issue its own press releases where public interest is involved; or when any party to a case issues or causes the publication of an erroneous, derogatory or unfairly slanted news story.

## **F. CONSISTENCY**

Claims, copylines, slogans and visuals in advertisements given prior approval for productions or airing, or disapproval by a screening panel after July 15, 1983, shall be upheld by subsequent Screening Panels, unless new evidence is presented to dispute the previous disapproval.

## **G. EXTENSION OF DISAPPROVAL**

Advertisers and Advertising Agencies whose advertisements in any medium have been disapproved shall not use disapproved claims, copylines, slogans and visuals in another advertising medium unless used in another context.

## **H. INHIBITIONS & CONFLICTS**

### **1. SCREENING PANEL**

A member of the Screening Panel shall inhibit himself/herself from participating in the screening/review of advertising materials or in hearings of cases, if he is:

- a.) high ranking/senior officer; or
- b.) actively involved in making decision; or
- c.) in a responsible position

in the advertiser's marketing division's and/or with the agency, or competitors of the products and/or service being presented.

A member of a Screening Panel shall likewise inhibit himself/herself if he/she is related to the first or second degree of consanguinity or affinity to the above; or in the following instances:

#### **1.1 Advertiser**

- 1.1.1 If he owns a product/brand or service that is directly competitive to the material being screened/under review.
- 1.1.2 If the material being screened or under review is owned by the company where the screener is employed.
- 1.1.3 If the material being screened or under review belongs to a subsidiary, sister company or affiliate of the company where the screener is employed.

#### **1.2 Agency**

- 1.2.1 If the material being screened or under review is handled by the agency where the screener is employed.
- 1.2.2 If he/she handles product brand or service that is directly competitive to the material being screened or under review.
- 1.2.3 If the material being screened or under review is that of any product belonging to any of the clients of the agency where the screener is employed.

- 1.2.4 If the material being screened or under review is that of any product belonging to prospective client of the agency where the screener is employed. A prospective client means a client for which the agency has some work in progress.

## **2. MAIN ACRC MEMBERS**

- a. Any Main ACR Committee member cannot serve as Presenter for any screening session nor in any case hearings for complaints and appeals. He may, however, be present in said sessions/hearings as a resource person.
- b. However, in instances where contending parties are both represented in either the ACRC or the AdBoard Board, such members may be allowed to make presentations.
- c. AdBoard Directors except the AdBoard Chairman and the ACRC Chairman are allowed to make presentations at case hearings.
- d. An ACRC member who chaired the Screening Panel session for a case which is elevated to the ACRC, may sit in the hearing for the said case and participate in the process but not vote.

In case of hearings which he is unable to attend, he may designate a Screener who was present during the original screening session.

- e. Since an Appeal is always based on new evidence, the Presiding Chairman and members of the main ACRC panel who had reviewed a case which was appealed, may participate and vote in the hearing for the said appeal.

### **I. PRE-SCREENING OF PRINT ADS / COLLATERALS / OUTDOOR SIGNS (For materials with “Infant Food Products”, “No. 1 or Superiority or Exclusivity Claim”, and “Sexy Ads”)**

1. The Advertiser/Advertising Agency should supply the following information to the AdBoard Secretariat:
  - a) Name of the Advertiser
  - b) Name of the Advertising Agency
  - c) Name of the Product or Brand
  - d) Title of the Advertisement
  - e) Type of material to be submitted
  - f) Actual/Finished Size
2. The Advertiser/Advertising Agency should present at least five (5) copies of the compre/artwork.

3. Presentation of the complete artwork to the Executive Director, who will either grant an Approval for Production; or refer the material to the Screening Panel.
4. The Screening Panel will either:
  - a) Grant an Approval for Production if the material is found not violative of any provision in the Code of Ethics, or;
  - b) Ask that the material be revised, or;
  - c) Disapprove the material if judged to be violative of the Code of Ethics.
5. Materials granted the "Approval for Production" may be finalized, with the Final Artwork re-submitted for the Clearance to place, print, install, or display.
6. Final Artwork may also be submitted directly, but will undergo the same clearance process described above (Nos. 1-4).

## **J. MATERIALS WITHOUT PROPER ADBOARD CLEARANCE**

Advertisements found broadcasted without proper AdBoard clearance will be issued an immediately effective Cease and Desist Order. A prescribed fine will be imposed on the Advertiser and its Advertising Agency, jointly and severally. (See penalties under SANCTIONS of this Manual.)

## **IV. PRE-SCREENING REQUISITES**

### **A. INFORMATION REQUIRED**

The advertiser and/or the Advertising Agency should supply the following information to the AdBoard Secretariat on the material for pre-screening:

1. Name of the Advertiser
2. Name of the Advertising Agency
3. Name of the Product or Brand
4. Title of the Advertisement
5. Type of material submitted

The information will be recorded in the Comment Sheet for pre-screening of the accompanying evaluation. Should the material be referred to a Screening Panel by the Executive Director, the same documents will be used.

### **B. SUPPORT DOCUMENTS**

The Presenter must make available the following materials to facilitate the review as necessary:

1. For claims of own product performance, or claims that do not touch on or refer to any product other than the one being presented: Company-owned documents duly signed by the appropriate technical expert and/or high company official, e.g., President, the Vice-President, etc.
2. For the testimonial claims: documents, affidavits, or certifications of product or service use or preference by the person making the endorsement.
3. For all other claims: support documents from an acceptable third party source or any other source deemed acceptable by the ACRC.
4. Product Samples which will be returned after screening, especially for a new product and/or products claiming any special feature or characteristic.
5. Any other pertinent information about the product presented during pre-screening.

## **C. PRESENTATION MATERIALS**

### **1. TELEVISION ADVERTISEMENTS**

- a. Three (3) copies of the storyboard, which may be presented in photocopy form with adequate descriptions and camera directions; or
- b. VHS (NTSC format) tapes as may be required by the AdBoard Secretariat with three (3) copies of the storyboard.

### **2. RADIO ADVERTISEMENTS**

- a. Three (3) copies of the radio scripts; or
- b. If already produced, Audiotape with three (3) copies of the radio script.

### **3. TRANSLATIONS**

Dialect or non-English materials must be accompanied by either English or the Pilipino translation, with a certification signed by the senior officer of the advertising agency or the advertiser attesting to the accuracy and correctness of the translations.

Translations of previously approved advertisements must be cleared with the AdBoard's Executive Director with three (3) copies of the script together with the final materials submitted to and auditioned by the AdBoard Screening staff.

### **4. DIRECT LIFTS**

Radio commercials which are direct lifts of television commercials /soundtrack previously approved must be presented for clearance at the AdBoard Secretariat. Three (3) copies of the script together with the final material are submitted to or auditioned by the AdBoard Screening Staff.

AOBs and OBBs/CBBs which are direct or straight lifts from previously approved material(s) shall no longer be pre-screened but shall be post-screened.

However, AOBs and OBBs/CBBs which are not direct or straight lifts from previously approved material(s) should be presented to the AdBoard for pre-screening prior to airing. Otherwise, an immediately effective Cease and Desist Order (CDO) shall be issued on the material(s) concerned and the appropriate sanctions imposed (Airing without Proper AdBoard Clearance).

## 5. REVISIONS

Revisions of/Add-ons to/Derivatives from previously approved television/radio materials must be re-presented to the /AdBoard Secretariat for approval prior to production.

Revised storyboards/scripts with advertising copy, visuals. Slogans, etc. disapproved by a Screening/Hearing panel must be referred to the same Screening/Hearing panel or at least to the Presiding Chairman who screened/reviewed the material/case, to insure consistency.

However, new materials may be pre-screened by the he Executive Director upon payment of new pre-screening fees.

## 6. EDITDOWNS

Three (3) copies of the storyboard/script editdowns of previously approved materials must be submitted to the AdBoard Executive Director for pre-screening.

## 7. REVISIONS OF ON-AIR MATERIALS

Revisions made on currently on-air materials are to be presented to the AdBoard Executive Director.

Airing of revised materials not presented to the AdBoard for pre-screening constitutes airing without proper AdBoard Clearance and is subject to a penalty stipulated under Sanctions of this manual.

## **D. SCHEDULING OF PRESENTATIONS**

The Executive Director conducts pre-screening of advertisements on a daily basis, the schedule of which shall be determined by the AdBoard Secretariat.

Viewing/auditioning of final materials is also on a daily basis, as determined by the Secretariat. Final materials submitted after the prescribed viewing/auditioning period will be viewed/auditioned the following day.

## **E. PRE-SCREENING SESSION**

### **1. PRESENTATION**

All advertisements should be presented in person by a duly authorized or designated presenter, preferably of senior status of the Advertiser or the Advertising Agency, who is in a position to answer questions from the Executive Director. There may be more than one presenter for a particular material.

Presenter must extend due courtesy to the members of the AdBoard Secretariat and the Executive Director during the presentation.

### **2. PRE-SCREENING DECISIONS**

After presentation of materials and the submission of the required documents thereon, the Executive Director, may render any of the following decisions:

#### **a. APPROVAL FOR PRODUCTION**

This is given when the materials, presented in the storyboard or script form, are found acceptable.

#### **b. CLEARANCE FOR AIRING**

This is given when the materials, presented in the final form as required by the AdBoard Secretariat, are found acceptable.

#### **c. DEFERRAL**

Decision is deferred when the material presented lacks or does not have support documents or substantiations required by the Executive Director.

In this instance, the presenter may re-present the material and may get an Approval for Production if the substantiations required have been duly submitted and found acceptable by the Executive Director.

#### **d. REFERRAL TO A SCREENING PANEL**

Should the material in question be found to contain seemingly controversial elements, or when the Executive Director thinks that the material falls under the guidelines for review, he may refer the material to a Screening Panel.

The Screening Panel may question any element in the material under review even if not questioned by the executive Director during pre-screening.

The presenter will be informed as to when the session with a Screening Panel is scheduled.

## **E. ELEVATION TO THE MAIN ACR COMMITTEE**

The Executive Director should elevate to the ACRC any material presented to him if the material is likely to conflict with decisions that are currently enforced. In such instance, approval or clearance will be withheld until the issue is resolved.

## **F. DOCUMENTATION OF PRE-SCREENING & SCREENING PANEL DECISIONS**

### **1. APPROVAL FOR PRE-SCREENING & SCREENING PANEL DECISIONS**

This is the formal stamp of approval duly signed by the AdBoard Executive Director or by the Chairperson of the Screening Panel, reflecting the decision of the Executive Director or the Screening Panel, as contained in the comment sheets. In cases where the AdBoard Executive Director is unavailable, any regular member of the Main ACR Committee may be called upon to act in his behalf.

This approval (stamped on storyboards/scripts) is issued to the Advertiser or to the Advertising Agency by the AdBoard Secretariat.

### **2. CLEARANCE FOR AIRING**

This is the formal pre-numbered document issued by the AdBoard Secretariat, duly signed by the Executive Director, for materials approved in final form by him or by a Screening Panel. In cases where the AdBoard Executive Director is unavailable, any regular member of the Main ACR Committee may be called upon to act in his behalf.

If an approval for production had earlier been issued, and the final material reviewed or auditioned by the AdBoard Secretariat is found to be identical to the approved storyboard/script, the clearance for airing is issued.

All Clearance for Airing forms are to be picked up from the AdBoard Office by the Advertiser's/Agency's authorized representative(s).

All TV and radio stations should not air any advertising broadcast material without an AdBoard Clearance for Airing form. The Advertiser/Agency must provide TV/Radio stations with the original, if not, a photocopy of the official AdBoard Clearance for Airing form.

No Clearance for Airing number can be given in advance or released by the AdBoard Secretariat to the representative(s) of the Advertiser/Agency in person or over the phone. Likewise, no Clearance for Airing number can be given in advance or released by the representative(s) of the Advertiser/Agency to TV/radio stations in person or over the phone.

## **V. THE SCREENING PANEL**

### **A. SCHEDULING OF PRESENTATIONS**

1. Advertisements are scheduled for review by a Screening Panel within three (3) working days after the Executive Director has made the decision to refer the material to the Panel.

Materials referred by the Executive Director to a Screening Panel with claims or visuals bordering on obscenity, profanity or vulgarity; showing children in improper, irresponsible, reprehensible acts/practices or anti-social behavior; and/or those particularly sensitive or controversial in nature, shall be screened by a Screening Panel composed only of members of the Main ACRC.

2. Should the AdBoard Secretariat be unable to convene a Screening Panel, or when there is unavailability of a quorum on the scheduled presentation, the Executive Director, together with the (2) regular members of the Main ACR Committee may execute the necessary screening of the material/s.

3. Should the discussions require another session, the same shall be scheduled within five (5) working days.

### **B. PRESENTATION**

All advertisements should be presented in person by a duly authorized or designated presenter, preferably of senior status of the advertiser or of the advertising agency, who is in a position to answer questions from the Screening Panel members. There may be more than one presenter for a particular material.

Presenters must extend due courtesy to the members of the AdBoard Secretariat and of the Screening Panel during the presentation.

### **C. PRESENTATION MATERIALS**

1. Five (5) copies of the storyboard/script.
2. Such other materials required by the Screening Panel.

#### **D. SCREENING PANEL DECISIONS**

##### **1. APPROVAL FOR PRODUCTION**

This is given when the materials are found acceptable by the Screening Panel. An approval for Production is stamped on the copies of the storyboard/script and duly signed by the Chairperson of the Screening Panel.

##### **2. CLEARANCE FOR AIRING**

The decision is assumed by the Executive Director following requirements stated on the comment sheets during the Screening Panel session.

##### **3. DEFERRAL**

Decision is deferred when the material presented lacks or does not have adequate support documents or substantiation required by the Screening Panel. In this case, representation is required, provided that additional substantiation is submitted and/or further revisions are made.

A final decision of Approval or Disapproval must be rendered on the third session. The Members of the Screening Panel of the second and third sessions will confine the review to the claims under question.

The Presenter will be charged a fee equivalent to fifty percent (50%) of the original screening fee for the third presentation.

##### **4. DISAPPROVAL**

Materials presented to a Screening Panel are disapproved if judged to be violative of the AdBoard Code of Ethics.

In the event any claim is disapproved or deferred, the presenter can present right then and there an alternative or a revision of the disapproved/deferred claim which, if found acceptable by the panel, shall be approved on-the-spot.

##### **5. REVERSAL OF DECISION**

In cases where the Screening Panel would like to revise its decision after giving clearance to a material due to a (a) Government Agencies Ruling(s) and/or (b) Reasons of Technicality, the subject material will be referred to the ACRC and/or TSC Chairman for a

decision. When necessary and/or when the issue becomes highly complex, it will be referred to the TSC for deliberations and/or discussions.

Such instances may be initiated by the Executive Director and/or the Presiding Chairman of the Screening Panel.

## 6. ELEVATION TO THE MAIN ACR COMMITTEE

The Chairperson of the Screening Panel should elevate to the ACRC any material presented to his Panel if the material is likely to conflict with decisions that are currently enforced. In such instance, approval or clearance will be withheld until the issue is resolved.

### **ARTICLE VI. THE MAIN ACR COMMITTEE**

Any party who does not agree with the decision of the Executive Director or of the Screening Panel may elevate his case to the Main ACR Committee.

The following are cases which may be elevated to the ACRC:

- a) Complaints and Appeals
- b) Print Ads in question
- c) Controversial Procedural Issues

#### **A. COMPLAINTS AND APPEALS**

- I. Complaints by competitors against advertisements given prior approval by the Executive Director or by a Screening Panel and are already on air.
- I. Appeals for reconsideration of the decisions on advertisements disapproved by a Screening Panel or by the Main ACR Committee in a previous review.
- II. Complaints against advertisements raised by the government sector, consumers or the public in general.

The complaint will be directed to the ACRC Chairman who will determine the appropriate action on the complaint. Should the ACRC decide to review the complaint, no fees will be charged.

#### **A. FILING OF COMPLAINTS AND APPEALS**

Parties elevating their cases to the ACRC should file a written complaint or appeal with the AdBoard Secretariat. The complaint or appeal may either be addressed to the

Executive Director or to the ACRC Chairman, and should be signed by an officer of senior management status of the Advertiser or of the Advertising Agency.

To assist the ACRC, letters of complaint against advertisements should preferably precisely and thoroughly cite the allegedly violative claim(s), copy, slogan, and/or visual etc. and the provision(s) in the Advertising Code of Ethics which is/are allegedly being violated.

Issues not covered in a letter of complaint may not be brought up during an ACRC hearing.

The complaint or appeal, accompanied by pertinent documents, should be filed in at least eight (8) or more copies as may be required by the AdBoard Secretariat. The prescribed fee is charged prior to the scheduling of the case hearing.

A complaint is considered officially filed only upon payment of the filing fee and submission of necessary documents within the prescription period for filing of complaints. The filing fee is not refundable should the complainant decided not to push through with the scheduled hearing.

Addendum complaint letter(s) will not be accepted once the complaint has already been formally or officially filed.

A separate complaint should be filed for additional issues.

In cases of complaints against advertising materials not previously screened by the AdBoard, the burden of substantiating claims lies with the Advertiser as in the normal pre-screening process.

Complaints on claims found in the subject product's duly approved label shall be automatically referred to the proper government agency.

## **B. PRESCRIPTION PERIOD FOR FILING OF COMPLAINTS**

Prescription period for filing of complaints is sixty (60) calendar days starting on the first airing of subject copy, claim(s), visual or commercial in a medium of national coverage, for issues arising from interpretations of the provisions of the AdBoard Code of Ethics.

First day of airing is defined as a broadcast material being aired at least five (5) times over five (5) different programs or in at least five (5) episodes of the same program, between 10:00 AM and 10:00 PM in a mass medium. First day of airing takes effect upon satisfaction of this requirement.

Complaints filed after this period shall be dismissed.

There is no prescription period for filing of complaints based on facts and complaints on print advertisements with copy, claim(s) and/or visual which were not pre-screened.

### **C. PRESCRIPTION PERIOD FOR FILING OF APPEALS**

No prescription period is stipulated on Appeals based on new evidence, such as:

- a. Expert testimony, substantiation documents, materials, etc., not previously presented.
- b. Evidence which could have altered the decision but was not in existence at the time of the original hearing or presentation.
- c. New technical/factual evidence.

### **D. SCHEDULING OF HEARINGS**

Upon receipt of a written complaint or appeal, documents and other requirements, the ACRC Coordinator will schedule the hearing with ten (10) working days but not less than seven (7) working days, subject to the provision in Item 2 (Case Hearings), Letter C (Meeting Requirements), Section II (ACRC) of this Manual.

Proceedings before the ACRC will be conducted in an informal but orderly manner without regard to the technical rules of evidence.

### **E. HEARINGS**

#### **1. PERSONAL APPEARANCE**

The appellant or the complainant, and the defendant, should appear in person on the date of the hearing.

#### **2. FAILURE TO APPEAR**

Failure of any party to appear within fifteen (15) minutes of the stipulated starting time of the hearing will constitute non-appearance.

The ACRC will dismiss a complaint or an appeal if the complainant or the appellant fails or refuses to appear after due notice on the date set for the hearing. In the foregoing cases, the filing fee will not be refunded.

Non-appearance of the defendant, however, will still result in the review of the case.

### **F. POSTPONEMENT**

The ACRC may, for valid grounds, grant each contending party to a case one (1) postponement. Requests for postponement should be made in writing and filed with the AdBoard Secretariat at least two (2) working days before the scheduled date of hearing.

Such postponement shall be no more than five (5) working days from the original date of the hearing, subject to the provision in Item 2 (Case Hearings), Letter C (Meeting Requirements), Section II (ACRC) of this Manual.

## **G. TECHNICAL ASSISTANCE**

The ACRC may invite technical experts, trade professionals, consumerist group, etc., to render additional opinions on ACRC cases. If reviewed previously by a Screening Panel, the Chairman of the Panel may also be invited to provide additional background on previous decisions. The invited participants will not vote.

### **➤ RESEARCH CLAIMS**

For claims using research as substantiation, documents pertaining thereto may referred to the Marketing and Opinion Research Society (MORES) for validation of methodology, and evaluation of the research procedures to ensure their being used as support for claims.

For comparison of one research against another in cases of disputes, the methodology of one research study will be examined for extensiveness of coverage, sample size, validity, etc., and compared with the other for consideration.

## **H. REQUEST FOR REHEARING**

A request for a rehearing from either appellant or complainant, and defendant, may be granted by the ACRC provided that new evidence will be considered as new.

The ACR-Technical Sub-Committee will determine whether or not the evidence will be considered as new.

## **I. ACRC DECISION**

The ACRC will exert all efforts to render a decision within seven (7) working days after hearings on a case shall have been terminated, and all the information required by the ACRC shall have been obtained.

The parties to a case will be notified of the ACRC decision in writing, within forty-eight (48) hours from its promulgation.

When a decision is based on laboratory tests/published medical literature, the protocol for said tests and/or the published literature should be cited in the decision.

## **J. MATERIALS UNDER ACRC REVIEW**

Materials presented to a Screening Panel or to the Executive Director containing issues under review by the ACRC will be referred to the ACRC Chairman for proper action. A thorough briefing on the issues pertaining to the material will be given by the ACRC Coordinator.

The ACRC Chairman will decide whether or not the material will be screened.

## **K. APPEALS COMMITTEE**

The Appeals Committee is an expanded body distinct from the original ACRC hearing panel and will confine its deliberation only on the merits of the decision of the ACRC hearing panel and no new evidence will be entertained.

### **a) Composition**

The members of the Appeals are the same as those of the ACRC.

### **b) Quorum**

The quorum is a minimum of nine (9) ACRC members provided, regular members constitute the simple majority.

Members of the original ACRC hearing panel can be part of the Appeals Committee but must not constitute the simple majority.

### **c) Evaluation Body**

An appeal will have to go through an Evaluation Body who will do a preliminary review of the appeal and will limit the basis of whether the appeal is meritorious or not on the reasons cited by the appellant. The evaluation body is composed of three (3) members, as follows:

1. ACRC Chairman
2. TSC Chairman
3. Presiding Chairman of the original ACRC hearing panel

In case of a conflict of interest or unavailability, the ACRC Chairman or TSC Chairman can designate a senior member(s) of the ACRC to complete the body.

If an appeal is based on technical matters, the appeal will be automatically referred to the Technical Sub-Committee.

d) Procedures

1. An appeal should be made within fifteen (15) calendar days after the ACRC hearing panel's decision on a case has been received by both parties to the case.
2. The Evaluation Body has to decide within seven (7) calendar days from the receipt of an appeal if a case may be elevated to the Appeals Committee. The parties concerned will be notified within forty-eight (48) hours of the decision of the Evaluation Body.
3. The Appeals Committee should be convened for a hearing from seven (7) to ten (10) working days after the notice that the appeal had been elevated by the Evaluation Body has been received by the contending parties. The parties involved will be notified in writing of the scheduled date of hearing.
4. Contending parties may avail of one postponement each, provided that requests for postponement are made in writing and filed with the AdBoard Secretariat within forty eight (48) hours from receipt of the notice of the scheduled or re-scheduled date of hearing. Scheduling of hearings shall be subject to the above provision on quorum requirement.
5. The parties to a case will be notified of the Appeals Committee's decision in writing, within forty-eight (48) hours from its promulgation.

e) Hearings

1. Personal Appearance

The appellant and the defendant should appear in person on the date of the hearing.

2. Failure to Appear

Failure of any party to appear within fifteen (15) minutes of the stipulated starting time of the hearing will constitute non-appearance.

The ACRC will dismiss an appeal if the appellant fails or refuses to appear after due notice on the date set for the hearing. In the foregoing cases, the filing fee will not be refunded.

Non-appearance of the defendant, however, will still result in the review of the case.

f) Filing Fee

The filing fee for an appeal is triple that of the regular complaint fee. Should the Evaluation Body decide that the appeal has no merit, fifty percent (50%) of the fee will be refunded to the appellant.

g) Effectivity

The above appeal mechanics will take effect on October 16, 1998. Application is not retroactive and will only cover ACRC hearing panel decisions rendered from date of effectivity.

**L. PRINT AD/COLLATERAL IN QUESTION**

PRINT AD/COLLATERAL in question will be subject to post-screening. The following are implementing guidelines for post-screening procedure.

1. All print ads in question will be prioritized. The ACRC will exert all efforts to schedule post screening within three (3) working days from receipt of official complaint.
2. There will be no postponement of post-screening schedule. The Advertiser/Advertising Agency will be notified of the schedule of post-screening.
3. Screening panel will be comprised of three (3) ACRC members.
4. Burden of proof will be on the Advertiser/Advertising Agency of the print ad in question. They should be able to substantiate their claim(s) in question. Failure of Advertiser/Advertising Agency to appear on screening date after due notice will constitute non-appearance and a temporary suspension of the ad will be issued pending substantiation of claims. Failure to present evidence to substantiate its claim will result in the issuance of a Cease and Desist Order (CDO). Publication of print ad material in question without proper AdBoard clearance will be sanctioned as prescribed in the ACRC manual.
5. Complainant need not present their evidence(s) in questioning the ad, therefore, they may not appear during the screening of subject print ad.
6. Complainant will pay the prescribed filing fee.
7. Defendant will pay the prescribed screening fee.

**M. CONTROVERSIAL PROCEDURAL ISSUES**

The Executive Director or the Chairman of the Screening Panel should elevate for ACRC decision materials /issues screened and approved but are likely to conflict with decisions that are currently enforced.

In this instance, rules of procedures on complaints and appeals may apply.

## **VII. OTHER ACRC POLICIES**

### **A. PRE-EMPTIVE RIGHTS**

1. Pre-emptive rights (to an advertising material) are established by actual publication, installation and/or airing anywhere in the world and not by approval of the storyboard/script.

2. For materials that have the same execution/concept, ownership of the said execution/concept shall be given to the material that was first aired, published or installed anywhere in the world.

The Pre-emptive Rights ruling applies to all product categories (i.e., if it was established that Brand A has pre-emptive rights on a particular slogan, Brand B may not use the same slogan in its advertisements for any of its products).

The following is the prescription period for Pre-emptive Rights or use of general lay-out, copy, slogan, visual presentation, music or sound effects:

1. For non-competitive products or different product categories, two (2) years since last local publication or airing of broadcast print advertisement.

2. For competitive products or same product categories, five (5) years since last local publication or airing of broadcast print advertisement.

The prescription period for Pre-emptive Rights does not apply to copyrights, registered trademark and other non-advertising issues which are outside the scope of the ACRC.

### **B. PLAGIARISM**

1. Plagiarism shall be defined as an instance where a material is found substantially or materially imitating distinguishing features of other advertisements in any part of the world.

2. If an ad was proven to be plagiarizing another ad, a Cease and Desist Order shall be issued against it effective immediately. Added sanctions (e.g., fine) shall be determined by the ACR Technical Sub-Committee.

The provision of Plagiarism overturns the ruling on Pre-emptive Rights, provided that the Complainant is able to present third party evidence of original broadcast and/or publication outside the Philippines. When relevant, the prescription period for Pre-emptive Rights applies, namely two years for non-competitive products and five years for competitive products.

### **C. SANCTION TO PRESENTERS FABRICATING EVIDENCE**

An Advertiser who is found guilty of fabricating evidence shall be immediately sanctioned. The Sanction will be the same as that of FAKING OF STORYBOARDS/SCRIPTS AND ADBOARD CLEARANCE FOR AIRING FORMS/NUMBERS as stipulated in this book.

### **D. THE PROPER BODY TO FILE A COMPLAINT BEFORE THE ADBOARD**

Only a “party in interest” can file a complaint for alleged violation of the rule(s) involved. A “party in interest” is one who has a real, actual, material or substantial interest in the subject of the complaint or one who has sustained or is in the immediate danger of sustaining an injury as a result of the act complained of. A mere incidental interest in the act complained of cannot be ground for filing of complaint.

### **E. WAIVERS, WARNINGS, GENERIC NAMES, ETC.**

Waivers, warnings, generic names, etc. (“Drink Moderately”, “If symptoms persist...”), for creative purposes, may be located within a TV/radio commercial but must again be placed at the end of the material.

### **F. PRINT MATERIAL UNDER CEASE AND DESIST ORDER (CDO)**

Advertisers/Advertising Agencies whose print/collateral material has been issued a Cease and Desist Order by the ACRC should advise the Secretariat, in writing within one (1) working day upon receipt of the formal decision, of any advance placement that are no longer cancelable. Failure to advise will subject those placements to sanctions, as stipulated in this Manual of Procedures.

The Executive Director, or Presiding Chairman or the Chairman of the ACR-Technical Sub-Committee (ACR-TSC) will verify whether the material is really non-cancelable.

The written advice on the non-cancelable print placement should be accompanied with agency publication order.

## **G. IMPLEMENTATION OF CEASE AND DESIST ORDERS FROM GOVERNMENT AGENCIES (GA)**

1. The AdBoard shall continue to help/assist in the implementation of GA's CDOs on a voluntary basis.
2. For products with materials currently on air or being published:
  - 2.1 AdBoard shall implement a CDO (effective immediately) if the product is found to be against public safety.
  - 2.2 AdBoard shall implement a CDO (effective immediately) on a drug/medical product if found to be without BFAD product registration.
  - 2.3 AdBoard shall implement a CDO (effective 7 calendar days upon receipt by the KBP or UPMG) if the product (other than drug/medical) is found to be without BFAD product registration.
  - 2.4 For any reason behind a BFAD CDO, AdBoard shall issue a corresponding CDO on a case to case basis.

## **ARTICLE VIII. SANCTIONS**

The Advertising Content Regulation Committee reserves the right to recall any advertisement on broadcast status. In the event that such advertisement should be discontinued from airing, a Cease and Desist Order (CDO) or a Recall of Clearance to Air (RCA) will be issued.

The distinction between a Cease and Desist Order (CDO) and Recall of Clearance to Air (RCA) is defined as follows:

- a. Cease and Desist Order (CDO) will be issued if an advertising material is found to be violative of the provisions of the Code of Ethics for Advertising and/or if an issue has something to do with advertising content.
- b. Recall of Clearance to Air (RCA) will be issued due to the following reasons:
  1. Government Agencies Ruling(s)
  2. Reasons of Technicality

In cases wherein advertising materials are found not to be violative of the Code of Ethics for Advertising, yet violative of the Laws of the Land, then, an RCA shall be issued.

If an advertiser/advertising agency continues to disregard an issued RCA on their particular product, a corresponding CDO will be issued with a penalty subject of Item 1 (AIRING WITHOUT PROPER ADBOARD CLEARANCE), Letter C (PENALTIES), Article VIII (SANCTIONS) of this Manual.

## **A. EFFECTIVITY OF THE CEASE AND DESIST ORDER (CDO)**

### **1. IMMEDIATE**

A Cease and Desist Order takes effect immediately when issued in the following instances:

- a. When a commercial is found on air without proper AdBoard clearance.
- b. When a commercial whose substantiations, accepted at face value solely on the basis of a certification duly signed by an official of high management status, have been proven to be false.

This is issued by the ACRC Chairman or the AdBoard Executive Director.

- c. When a commercial, despite previous approval, is deemed to adversely affect public interest.

This is issued by the ACRC Chairman in consultation with the head of the ACR Technical Sub-Committee and/or the AdBoard Executive Director.

- d. The Cease and Desist Order for print and promotional advertisements found to be violative of any of the provisions in the AdBoard Code of Ethics takes effect immediately upon receipt of the print and media associations concerned.

An advertiser/agency whose print ad, poster, streamer or other collateral material has been the subject of a CDO, shall have their first print ad, poster, streamer, or other collateral material following the material under CDO (same brand, subject, topic or content) pre-screened. The screening fee shall be the same as that for a TV material over 10 seconds but not exceeding 60 seconds.

### **2. SEVEN DAYS**

This Cease and Desist Order for broadcast material is issued after the ACRC has upheld a complaint and the material in question have been found to be violative of any provision in the AdBoard Code of Ethics.

This takes effect seven (7) calendar days from receipt of the order by the media association concerned.

### 3. THIRTY DAYS

Advertisers whose commercials have been issued a Cease and Desist Order are given thirty (30) calendar days to pull out their posters, collaterals, etc.

Imposition of Sanction/Penalty for POPs/Collaterals

Counting of offense will be as follows:

- a. First Offense will apply only after the 1<sup>st</sup> monitoring report beyond the prescribed 30-day pull-out period.
- b. The Second Offense Penalty will apply if, after the additional 15 calendar days from the imposition of the first penalty, the banned material is still found and reported.
- c. The Third Offense Penalty will apply if, after 7 calendar days from the imposition of the second penalty, the banned material is still found and reported.

#### **Effectivity of Cease and Desist Order (CDO) for Outdoor signages (i.e. Billboards, dropdown banners, MRT ads.)**

1. If the material was not pre-approved by the AdBoard prior to its display or installation but found violative of the Advertising Code of Ethics' provisions after a Case Hearing brought by a complaint, SEVEN (7) CALENDAR DAYS FROM RECEIPT OF THE ADVERTISER/ADVERTISING AGENCY OF THE DECISION OF THE ACRC.
2. In cases of material previously approved by the Screening Panel prior to its display or installation but found violative of the Advertising Code of Ethics' provisions after a Case Hearing brought by a complaint, FOURTEEN (14) CALENDAR DAYS FROM RECEIPT OF THE ADVERTISER/ADVERTISING AGENCY OF THE DECISION OF THE ACRC.

Imposition of sanctions for monitored continued display/installation of banned Outdoor signages:

- a) First Offense will apply only after the 1<sup>st</sup> monitoring report beyond the prescribed 7 calendar day pull-out period.
- b) The Second Offense Penalty will apply if, after the additional 7 calendar days from the imposition of the first penalty, the banned material is still found being displayed and installed.

- c) The Third Offense Penalty will apply if, after 7 calendar days from the imposition of the second penalty, the banned material is still found displayed and installed.

## **B. MATERIALS ON CEASE AND DESIST STATUS**

Advertisements containing any element that has any reference to a material on Cease and Desist status will not be subjected to screening unless the elements in question are removed from the material.

If a “revised” material pre-screened by the AdBoard continues to contain an element which has been CDO'd, a new CDO will take effect immediately upon receipt of the concerned media sector(s).

## **C. PENALTIES**

### **1. AIRING/PUBLICATION WITHOUT PROPER ADBOARD CLEARANCE.**

Advertisers/Advertising Agencies whose advertising materials are aired/published without due clearance from the AdBoard Secretariat shall be jointly and severally liable to the AdBoard in the amount of FIFTY THOUSAND PESOS (P50,000.00) for the first offense, ONE HUNDRED THOUSAND PESOS (P100,000.00) plus non-screening of the advertising materials of the product concerned for three months for the second offense; and TWO HUNDRED THOUSAND PESOS (P200,000.00) plus non-screening of the advertising materials of the product concerned for one year for the third offense.

### **2. AIRING/PUBLICATION OF A BANNED MATERIAL.**

Advertisers/Advertising Agencies whose advertising materials under Cease and Desist Order are aired/published, shall be jointly and severally liable to the AdBoard in the amount of ONE HUNDRED THOUSAND PESOS (P100,000.00) for the first offense, TWO HUNDRED THOUSAND PESOS (P200,000.00) plus non-screening of the advertising materials of the product concerned for six months for the second offense; and FOUR HUNDRED THOUSAND PESOS (P400,000.00) plus non-screening of the advertising materials of the product concerned for one year for the third offense.

If the media is determined by the AdBoard to be the violator, the media concerned will be sanctioned by their respective media organizations.

### **3. FAKING OF ADBOARD CLEARANCE.**

If an Advertiser/Agency is found guilty of faking an AdBoard Clearance, the brand/product concerned shall be immediately suspended from airing (CDO), and the Advertiser/Agency

shall be fined the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00) plus six months non-screening of the product concerned for the first offense; and FOUR HUNDRED THOUSAND PESOS (P400,000.00) plus one-year non-screening of the product concerned for the second offense.

#### **4. FAKING OF THIRD PARTY CERTIFICATIONS**

An Advertiser/Advertising Agency who submits any fraudulent document issued by Government Agency(ies) or any other third party entity in support of advertising claims will be fined the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00) plus six months non-screening of the product concerned for the first offense; and FOUR HUNDRED THOUSAND PESOS (P400,000.00) plus non-screening of the product concerned for one (1) year for the second offense. For every offense, an immediately effective Cease and Desist Order will be issued on the material for which the fraudulent certifications/clearance was issued.

#### **5. BREACH OF CONFIDENTIALITY**

Advertisers/Advertising Agencies who violate the Policy on Publicity as stipulated in this Manual shall be jointly and severally liable to the AdBoard with the following penalties:

- a. FIFTY THOUSAND PESOS (P50,000.00) for every pick-up (publication) of the Press Release or Publicity for the first offense,
- b. ONE HUNDRED THOUSAND PESOS (P100,000.00) for every pick-up of the Press Release or Publicity for the second offense; and six-months non-screening of the concerned product
- c. TWO HUNDRED THOUSAND PESOS (P200,000.00) for every pick-up of the Press Release or Publicity for the third offense; and one-year non-screening of the concerned product.

Pick-up is defined as any news item or story related to the case or issue, which is published and/or publicly announced through media.

#### **6. FINE FOR CANCELLATION OF A SCHEDULED SCREENING/HEARING PANEL ON OR IN LESS THAN 24 HOURS BEFORE THE SCHEDULED DATE OF SCREENING/HEARING.**

An Agency/Advertiser who cancels a scheduled screening panel or case hearing on or in less than 24 hours before the scheduled date of screening/review shall be fined the amount of THREE THOUSAND PESOS (P3,000.00).

**7. ADVERTISERS/ADVERTISING AGENCIES** whose print ad is revised to circumvent a CDO but continues to contain an element in violation of a specific provision in the Code of Ethics for which the CDO was issued in the first place shall be fined the amount of

FIFTEEN THOUSAND PESOS (P15,000.00), after such an ad is found published three times.

#### **D. PRESCRIPTION PERIOD FOR PENALTIES**

The penalty for a second offense shall be applied if it is committed within three years from the time of the first offense. Beyond three years, any repetition will be considered as a first offense and will be penalized as such.

The penalty for a third offense shall be applied if it is committed within three years from the time of the second offense. Beyond three years, any repetition will be considered as a second offense and will be penalized as such.

1. Non-payment of any penalties stated above will result in the non-screening of all advertising materials of the product which is the subject of the sanction or dispute.
2. The three-months, six-months or 1-year non-screening of the product concerned, as the case maybe, is effective upon payment of the penalty.

#### **E. ADVERTISER VS. ADBOARD**

Advertising material of any advertiser who has filed a (court) case against the AdBoard questioning the latter's jurisdiction or the propriety of the exercise of the AdBoard's regulatory functions, shall not be accepted for screening while said case is pending.

### **ARTICLE IX**

#### **GUIDELINES IN INTERPRETING RULES ON OBSCENITY AND VULGARITY**

The objective of these guidelines is to help identify advertising material which is objectionable because it is obscene or vulgar in the view of the general public or because it exploits a person as a sex object.

The interpretation of "obscenity" and "vulgarity" in Article IV, Section 1, Numbers 4, 5 and 6 of the AdBoard Code of Ethics can be wide depending on a screener's orientation or point of view. To ensure a more consistent interpretation of "contemporary standards of decency or morals" without restricting the screener to set of specific rules (which has been found to be impractical), general guidelines and a set of actual examples have been agreed upon by the Technical Committee and the ad hoc watchdog committee on obscenity in order to:

1. Guide all involved in creating and approving advertisements.
2. Guide AdBoard screeners.

### 3. Guide media self-screening committees.

The key aspect of this process of evaluating whether an ad (print advertisement, television commercial, outdoor poster, etc.) is obscene or vulgar is that these guidelines are precisely that, namely, guidelines, and not specific definitions of obscenity and vulgarity. There can be too many variations of a particular visual to categorize into absolute or specific rules. An AdBoard screener, especially when acting in concert with other screeners, is the best judge of what constitutes an indecent or vulgar ad.

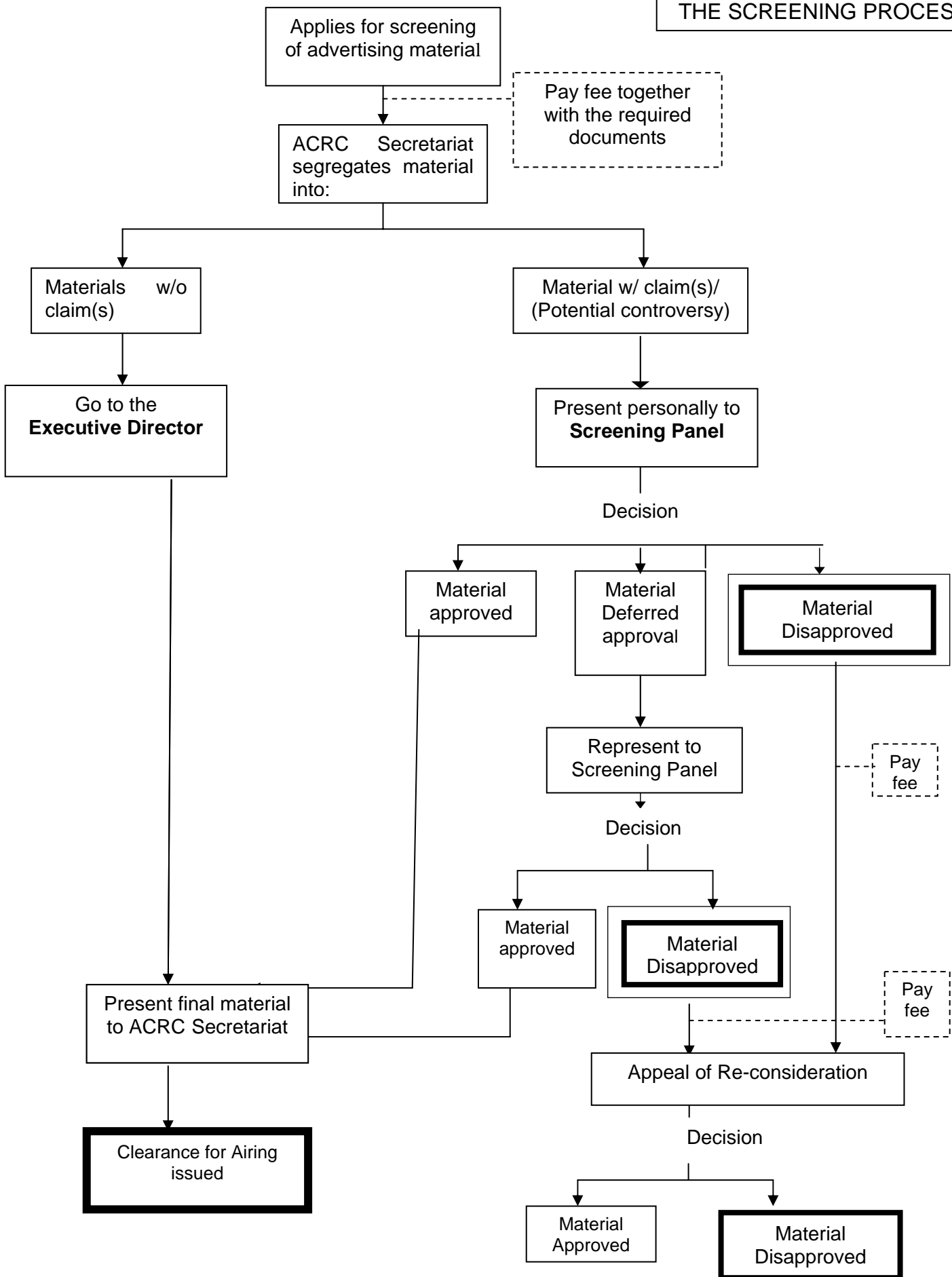
Another critical aspect is that the overriding rationale for this process is that all advertising materials should not be offensive to the public based on current, nationally accepted standards of decency.

The guidelines are:

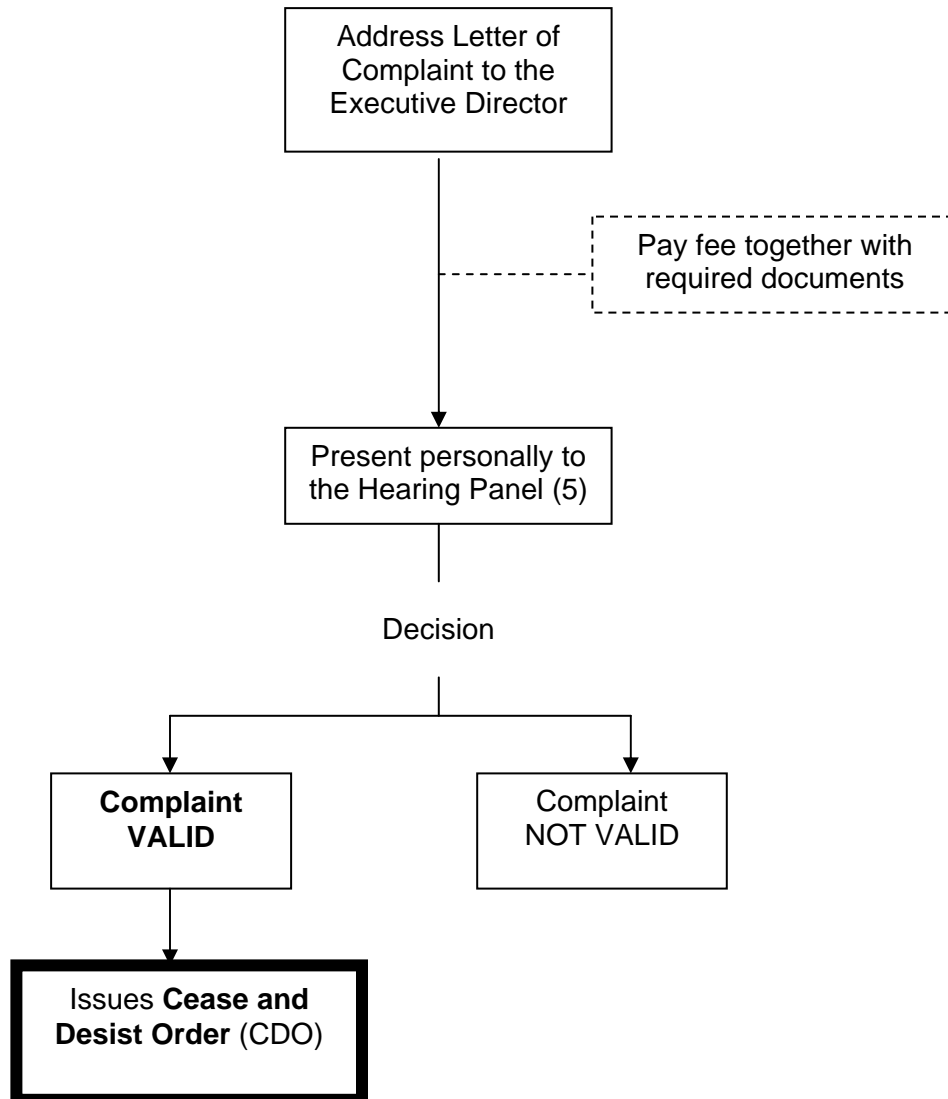
1. As a general rule, the application of the rule should be stricter for advertising in media of general viewership or circulation, e.g. television, general circulation newspapers/magazines and billboards, because a broad spectrum of people sees these media. The application should be moderated for media catering to specialized audiences, e.g. lingerie ads in women's magazines, men's shorts in men's magazines.
2. Photographic visuals should be more critically screened than drawings.
3. Total nudity is not allowed when the whole body or the whole torso is shown, especially when features of the anatomy (breasts, crotch, buttocks) are prominent and can be easily seen. A nude person from a distance can be allowed as long as body features cannot be recognized. An infant without clothes can be allowed as long as genital areas are not shown.
4. A "partially nude" person is not allowed when these circumstances are present:
  - a. Attired in flimsy or transparent material so that the body shows through.
  - b. Attired in brief clothing that shows excessive voluptuousness in the case of females and bulging crotch in the case of males.
5. A man and a woman whether fully clothed, partially clothed or nude in a pose simulating sexual intercourse should not be allowed.
6. A man and a woman in skimpy attire in suggestive physical contact with each should not be allowed.
7. Advertisements, commercials, or billboards with scantily-attired models appear to be obscene when the pose, facial expression, situation, props, copy and/or other aspects

of the presentation are suggestive or vulgar because they employ sex in a blatant way to attract attention or sell products or services.

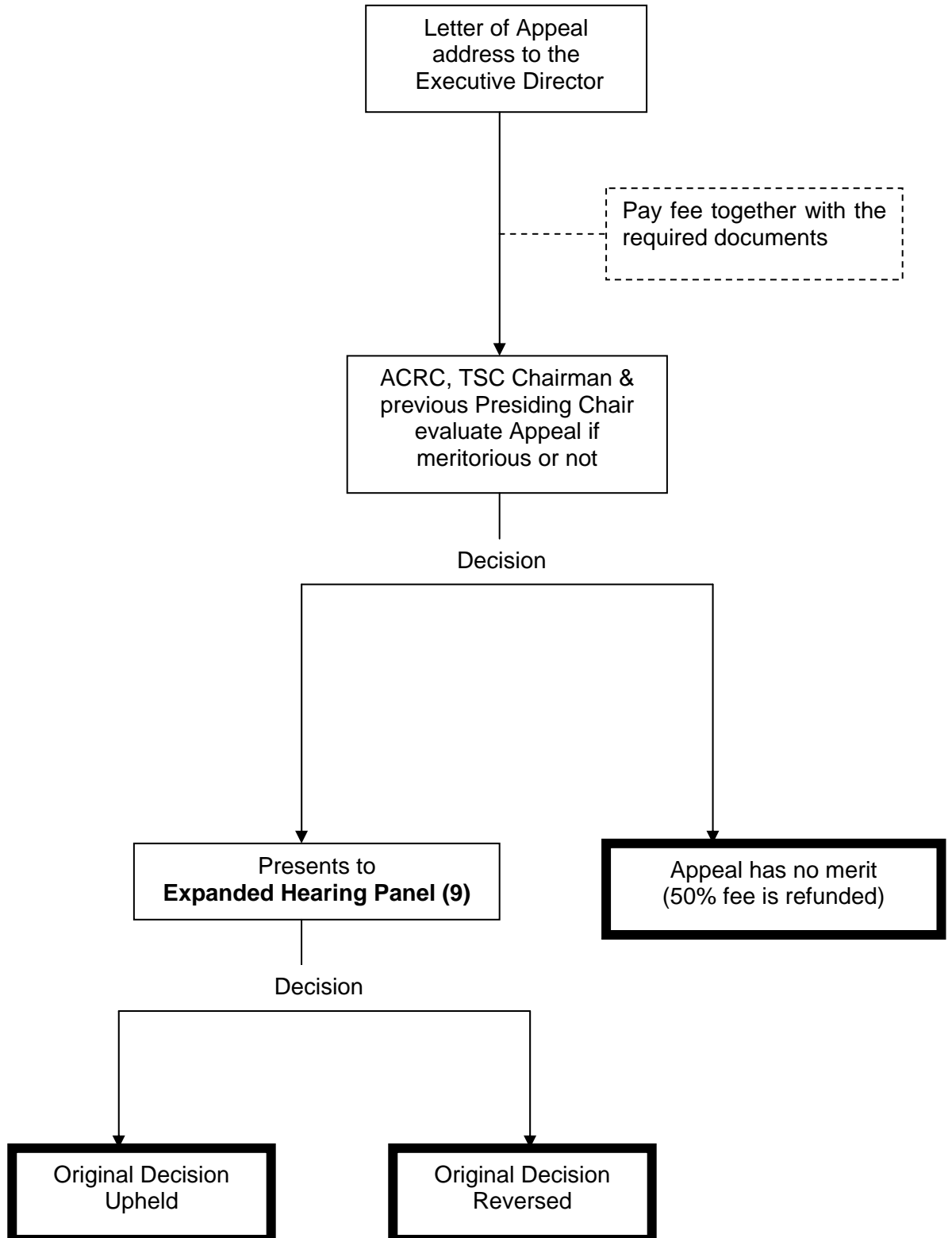
**THE SCREENING PROCESS**



## THE COMPLAINT PROCESS



APPEAL TO THE EXPANDED HEARING PANEL (With No New Evidence)



APPEAL FOR RE-OPENING OF THE CASE BASED ON New Evidence

