

# IPA RULE BOOK

## **General Principles:**

The Institute of Practitioners in Advertising ("IPA") represents advertising, media and marketing communications practitioners and is incorporated by Royal Charter. Its Corporate Members are primarily concerned with providing strategic solutions and advice on marketing communications, including the creation and/or placing of advertising. Its Personal Members are advertising, media and marketing communications practitioners.

IPA members, both corporate and personal, shall conduct their business and themselves in accordance with the requirements of the IPA Royal Charter and Bye-laws and this Rule Book, all of which are made available to members on entering into membership. They are also available on the IPA website and can otherwise be obtained on request from the IPA. In any case of conflict, the provisions of the Charter shall prevail over those of the Bye-laws, and the provisions of the Bye-laws shall prevail over those of this Rule Book.

All members shall conduct themselves in their business at all times in a manner that will uphold the reputation and standing of the IPA and its members.

All members must comply with the law and with the advertising self-regulatory regime in place in the United Kingdom, and any other self-regulatory regimes in the relevant local territories in which, or for which, they provide services. In the United Kingdom, the self-regulatory regime includes the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (the "CAP Code"), written and maintained by the Committee of Advertising Practice ("CAP") and the UK Code of Broadcast Advertising (the "BCAP Code"), written and maintained by the Broadcast Committee of Advertising Practice ("BCAP") and the Ofcom Broadcasting Code. The self-regulatory enforcement bodies include the Advertising Standards Authority (the "ASA") and, for non-broadcast advertising, Trading Standards and, under the co-regulatory system for broadcast advertising, Ofcom.

For the purposes of this Rule Book, a "year" shall mean a calendar year running from 1 January to 31 December unless otherwise stated.

The contents of this Rule Book may be amended only by a vote of the governing committee of the IPA, known as "Council", as described in these Rules.

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**21st edition:** Approved by Council at its meeting on 19 September 2024.

(Previous editions: 20th: 20 September 2023; 19th: 23 March 2023; 18th: 15 September 2022; 17th: 18 March 2021; 16th: 19 September 2019; 15th: 21 March 2019; 14th: 20 September 2018; 13th: 7 December 2017; 12th: 23 March 2017; 11th: 1 December 2016; 10th: 16 June 2016; 9th: 19 March 2015; 8th: 4 December 2014; 7th: 5 December 2013; 6th: 28 June 2012; 5th: 8 December 2011; 4th: 9 December 2010; 3rd: 3 December 2009; 2nd: 7 September 2009; 1st: 22 April 2009.)

## **A Corporate Members**

### **Definition of an Agency**

1. For the purposes of these Rules, an "agency" shall mean a trading company or partnership (or part thereof) whose principal business objectives are to create, plan, place and/or otherwise facilitate advertising, marketing communications or marketing services in any media, on behalf of its clients. Only agencies meeting this definition (and complying with the provisions of Rule 3 below) shall be entitled to be members of the IPA.

### **Admission to Membership**

2. An agency applying for admission to IPA membership shall give an undertaking to observe, in the event of admission, the provisions of the Royal Charter, Bye-laws and this Rule Book (each as may be amended from time to time in accordance with their provisions). Such undertaking shall be included in the form of application for admission and shall be signed by a Board Director of the agency, registered as such at Companies House, or by an equivalent authorised person.
3. An agency shall only be considered for corporate membership of the IPA and permitted to remain in membership if it can demonstrate to the reasonable satisfaction of Council and the IPA Secretariat at their sole discretion that it:
  - a) Meets the definition of "agency" set out in Rule 1;
  - b) Acts impartially and independently in the provision of advice and services to clients, and is not directly or indirectly controlled by, or under the authority of, any advertiser, media owner, supplier or other third party, which control or authority may restrict its ability in any way to provide such impartial and independent advice and services;
  - c) Provides services to clients which may compete with other agencies but are not likely to be otherwise in conflict with or detrimental to the interests of other agencies;
  - d) Is solvent and can provide evidence (for example, by way of audited accounts) demonstrating that it has achieved a Gross Income (see Rule 31) of at least £750,000 per annum in respect of its most recent financial reporting period, or such other figure as Council shall from time to time decide;
  - e) Has no recent history of insolvency or other voluntary financial arrangements, no directors' disqualifications and/or no involvement by directors who have been directly responsible for bad debts to the IPA in the past;
  - f) Supports self-regulation in the advertising and marketing communications industry and has complied with all ASA adjudications upheld against it; and

- g) Commits to achieving IPA Continuous Professional Development ("CPD") accreditation by the end of its first full calendar year in membership.
4. When an agency applies for membership by submitting the signed application form and paying any membership registration fee required (see Rule 6), the IPA Secretariat shall undertake an investigation of the applicant agency and assess whether it complies with the criteria for membership. The investigation process required to achieve membership may be amended from time to time as the IPA Secretariat considers fit at its absolute discretion. The Membership Committee shall be informed of the agency's application and a representative of the Committee or the head of the IPA membership department (or, if necessary, an alternative person considered suitable by the head of the IPA membership department) shall meet with the applicant agency to assess the application.
5. If, having conducted the investigation, the IPA Secretariat considers that the applicant agency has met the membership criteria, the agency shall be included in the next monthly notification email to all corporate members and Council members, who would then have 72 hours in which to raise any issues regarding the application with the head of the IPA membership department. Provided that any issues raised have been dealt with to its satisfaction, the IPA Secretariat shall then request from the applicant agency a letter signed by two directors confirming the agency's commitment to adhere to the IPA Charter and Bye-laws and the Rule Book. The agency shall also be sent its first subscription invoice.
6. The IPA shall be entitled, at Council's discretion, to charge a non-refundable membership registration fee to cover the administration of the application. The level of the registration fee shall be decided by Council, having duly considered the recommendation of the Membership Committee.
7. An applicant agency shall not become a probationary IPA member or entitled to any privileges of membership or to use the services offered by the IPA, until its signed commitment letter has been received by the IPA and its first subscription (as set out in Rule 26) has been paid in full.
8. The Membership Committee shall, at its next quarterly meeting, be informed of any new probationary members that have been admitted since its previous meeting. The Committee shall review the IPA Secretariat's investigation of each new probationary member. If the Committee is satisfied with the investigation, it shall recommend to Council that the agency should become a full member. If not, it shall recommend to Council that the agency's probationary membership should be annulled and its first subscription invoice refunded. If the agency is elected to full membership by Council, it shall be sent a certificate of membership.

### **Corporate Membership**

9. At the beginning of each year, a certificate of membership shall be issued to all IPA member agencies.

10. An IPA member agency shall be entitled to use the IPA logo on its company stationery, websites, social media sites and emails and to designate itself as an "Incorporated Practitioner in Advertising". The IPA logo is a registered trade mark and its use must comply with the guidelines issued by the IPA Secretariat to members from time to time (and available on the IPA website).
11. All IPA materials are protected by copyright and copying such materials in any manner is an infringement of that copyright. IPA member agencies must not copy or forward to third parties, any IPA materials, whether such materials are provided free to member agencies or purchased by them, unless they have received the prior written permission of the IPA Secretariat.
12. An IPA member agency shall be obliged, on request, to provide a copy of its Annual Return to the IPA Finance Director.
13. An IPA member agency shall be obliged to disclose to the IPA Secretariat any name change, change of address, change of control or change of directors within one month of any such change. The agency must provide a contact address to which all communications should be sent.
14. An IPA member agency must at all times during membership of the IPA:
  - a) preserve its independent judgment, media neutrality and, in order to prevent any conflict of interest, ensure that it is not directly or indirectly controlled or owned by
    - an advertiser or group of advertisers;
    - a media owner or group of media owners; or
    - a supplier or group of suppliers primarily concerned with the provision of services to IPA members.
  - b) provide professional and impartial advice to clients, maintain the highest level of professionalism and comply with Rules 17 to 21 below;
  - c) comply with the relevant statutory laws and self-regulatory codes that apply to advertising and marketing communications services;
  - d) not employ and directly or indirectly pay or pay-in-kind, young people under the age of 16 years to actively promote brands, products, goods, services, causes or ideas to their peers, associates or friends (see Appendix 2 for exceptions and application);
  - e) adopt and maintain the CPD accreditation programme as may exist from time to time;
  - f) conduct its business in accordance with this IPA Rule Book; and
  - g) comply at all times with competition law.
15. An IPA member agency shall be obliged to disclose to the IPA Secretariat any change to its structure or alteration in its circumstances which affects or may affect its adherence to the membership criteria set out in Rule 14.

## **Benefits of Membership**

16. Corporate IPA members are entitled to receive all the privileges of membership including full access to the IPA website, information from the Insight Department, legal advice on employment issues and on advertising and marketing communications issues from the IPA Legal & Public Affairs Department, invitations to training and professional development events, discounted rates on subscriptions to the IPA TouchPoints service and various media research services and such other benefits as Council and the IPA Secretariat shall from time to time determine. The full list of benefits is available from the IPA Secretariat.

## **Professional Conduct**

It is in the public interest and in the best interests of the advertising industry as a whole that there should at all times be a high professional standard of behaviour by IPA member agencies. For these reasons, IPA members shall adhere to the following rules and to the Code of Ethics attached as Appendix 3.

17. IPA member agencies shall conduct their business at all times in a manner that upholds the reputation and standing of the IPA and its members.
18. IPA member agencies shall employ their skills and conduct their business in a socially responsible manner, and shall do nothing that might discredit the IPA or the advertising and marketing communications industry in general.
19. IPA member agencies must not, expressly or by implication, disparage other IPA members, either corporate or personal, or suggest a lack of professionalism in their work.
20. IPA member agencies must not infringe any copyright or trademark belonging to any other person, including the copyright in IPA materials which are available to members.
21. When announcing publicly that it has won an account or piece of business, a member agency shall not refer detrimentally or disparagingly to those agencies with which it was in competition for that account or piece of business.

## **Continuous Professional Development ("CPD")**

22. All IPA member agencies must appoint a CPD Manager within their agency to take the responsibility for co-ordinating CPD accreditation in accordance with the IPA CPD accreditation criteria, which the IPA Secretariat shall send to CPD Managers annually.
23. CPD Managers must submit their agency's annual CPD submission for the previous year to the IPA Secretariat by the end of January each year.
24. If an IPA member agency fails to achieve CPD accreditation for the previous year at least seven clear working days before the March meeting of the IPA

Council, then it shall lose CPD accreditation for that year. An agency is entitled to lose CPD accreditation only twice in any five-year period and only provided that the second year does not immediately follow the first. However, since new members are required to commit to achieving CPD accreditation for their first full calendar year in membership, the first year in which an agency may lose its CPD accreditation must not coincide with its first full year in membership. The procedure for terminating an agency's membership for failing to meet the CPD accreditation requirements is set out in Rules 40 and 41.

### **Subscriptions and payment**

25. All IPA member agencies must pay an annual membership subscription to the IPA.
26. If an agency becomes a member of the IPA during the course of, rather than at the beginning of, a year, its first subscription invoice shall be calculated *pro rata* for the remaining period of that year as follows: if this invoice is raised in the first ten days of the month, it shall be calculated from the first day of that month; if it is raised on or after the 11th day of the month, it shall be calculated from the first day of the following month. As noted in Rule 7, the agency's membership shall only be activated, meaning that it will only be granted access to IPA services and benefits, after the IPA has received payment of the invoice in full.
27. Council shall have the power to fix the amount and timing of subscriptions payable by IPA member agencies. Council shall be entitled, at any time and at its absolute discretion, to increase or reduce the amount of the membership subscriptions. Council shall be entitled to offer, vary or withdraw agency membership subscription rates or early-payment discounts. Council may also, at its absolute discretion and in accordance with Rule 6, decide to introduce a registration fee for new member agencies entering into membership.
28. Council may, at its absolute discretion, waive payment of an IPA member agency's membership subscription either wholly or in part for any reason whatsoever.
29. Unless permitted in writing by the IPA Finance Director to pay temporarily over a different period, an IPA member agency shall pay its annual membership subscription by the end of February of the relevant membership year. Failure to pay on time may lead to termination of membership in accordance with Rule 33.
30. Each IPA member agency must send its unconsolidated full financial statements (including P&L information and all notes) to the IPA Finance Director annually as soon as they have been audited or, in the case of member agencies not requiring an audit, formally approved by the director(s).

In December each year, the Secretariat will prepare invoices, based on the Gross Income derived from recently received audited or formally approved financial statements, in respect of the following year's subscriptions. By default, the financial statements to be used for this purpose will have a period end in the range from (i) March of the year before the December in which the invoice is prepared to (ii) February of the year in which the invoice is prepared. For example, when preparing invoices for 2024 membership in December 2023, the Secretariat would expect to be using financial statements with period ends from March 2022 to February 2023. And when preparing invoices for 2026 membership in December 2025, the Secretariat would expect to be using financial statements with period ends from March 2024 to February 2025.

The overarching principle is that each set of financial statements should be used in turn, once and only once, and without missing a financial period. If a member has not provided up-to-date audited or signed financial statements, the IPA shall be entitled to assume a 10% increase in the member's last Gross Income for the purpose of calculating its subscription for the following year. However, if it transpires that the member's actual Gross Income has increased by more than 10%, the IPA shall have the right subsequently to make an adjustment and to provide the member with a supplementary invoice accordingly. The IPA Finance Director and/or any firm appointed to act on behalf of the IPA in connexion with this rule shall be entitled to make reasonable enquiries of any IPA member agency for the purposes of ensuring that its subscription has been calculated properly.

Where a member agency has a sister company within its group of companies whose principal business objectives are to create, maintain and enhance the value of clients' brands and businesses through advertising, marketing communications or marketing services, but provides such services to clients indirectly through that member agency (for example, the sister company provides production services through that member agency), then that sister company shall be entitled to be included within the member agency's membership provided that its total Gross Income is included in the calculation of the member agency's annual subscription in accordance with Rule 31. Where such a company supplies such services to more than one member agency within its group of companies, then its total Gross Income shall be included in the calculation of the annual subscription of one of the member agencies in the group, as notified to the IPA. In either scenario, the sister company shall then be treated as an additional brand of the member agency that includes in its subscription calculation the sister company's Gross Income, and the sister company shall then have access to the full range of corporate membership services and benefits of the IPA and be subject to the Rules of corporate membership.

31. Subject to Rule 27, membership subscriptions are calculated as a function of Gross Income, as defined below, in accordance with the following scale:

**Gross Income tranches      Tranche rate (before VAT)**

Up to £0.5m                      £2,625

*The minimum corporate membership subscription is £2,625*

Next £0.9m                      0.4725%

*e.g., with reported Gross Income of £1.1m, the subscription (before VAT) would be £0.6m x 0.4725% + £2,625 = £5,460*

Next £2m                         0.4200%

Next £2.5m                      0.3675%

Next £3m                         0.3150%

Next £3.5m                      0.2100%

Next £4.6m                      0.1575%

Beyond £17m                    0.1050%

Gross Income is typically captioned "revenue" or "operating revenue" by creative agencies and "gross profit" by media agencies. It is defined, for the purposes of calculating IPA membership subscriptions, as: turnover *less* costs of media purchasing and direct pass-through production costs inclusive of shoot travel expenses (provided such costs and travel expenses have not been marked up) *but before* any other costs incurred in the provision of an agency's services. Accordingly, if any employment, freelancer or consultancy costs, or other indirect or overhead costs, have been included in Cost of Sales, then they must be added back to Gross Profit in order to arrive at Gross Income.

32. In the event that an IPA member agency is permitted by the IPA Finance Director to pay its membership subscription temporarily on a quarterly (or other) basis, all such payments must be made within 30 days of the date of the invoice. A 5% uplift is added to subscriptions paid on this basis. If an agency fails to make any single payment within these terms, the IPA Secretariat shall be entitled to withdraw the benefits of membership from that agency until such time as payment is made. In the event that any single payment still remains outstanding 90 days after the date of invoice, the IPA shall be immediately entitled to commence legal proceedings for the recovery of the debt and the agency's membership may be put forward for termination in accordance with Rule 33 below.
33. An IPA member agency which fails to pay its annual subscription by the end of February of any year in accordance with Rule 29 shall have its membership terminated if payment continues to be in arrears at 5pm two working days before the March Council meeting of that year, and if at that meeting Council decides that the agency should no longer remain a member of the IPA after the end of that calendar year.
34. An agency whose membership is terminated pursuant to Rule 33

shall cease to be a member at the end of the relevant calendar year. However, immediately after Council's decision under Rule 33, the agency shall no longer be entitled to the benefits of membership or the services of the IPA and the IPA shall be immediately entitled to commence legal proceedings for the recovery of the annual membership subscription in full.

35. Once the debt referred to in Rule 34 has been recovered in full, the agency's entitlement to the benefits of membership and the services of the IPA shall be reinstated for the remainder of the relevant year. In such circumstances, notwithstanding payment of the annual membership subscription, the agency's membership shall cease at the end of the relevant year. If the agency wishes to remain in membership, it shall be obliged to re-apply for membership in the manner set out in Rules 2 to 8.

### **Resignation of Membership**

36. If an IPA member agency wishes to resign from IPA membership, it must give written notice of termination to the IPA Director General or the head of the IPA membership department **prior to 1st November in the current calendar year**, in order that its membership for the following year is terminated.
37. If an IPA member agency resigns by giving notice in writing prior to 1st November in accordance with Rule 36, and at the time of giving such notice has paid, or pays, all subscriptions due, the member's resignation will be duly noted and will take effect from the end of that year.
38. At the end of the year, the resigning agency shall cease to be a member of the IPA and to be entitled to use any IPA services and the IPA logo, including on its company stationery and websites, and to designate itself as an "Incorporated Practitioner in Advertising".
39. If an agency does not serve notice in accordance with Rule 36, its annual membership subscription for the following year will be due in full (unless the Membership Committee determines otherwise), and it shall remain in IPA membership and entitled to the benefits of membership and the services of the IPA for the following year (subject to Rule 33).

### **Termination of Membership**

40. If an agency fails to meet the requirements for CPD accreditation pursuant to Rules 22 to 24, the matter shall be referred to the March Council meeting at which it may present its case. Council shall then be entitled, at its discretion, to terminate that agency's membership at the end of the year provided that at least three-quarters of the members of Council present and voting shall have voted in favour of termination at the meeting. An agency whose membership is

terminated pursuant to this Rule 40 but who rearranges its affairs to comply with the rules of membership during the remainder of the year shall nevertheless be obliged to re-apply for membership in the manner set out in Rules 2 to 8 if it wishes to remain in membership.

41. In the event that an agency's membership is terminated under Rule 40, the agency shall not be entitled to a rebate of the membership subscription fee, and the agency shall cease thereafter to be entitled to use any IPA services or to use the IPA logo on company stationery and websites or to designate itself as an "Incorporated Practitioner in Advertising".
42. Council shall, at its absolute discretion, also be entitled to terminate an agency's membership of the IPA in the following situations:
  - a) if a receiving order is made against the agency or the agency goes into liquidation, either voluntary or compulsory, or if the agency makes any arrangement or composition with creditors;
  - b) if the agency enters into any agreement or engagement which in the opinion of Council causes the agency no longer to be able to prove its independence and neutrality as required under Rule 14a);
  - c) if the agency fails to comply with the other conditions of membership set out in Rule 3 and Rule 14, provided that Council may at its discretion allow the member agency to continue its membership for a period not exceeding six months in order for the agency to arrange its affairs so that it complies again with the conditions of membership. Council may waive the operation of this Rule 42c) in any particular case in its absolute discretion; or
  - d) if the agency ceases to be actively engaged in the work of an agency as set out in Rule 1 above.

#### **Disciplinary Action and Termination Procedure**

43. If any IPA member agency has, in the opinion of Council (acting on the recommendation of the IPA Membership Committee), broken any of the IPA Rules as set out in this Rule Book or is guilty of unprofessional or discreditable conduct or conduct prejudicial to the interest of the IPA, Council may at any time, at its absolute discretion:
  - a) issue such written cautions, warnings or reprimands to the agency as it may consider necessary; and/or
  - b) require from the agency any specific or general undertakings in relation to the agency's future conduct as Council deems fit; and/or
  - c) terminate the membership of the agency subject to Rule 46; and/or
  - d) publish notice of the action taken by Council.

44. Council may exercise these disciplinary powers by itself or may delegate its powers under Rule 43 to a committee composed of members of the Council.
45. No penalty shall be imposed upon any member agency unless the question shall have been first investigated at a meeting of Council or the IPA Membership Committee, at which the agency concerned shall have been given a proper opportunity of addressing it.
46. Council shall not be entitled to terminate the membership of a member agency under Rule 43c) unless at least three-quarters of the members of Council present and voting shall have voted in favour of termination at the meeting.
47. The IPA Secretariat shall send to the member agency, by recorded delivery to the agency's address, a copy of the decision of Council under Rules 33, 40, 42, and 43.
48. If the agency wishes to appeal a decision by Council to terminate its membership, it may appeal to a body consisting of the current President and two past Presidents, as selected by the IPA Secretariat on a case by case basis. The agency must, within seven days of receipt of the notice of termination, give notice in writing to the IPA Secretariat of the agency's desire to appeal. The IPA Secretariat shall duly convene this appeal body at the earliest available opportunity for the purpose of considering the appeal, and its decision shall not take effect unless and until it is confirmed in writing.
49. In the event that an agency's membership is terminated under the foregoing provisions, the agency shall not be entitled to a rebate of the membership subscription fee, and the agency shall cease thereafter to be entitled to use the IPA services or use the IPA logo on company stationery and websites or to designate itself as an "Incorporated Practitioner in Advertising".

## **Complaints**

50. The head of the IPA membership department should be contacted in the first instance if a breach of this Rule Book is suspected. Any queries on the interpretation of the Rule Book should be addressed initially to the IPA Secretary, the head of the IPA membership department or the IPA Director of Legal & Public Affairs.
51. If a complaint is received in writing by the IPA Secretariat from a non-member suggesting that a member agency is in breach of the Rule Book, the head of the IPA membership department or other senior member of the IPA Secretariat shall write to the relevant agency, notifying it of the complaint and asking for an explanation. The IPA Membership Committee shall investigate the complaint and shall decide whether or not there has been a breach of the Rule Book and, if so, what action (if any) is required. The matter may be referred to Council to act under the provisions of Rule 43.
52. If a complaint is received in writing by the IPA Secretariat from an IPA member agency suggesting that there has been a breach of the Rule Book by another

member agency, the head of the IPA membership department or other senior member of the IPA Secretariat shall write to the relevant agency, notifying it of the complaint and asking for an explanation. When this is received, the agency having made the complaint shall be invited to comment on the explanation.

53. The IPA Membership Committee shall then decide whether or not there has been a breach of the Rule Book and, if so, what action (if any) is required. The parties to the dispute shall be informed in writing of the Committee's decision. If there has been a breach of the Rule Book, the agency in breach shall be asked to apologise and to take any necessary corrective action required by the IPA Membership Committee, and the matter may be referred to Council to act under the provisions of Rule 43. A brief summary of the case shall be entered in the minutes of the Membership Committee.

### **Accelerator subscription scheme**

The IPA Accelerator subscription scheme is available to agencies that are unable to demonstrate (in accordance with Rule 3d) that they have achieved the minimum Gross Income level required for corporate membership. The application procedure, terms and conditions, subscription fees and resources and benefits associated with the Accelerator scheme can be found on the IPA website or, on request, from the IPA Secretariat. Accelerator subscribers are entitled to refer to themselves as an "IPA Accelerator Agency" but not as an "Incorporated Practitioner in Advertising" or a corporate member of the IPA. An Accelerator subscription does not guarantee progression to corporate membership.

## **B Personal Members**

### **Admission to Membership**

54. From and including 1 July 2015, individuals shall be eligible for admission to membership of the IPA as a Personal Member if they complete the Personal Membership Application Form and show to the satisfaction of Council that they comply with the following conditions:
  - a) that they have taken and successfully completed such professional development criteria as Council shall from time to time stipulate as required to accumulate the minimum of five IPA qualifications stars;
  - b) that they have completed the last three consecutive years of CPD and continue to meet the IPA CPD requirements as stipulated from time to time by the IPA Secretariat and Council on an annual basis; and
  - c) that their application for membership of the IPA is endorsed by the IPA Membership Committee and Council.
55. Fellows of the IPA shall be elected by Council from time to time from among Personal Members (unless otherwise determined by Council) in recognition of their having made an outstanding contribution to the IPA.
56. Council may elect, at its absolute discretion, any individuals to be Honorary Fellows of the IPA who are not in the employment of an IPA member agency and who are neither Personal Members nor Fellows of the IPA, but who have made an outstanding contribution to the IPA.
57. At any one time, the combined number of Honorary Fellows of the IPA shall not exceed one hundred.

### **Membership**

58. Where individuals become a Personal Member or a Fellow of the IPA, they shall be requested to provide a signed undertaking to observe the provisions of the Royal Charter, the Bye-laws and this Rule Book and any other rules and regulations of the IPA for the time being in force.
59. Provided they have complied with Rule 54, any individual becoming a Personal Member or a Fellow from 1 July 2015 shall be entitled to be known, and to refer to themselves, as, respectively, an "Accredited MIPA" or an "Accredited Member of the Institute of Practitioners in Advertising" or an "Accredited FIPA" or an "Accredited Fellow of the Institute of Practitioners in Advertising" (as the case may be).
60. Individuals who became Personal Members or Fellows prior to 1 July 2015 (for the purposes of these Rules, respectively, "Legacy Members" and "Legacy Fellows") shall not be required to adhere to the continuing CPD requirements

set out in Rule 54b) but shall not be included on the IPA register as Accredited MIPAs.

61. Legacy Members and Legacy Fellows shall not be required to pay an annual IPA membership fee unless Council, at its absolute discretion, determines otherwise.
62. Every Accredited MIPA and Accredited FIPA shall be entitled to retain their status as such provided that, on an annual basis:
  - a) they continue to meet the ongoing CPD requirements set out in Rule 54b); and
  - b) if not employed by a Corporate Member, they pay an annual subscription of £240 including VAT or such other sum as determined by Council from time to time.
63. If any Accredited MIPA or Accredited FIPA fails, for any reason, to meet the requirements of Rule 62a) and b), they shall lose their "accredited" status and the entitlement set out in Rule 59, and the provisions of Rule 73 shall apply.

### **Benefits of Membership**

64. No individuals other than Legacy Members or Accredited MIPAs shall be entitled to call themselves "MIPA" or "Member of the Institute of Practitioners in Advertising" and only Accredited MIPAs shall be entitled to use, after their name, the title "Accredited MIPA" or "Accredited Member of the Institute of Practitioners in Advertising".
65. No individuals other than a Legacy Fellow or Accredited FIPA shall be entitled to call themselves a "FIPA" or a "Fellow of the Institute of Practitioners in Advertising" and only Accredited FIPAs shall be entitled to use, after their name, the title "Accredited FIPA" or "Accredited Fellow of the Institute of Practitioners in Advertising".
66. No individuals other than an Honorary Fellow shall be entitled to call themselves an "Hon. FIPA" or an "Honorary Fellow of the Institute of Practitioners in Advertising".
67. Honorary Fellows shall not be members of the IPA or be liable to pay any membership subscription, nor shall they have any right to attend or vote at any IPA General Meeting, or be eligible for election to Council or to any other office of the IPA, or to receive any of the other benefits and services available to Corporate Members, Personal Members and Fellows of the IPA.

### **Professional Conduct**

It is in the public interest and in the best interests of the advertising industry as a whole that there should at all times be a high professional standard of behaviour by all Personal Members and Fellows of the IPA. For these reasons, they shall adhere to the following rules at all times:

68. Personal Members and Fellows of the IPA shall conduct themselves with dignity and in a manner that upholds the reputation and standing of the IPA and its members, both corporate and personal.
69. Personal Members and Fellows of the IPA shall do nothing that might discredit the IPA or the advertising and marketing communications industry in general.
70. Personal Members and Fellows of the IPA must not, expressly or by implication, disparage other IPA members, either corporate or personal, or suggest a lack of professionalism in their work.

### **Cessation of Membership**

71. A Personal Member or a Fellow of the IPA shall cease to be a member of the IPA in the following situations:
  - a) if the individual is certified to be of unsound mind;
  - b) if the individual is convicted of a criminal offence which, in the reasonable opinion of Council, is inappropriate and likely to damage the reputation of the advertising industry or the IPA;
  - c) if the individual is declared bankrupt;
  - d) if the individual resigns by giving written notice to the IPA Secretariat; or
  - e) if Council decides that the individual's behaviour is in serious breach of Rules 68 to 70.
72. An Honorary Fellow of the IPA shall cease to be an Honorary Fellow if Council, at its absolute discretion, decides that the status is no longer merited.
73. In the event that Rule 63 applies to any Accredited MIPA or Accredited FIPA, Council shall have the right to suspend their use of the "Accredited" title until such time as they prove that they have fulfilled the relevant requirements for a full year. In the meantime, the individual shall become a Legacy MIPA or Legacy FIPA as the case may be.
74. Council shall be entitled at its absolute discretion to re-admit to membership any individual who has for any reason ceased to be a Personal Member of the IPA.
75. The rights and privileges of every Personal Member and Fellow and of every Honorary Fellow are personal and are not transferable.

### **Complaints**

76. The head of the IPA membership department should be contacted in the first instance if a breach of this Rule Book by a Personal Member or Fellow is suspected. Any queries on the interpretation of this Rule Book should be addressed initially to the IPA Secretary, the head of the IPA membership department or the IPA Director of Legal & Public Affairs.

77. If a complaint is received in writing by the IPA Secretariat from a non-member, suggesting that a Personal Member or Fellow of the IPA is in breach of this Rule Book, the head of the IPA membership department shall write to the relevant Personal Member or Fellow of the IPA, notifying them of the complaint and asking for an explanation. The IPA Membership Committee shall investigate the complaint and shall decide whether or not there has been a breach of the Rule Book and, if so, what action (if any) is required. The matter may be referred to Council to act.
78. If a complaint is received in writing by the IPA Secretariat from an IPA member agency or a Personal Member or Fellow of the IPA suggesting that there has been a breach of the Rule Book by any other Personal Member or Fellow of the IPA, the head of the IPA membership department shall write to the relevant Personal Member or Fellow of the IPA, notifying them of the complaint and asking for an explanation. When this is received, the complainant shall be invited to comment on the explanation.
79. The IPA Membership Committee shall then decide whether or not there has been a breach of this Rule Book and, if so, what action (if any) is required. The parties to the dispute shall be informed in writing of the Committee's decision. If there has been a breach of this Rule Book, the Personal Member or Fellow of the IPA in breach shall be asked to apologise and to take any necessary corrective action required by the IPA Membership Committee. A brief summary of the case shall be entered in the minutes of the Membership Committee.
80. In serious cases which may culminate in termination of membership or fellowship, or if requested by the parties in dispute, Council shall be entitled to adjudicate the dispute.

### **Associate subscription scheme**

The IPA Associate subscription scheme is available for individual practitioners who wish to engage with the IPA but are not in the employment of a corporate member or an Accelerator agency. The application procedure, terms and conditions, subscription fees, resources and benefits associated with the Associate scheme can be found on the IPA website or, on request, from the IPA Secretariat. Associate subscribers are entitled to refer to themselves as an "Associate of the IPA" but not as a personal member or "MIPA". An Associate subscription does not guarantee progression to personal membership.

## **C Council**

### **Role of Council**

81. Council is the supreme governing body of the IPA and serves three main roles:
  - a) It is responsible for making all material decisions in respect of the IPA, including those relating to this Rule Book.
  - b) It is the main policy-making body for the IPA and its membership, taking a position on topics that may affect the industry as a whole. Such positions are often taken in response to detailed recommendations from the IPA Secretariat and from the specialist standing and *ad hoc* IPA groups and committees.
  - c) It acts as a debating forum on key issues of the day.
82. A meeting of Council, at which a quorum is present (see Rule 121), shall be competent to exercise all powers and discretions and act on behalf of the IPA. It shall have such powers and duties as are set out in the Royal Charter and Bye-laws and this Rule Book.
83. All acts done and powers exercised at any meeting of Council shall be valid if there is a requisite quorum present (see Rule 121) and all members present at the meeting and entitled to vote have voted (or abstained, as the case may be).

### **Officers of the IPA**

84. At a special Council meeting held after the Annual General Meeting of the IPA every other year, the members of Council shall elect from among their number a President, an Honorary Treasurer and an Honorary Secretary. The procedure for the election of these Officers of the IPA is set out in Appendix 1 of this Rule Book. Council shall be entitled, in its discretion, to vary the procedure and conduct of these elections.
85. The President shall be entitled to remain in office for no more than two years continuously. The Honorary Treasurer and Honorary Secretary shall usually be entitled to remain in office for no more than four years continuously, but such tenure of office may be extended in extraordinary circumstances if Council so determines, in its sole discretion, that an extension is required. During their respective periods of office, and in accordance with Rule 112, Officers shall not be required to re-stand for election to Council. After their respective periods of office, they shall be entitled to continue as members of Council until the next Annual General Meeting, at which they must either be re-elected or retire, but shall not be entitled to stand for re-election to the same office.
86. Council may nominate any individual to fill any vacancy in the office of President, Honorary Treasurer or Honorary Secretary, arising before the relevant officer's period of office has expired. Any individual appointed to fill such a vacancy shall hold office for the remaining term of the original incumbent officer but, if eligible, may stand for re-election to office.

87. The President shall also be Chair of Council. In case of absence, the Chair shall be the Honorary Secretary or the Honorary Treasurer.
88. The President, the Honorary Treasurer and the Honorary Secretary shall appoint the Director General of the IPA, and shall decide on the terms and conditions of employment, including remuneration. The Director General's performance shall be reviewed on an annual basis.

For administrative matters only, such as insurance and banking arrangements, the Director General may also act as an Officer in order to discharge such duties and responsibilities as Council decides pursuant to Bye-law 24.

### **Composition of Council**

89. Council shall comprise 42 elected members, each of whom shall be individuals qualified for election as provided by Rules 92 to 94. The President, Honorary Treasurer and Honorary Secretary shall be chosen from the 42 elected members of Council.
90. Of the 42 elected members of Council, there shall be two elective classes: 30 members shall represent Corporate Members and 12 members shall represent Personal Members and Fellows of the IPA.
91. The total number of Council members, Council members representing Corporate Members, and Council Members representing Personal Members and Fellows of the IPA may only be changed by a vote at a General Meeting of the IPA.
92. No individual shall be qualified for election to represent Corporate Members on Council unless they are either an employee or a director of a Corporate Member.
93. No individual shall be qualified for election to represent Personal Members and Fellows of the IPA unless they are either a Personal Member or a Fellow of the IPA.
94. No individual shall represent both Corporate Members and Personal Members and Fellows of the IPA.
95. Any President who has held office for at least one year shall be entitled, upon their retirement as President, to become an *ex officio* member of Council and shall, as long as they remain employed by an IPA member agency, continue as such until the retirement of the next President but one to have held office for more than one year. Any other past President is no longer entitled to be an *ex officio* member of Council unless permitted by Council in accordance with Rule 114.
96. In addition to the elected members of Council, the IPA England and Wales Chair, the Chair of the IPA for Scotland and the Chair of the IPA Northern Ireland Group (the "Regional Chairs"), together with the Chair of the IPA 44 Club (the "44

Club Chair"), shall be *ex officio* members of Council. The Regional Chairs are entitled to vote at Council meetings on behalf of Corporate Members and the 44 Club Chair is entitled to vote at Council meetings on behalf of Personal Members. None of these Chairs are subject to retirement by rotation, but each retires from Council when they cease to be Chair of their respective organisation.

### **Elections to Council membership**

97. Council shall have power to make rules concerning the procedure for nominating candidates for membership of Council.
98. Any candidate for election to Council to represent Corporate Members must be nominated by at least two directors or equivalent of Corporate Members and their name must be submitted to the Director General and/or the Secretary of the IPA at least 28 clear days before the IPA Annual General Meeting for that year, accompanied by a signed form by which they consent to their nomination.
99. Any candidate for election to Council to represent Personal Members and Fellows must be nominated by at least two other Personal Members or Fellows and their name must be submitted to the Director General and/or the Secretary of the IPA at least 28 clear days before the IPA Annual General Meeting for that year, accompanied by a signed form by which they consent to their nomination.
100. Any members of Council retiring from Council membership in any year shall be entitled to stand for re-election in either elective class (representing Corporate Members or Personal Members, as the case may be). If they are standing for re-election in the same class they need not be nominated. If they wish to stand in the other class, they must be nominated in accordance with Rules 98 and 99 as appropriate.
101. If the number of candidates nominated for election or re-election to Council of either elective class are the same as, or less than, the vacancies to be filled, all the candidates shall be duly elected without a requirement for an election to be undertaken.
102. If there are more candidates nominated for election or re-election to Council of either elective class than there are vacancies to be filled, there shall be an election, which shall be conducted in accordance with the following Rules or in such form as Council shall direct from time to time in its discretion.
103. The designated IPA senior contact person of every IPA member agency shall be entitled to one vote in respect of each vacancy in the number of Council Members representing Corporate Members.
104. Every Personal Member and Fellow of the IPA shall have one vote in respect of each vacancy in the number of Council Members representing them.

105. Every election or re-election of members of Council shall be conducted by post, electronic mail or by such other method as Council so determines from time to time.
106. Voting forms shall be sent by post or electronic mail to each of the individuals voting in respect of the relevant elective class, or in some circumstances both classes, in which they are entitled to vote, at least 21 days before the date of the Annual General Meeting for that year.
107. Voting forms must be returned by post or electronic mail to, and received by, the Secretary of the IPA at least 48 hours before the time fixed for the Annual General Meeting. Any votes received later than this deadline time shall not be counted.
108. The candidates receiving the most votes shall be elected in due order according to the number of votes received until all the vacancies have been filled.
109. Where candidates have received the same number of votes and the addition of one vote would entitle one of those candidates to be elected, the President shall have the casting vote.
110. In the event that there are insufficient candidates for the vacant positions on Council, Council itself shall have the power to fill the vacant positions. Any individual appointed to fill a vacancy under this Rule 110 shall represent the relevant elective class and shall only hold office until the next Annual General Meeting, at which point they shall retire.

#### **Duration of tenure of Council members**

111. Each elected Council member shall be entitled to sit on Council and vote on Council business for a period of three years.
112. After their three-year tenure, each member – except for the elected Officers, in accordance with Rule 85 – shall be obliged either to retire from Council or seek re-election in accordance with Rule 100.
113. Any vacancy occurring in Council between one Annual General Meeting and the next may be filled by Council in its absolute discretion. Any person so appointed to fill a vacancy under this Rule shall represent the relevant elective class, and shall hold office only until the next Annual General Meeting, when they shall retire.
114. Council may appoint any past President to be an *ex officio* member of Council, so long as they remain employed by an IPA member agency, in place of and for the same term as any past President who would but for death, resignation, retirement or disqualification have been an *ex officio* member of Council under Rule 95.
115. In the event that a member of Council fails to attend at least two Council meetings during any one year without extenuating circumstances, they shall

be required to retire and stand for re-election at the next Council elections, irrespective of any remaining period of tenure. It shall be for the Officers of the IPA (as defined in Rule 84) to decide, in their sole discretion, whether extenuating circumstances exist in each individual case.

116. Members of Council may resign with immediate effect by giving notice in writing to the Director General or the IPA Secretary, such notice to be noted at the next Council meeting. If such resignation occurs between Annual General Meetings, Council shall have the power to fill in the vacancy in accordance with Rule 113.

117. A member of Council shall also be required to resign from Council in the following circumstances:

- a) if they become bankrupt;
- b) if they are certified as being of unsound mind;
- c) if Council considers that they are no longer capable of acting in the best interests of the IPA;
- d) if they are unlawfully concerned with or interested or participate in the profits of any contract with the IPA or do so in contravention of the Royal Charter, the Bye-laws or these Rules;
- e) if they no longer qualify for election as set out in Rules 92 and 93;
- f) if they cease to hold office by virtue of any order made under Sections 2 to 12a of the Company Directors Disqualification Act 1986 (or any subsequent or amending legislation);
- g) if they are removed from office by a resolution duly passed pursuant to Section 168 of the Companies Act 2006 (or any subsequent or amending legislation); or
- h) in the case of an individual representing a Corporate Member ceasing to be an employee or a director of a Corporate Member for a continuous period of six months.

Any vacancy occurring under this Rule 117 may be filled by Council in accordance with Rule 113.

### **Meetings of Council**

118. Council shall meet at least four times a year, the meeting dates and times for which will be published annually in April. Subject only to this provision, Council may meet, adjourn and regulate its meetings as Council members deem fit.

119. The IPA President and the Director General of the IPA may summon a meeting of Council at any time, either at the request of the President or at the request of any six members of Council. At least seven calendar days' notice shall be given before any such Council meeting except in cases of emergency.

120. The Director General of the IPA and the IPA Secretary, together with such members of the IPA Secretariat as deemed necessary by the Director General, shall attend Council meetings but are not entitled to vote.
121. The quorum necessary for the transaction of business at a meeting of Council shall be one-fifth of the total number of members of Council. Council may in its absolute discretion decide to increase the quorum, but the quorum shall never be less than one-fifth of the total number of members of Council.
122. In the event that a Council meeting is inquorate, that meeting shall be cancelled and a new meeting called in accordance with Rule 119.
123. Minutes shall be made of all Council meetings and of all meetings of IPA committees and groups and shall include the names of all attendees. Minutes shall be approved by members at the next meeting (if any).

### **Voting at Council**

124. All questions arising at Council meetings shall be decided by a majority of votes. Each Council member present at the meeting shall have one vote, except that in situations where there are an equal number of votes, the Chair of the meeting shall have a second, casting vote.
125. All resolutions made at Council shall be passed by a simple majority of those present and voting, except resolutions to make amendments to this Rule Book and resolutions dealing with termination of membership when a three-quarters majority of those present and voting shall be required.

### **General Meetings**

126. There shall be an Annual General Meeting held no more than fifteen months after the last Annual General Meeting for receipt of the IPA Annual Report and Accounts and the conduct of any other business for which notice has been duly given.
127. There may be other General Meetings during each year, which shall be called by Council or in the event of a written requisition being signed by at least 24 members of the IPA, of which at least 12 shall be Corporate Members and at least 12 shall be Personal Members.
128. Notice of all General Meetings shall be provided to Members at least fourteen clear days before the date of the meeting. The notice shall give the date and place of the meeting and the purpose for which it is called shall be explicitly stated. No other business shall be transacted except on the directions of Council. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive it shall not invalidate any resolution passed, or proceeding had, at any meeting.
129. The Chair at any General Meeting shall be the President of the IPA, or in case of absence, the Honorary Secretary of the IPA, or in the absence or unwillingness to preside of both, a person elected by the Members present.

130. A quorum for any General Meeting shall be at least six corporate members and at least four personal members. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting shall be dissolved.

131. The meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. The members shall not otherwise be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

132. All matters discussed at a meeting shall be decided by majority vote, and in the case of an equality of votes the Chair shall have a second or casting vote.

## **D Committees**

133. Council may establish such Council committees, such as a Finance Committee and a Membership Committee, and working groups as it sees fit. Terms of Reference for Council committees and working groups shall be approved by Council.

## **E Appendices**

Appendix 1 – Procedure for the election of the IPA Officers

Appendix 2 – Prohibition of the use of under-16s as ambassadors and in peer-to-peer marketing by IPA member agencies

Appendix 3 – IPA Code of Ethics

## Appendix 1

### PROCEDURE FOR THE ELECTION OF THE IPA OFFICERS

#### Pursuant to Rules 84 to 86

In accordance with Rule 85, the President shall be entitled to remain in office for no more than two years continuously. The Honorary Treasurer and Honorary Secretary shall usually be entitled to remain in office for no more than four years continuously, but such tenure of office may be extended in extraordinary circumstances if Council so determines. After their respective periods of office, Officers shall not be entitled to stand for re-election to the same office.

The procedure for the election of the three Officers shall be as follows:

1. At the September Council meeting in the second year of the President's term, the immediate past President who is a member of Council (or a past President who is a member of Council, if the immediate past President has, for any reason, ceased to be a member of Council, and referred to in this document as the Immediate Past President) shall be invited by the President to take responsibility for securing nominations for his/her successor for the following March, as well as for the Honorary Secretary and/or Honorary Treasurer positions, should either or both also be due for election the following March.
2. The Director General shall then write to all members of Council inviting them to make their nominations from among the Council members for the Presidency and, if applicable, the positions of Honorary Secretary and/or Honorary Treasurer. The nominations received from members of Council shall be retained by the IPA.
3. The Immediate Past President in consultation with the Director General shall then appoint a Presidential Nominating Committee consisting of:
  - a) the previous past President, if a member of Council;
  - b) two members of Council representing Corporate Members and one representing Fellows and Personal Members who have not been nominated pursuant to paragraph 2;
  - c) the Director General and Secretary of the IPA (non-voting); and
  - d) the current President (who shall not be entitled to stand for re-election).

The Immediate Past President shall notify Council of the names of those invited to join the Presidential Nominating Committee.

4. The Presidential Nominating Committee, which shall be chaired by the Immediate Past President, shall then confer and, after agreeing its recommendations for the nomination(s), the Immediate Past President shall approach the individual(s) concerned to obtain their confirmation that they are willing to have their names put forward for the office(s) concerned and would be prepared to serve if elected.

5. At the December Council meeting, the Immediate Past President on behalf of the Presidential Nominating Committee shall inform Council of the nomination(s) he or she proposes to make at a special Council meeting to be held after the regular Council meeting and the Annual General Meeting the following March.
6. At this special Council meeting in March Council, on the nomination of the Immediate Past President, shall formally elect the new President and, if applicable, either or both of the other two Officers. However, any Council member shall be entitled at the March Council meeting, to propose a different individual to fill any of the three offices in place of those selected by the Presidential Nominating Committee.
7. In accordance with Rule 86, if the position of President should fall vacant before the two-year term has expired, the immediate past President who is a member of Council (or a past President who is a member of Council, if the immediate past President has, for any reason, ceased to be a member of Council, and referred to in this document as the Immediate Past President) shall be invited to take responsibility for securing nominations for a successor, who shall be proposed for election by the Immediate Past President at the next Council meeting. If elected, the individual shall hold office for the remaining term of the Presidency, but, if eligible, may then stand for re-election.
8. Also in accordance with Rule 86, if the positions of Honorary Secretary and/or Honorary Treasurer should fall vacant before their usual four-year terms have expired, the President shall be invited to take responsibility for securing nominations for their successor(s), who shall be proposed for election by the President at the next Council meeting. Any individuals elected in this way shall hold office for the remaining period of the four-year term, but, if eligible, may then stand for re-election.

## Appendix 2

### PROHIBITION OF THE USE OF UNDER-16S AS BRAND AMBASSADORS AND IN PEER-TO-PEER MARKETING BY IPA MEMBER AGENCIES

On 8 December 2011, the IPA Council agreed to introduce – adjusted as appropriate to fit the format of the main document – the following clause into the IPA Rule Book:

***“Young people under the age of 16 should not be employed and directly or indirectly paid or paid-in-kind to actively promote brands, products, goods, services, causes or ideas to their peers, associates or friends.”***

At the same time, the following was agreed with regard to exceptions and to the application of the above:

#### 1. Exceptions

##### CHILD PERFORMERS:

In accordance with EU and UK law, under-16s may be employed to appear in advertisements with local authority permission, where appropriate.

##### SPONSORSHIP:

Exceptionally talented and high-profile young people in sports and entertainment may be contracted by companies to use the companies' brands, products, goods and services. In those unusual circumstances, direct presentation or promotion to their peers, friends or associates by the young person should not be required or expected.

#### 2. Application

This rule is not intended to apply to every instance in which a child is involved in promotional or presentational marketing activity. It applies only to marketing activity which commercialises a child's relationships with peers, associates or friends through employment involving payment or payment-in-kind in exchange for active promotion of a brand, product, good, service, cause or idea.

“Payment or payment-in-kind” is any reward with a commercial value, including money, goods or services.

All marketing communications must also comply with the Advertising Codes and with relevant EU and UK law.

## Appendix 3

### CODE OF ETHICS

The IPA is a member of the EACA and obliged to comply with its code of ethics. The adherence to high ethical principles is a requirement for any business sector today. As the representative body for the advertising and commercial communications sector in the United Kingdom, it is the task of the IPA to ensure that Members have clear guidance on the high ethical standards that we expect of the industry and of them.

#### Preamble

##### **1. Ethics in a consultancy sector**

We accept that the ethical responsibilities of a consultancy sector like our own must be balanced consistently between the possibly conflicting interests of our clients, their customers and society in general.

This document therefore attempts to define the ethical priorities we accept and attempt to live by.

##### **2. Laws, codes and ethics**

The sector in which we operate is comprehensively covered by laws that prevent deception and protect consumers. These are supplemented by a range of national and sectoral codes of practice which together make up the self-regulatory system, a system that is easily updated and able to react to new situations and technological developments faster than legislation.

The self-regulatory system in the UK is based on the premise that all advertising must be **legal, decent, honest and truthful**.

Both laws and codes are imposed on practitioners within our sector. Ethical standards, however, come from the people who practice and support the industry's legal and self-regulatory structures.

Ethical codes additionally provide what laws and codes of practice might not. They govern how we work with our clients, competitors, colleagues and society in general.

##### **3. Creating the Code**

This Code is based on the EACA's own code of ethics.

##### **4. Observance and maintenance of this Code**

Membership of the IPA is conditional upon the acceptance, by associations, companies and individuals, of this Code, which works as a minimum standard for professional conduct and performance. It is intended to give guidance for those who may be responsible for resolving questions and disputes that may have an ethical basis.

The Code is overseen and updated as necessary by the IPA Membership Committee.

##### **5. Applying the Code**

We believe that all personnel within the advertising sector should have access to advice on ethical issues. In the first instance, this should be available at company level, at group level within agency networks and through the IPA Secretariat.

In each case, there should be an appointed person, most likely from within human resources or legal departments who should be trained to advise on ethical issues pertaining to the Code.

#### **6. Resolving ethical conflicts of interest**

We accept that there will be situations in which the immediate interests of certain stakeholder groups might conflict with one other. We expect members to bear in mind when resolving such conflicts, the interests of society, our consumers and our clients as a priority, while acknowledging the values of other stakeholder groups.

#### **7. Promoting the Code**

The IPA undertakes to promote the Code to all commercial marketing communications practitioners and to maintain awareness of the Code on a periodic basis.

It is the aim of the IPA to promote the teaching of ethics within all relevant higher education courses in advertising and communications.

#### **8. The core values of our Code of Ethics**

Our Code is founded on five core values, which we believe govern every aspect of our personal performance:

**i. Integrity**

**ii. Respect**

**iii. Fairness**

**iv. Trustworthiness**

**v. Professional excellence**

### **The Code and our Stakeholder Groups**

#### **1. Society and citizens**

We recognise our obligation to create advertising which is consistent with the social, economic and environmental principles of sustainable development.

We further recognise that this obligation applies equally across the different societies that receive advertising that might not have been developed directly for them.

#### **2. Consumers**

We recognise that consumers are entitled to rely on our profession to operate not only within the law and within the letter and spirit of global, national and sectoral codes of practice, but also within accepted ethical norms.

We accept that our understanding of the "average consumer" might not always be the standard, acknowledging that there are groups who are vulnerable, for example, and that we should adopt a sensitive approach to judging how advertising will be understood and acted upon by society in general.

#### **3. The media**

We recognise the role of the media in providing independent and balanced information to consumers. We accept that in placing advertising in editorial or other media we should not intentionally seek to influence the independence or balance of editorial content. An exception will be so-called "advertorials" which are clearly presented to consumers as joint statements from the advertiser and media owner.

#### **4. Our clients**

##### **i. Consultancy standards**

We recognise the right of our clients to receive impartial advice and service to the best of our professional ability.

We recognise the ethical requirement to avoid incentives or inducements that might undermine the integrity of the agency/client relationship.

##### **ii. Confidentiality**

We commit ourselves to maintaining the confidentiality of our clients' confidential information, whether covered by non-disclosure agreements or not.

We accept that this requirement extends to information obtained as part of unsuccessful pitch or tender competitions or through practitioners moving between agencies.

##### **iii. Transparency**

We acknowledge a requirement to make our terms of business as transparent as possible and to operate entirely within the spirit of financial agreements entered into.

#### **5. Our employees and colleagues**

We recognise that people are our principal asset and understand the necessity to provide working conditions, training and remuneration consistent with their value to our business.

We recognise an obligation to ensure that our employees receive the full protection of local and international employment and workplace legislation, including equality of opportunity and freedom from discrimination in terms of gender, age, race, religion, or sexual orientation.

As employees, we recognise the obligation to serve the best interests of our employers, consistent with the principles set out in this Code.

#### **6. Our competitors**

We agree to compete with other agencies fairly and honourably and to treat our competitors and their work with professional respect.

#### **7. Our suppliers**

We agree to deal fairly with our suppliers of all kinds, especially in respect of payment terms, intellectual and other property rights.

#### **8. Our investors**

We recognise that our investors are entitled to receive accurate information within generally accepted accounting principles and that they should be given every assistance to understand and evaluate the circumstances that lead to investment decisions.