



## RULES AND REGULATIONS GOVERNING CONDUCT OF ADVERTISING AGENCIES / MBHS

- 1) Whereas the Pakistan Broadcasters Association, hereinafter referred to as the Association, considers it necessary to enforce the rules and regulations governing the conduct of advertising Agencies / MBHs, and for the determination of the relationship between the Agencies / MBHs and the Association on the one hand and that between the Agencies / MBHs and the Broadcast Houses on the other:
- 2) Now, therefore, in pursuance of the above objectives, the Association hereby declare that the rules set out in the following paragraphs shall govern the relationship between the Association, and its Broadcast Houses, and the Agencies / MBHs accredited to the Association.
- 3) All applications for accreditation duly completed in accordance with the rules and regulations of the Association shall be made in the form prescribed by the Association. Such applications shall be placed before the Accreditation Committee at its forthcoming meeting, but at the latest within 60 days of the receipt of the application, unless the application is found by the Secretariat to be incomplete or inadequate in any respect or in case it requires any further particulars about the status and operational structure of the Agency / MBH. The committee shall place its recommendations before the Board of Directors for approval and the decision of the Board of Directors of the Association on such applications, as conveyed in writing to the applicant by the Executive Director, shall be final and binding on the applicant and on all members of the Association.
  - a) Provided, that if an application from an Agency / MBH has been rejected by the Association, no fresh application from the same Agency / MBH or any other Agency / MBH being owned or managed directly or indirectly by the owner of the Agency / MBH whose application has been rejected, shall be entertained for accreditation until after the expiry of a period of three calendar months from the date of communication of such rejection.
- 4) Application must be made on the prescribed form (set out in **schedule 'A'** hereto) and such form must be completed in every respect and be supported by such documents as are required and indicated.
- 5) The Association shall entertain for consideration applications for accreditation from an Agency / MBH only if the Agency / MBH fulfills the following basic requirements:
  - a) It should have been in active operation as a non-accredited Agency / MBH for at least **6 months** prior to application or had placed business of **Rs.10 million** with Member Broadcast Houses, whichever is earlier. The Agency / MBH would also be required to provide along with application, the clearance certificates of the Broadcast Houses for the business done during the period.
  - b) A guarantee that the business to be placed and cleared by it in the Broadcast Houses during every year of its accreditation would not be **less than Rs.10 million**.



- c) Should have a proper business address, and suitable and properly equipped business premises, exclusively used for the purpose of advertising business.
- d) Adequate and skilled staff to ensure smooth business operations, competent to man various departments.
- e) Should have a sound financial standing.
- f) An unconditional irrevocable bank guarantee or a surety in shape of Government approved bonds or certificates acceptable to the Association shall be placed to the Association as per prescribed pro forma (Annexure "A") in accordance with the following schedule:

<b>Quantum of Business placed with Electronic Media</b>	<b>Required limit of Bank Guarantee</b>
(1) Less than Rs: 5 million annually	Rs: 1 million
(2) Rs: 5.1 to 25 million annually	Rs: 2.5 million
(3) Rs: 25.1 million annually and above	Rs: 3.5 million

- 6) An advertising Agency / MBH applying for accreditation will in the first instance, be accredited provisionally for a period of one year. After completion of one year, the provisionally accredited Agency /MBH shall automatically be confirmed provided the Agency / MBH is found to have fulfilled the terms and conditions of its provisional accreditation and abided by the Rules and Regulations to the satisfaction of the Association. The decision of the Board of Directors of the Association shall be final and binding. In case the Board of Directors rejects the confirmation, the provisional accreditation will stand terminated. However, the Agency / MBH whose accreditation is terminated, may apply afresh after six months of the rejection by the Board of Directors, in accordance with the provision of clause 1, paragraph 2.
- 7) The applicant Agency / MBH for accreditation shall pay **Rs.100,000/-** as **fee for joining**, Rs.50,000/- as **Annual Accreditation Fee** and Rs. 25,000/- as Application Fee (Non-refundable).
- 8) An accredited Agency / MBH shall be required to clear payment of all bills submitted by Broadcast Houses within **60 days** from the date of submission of invoice. Failure to make payment within this 60 day period will make the Agency / MBH liable for action or suspension under the provisions of **clause 14**.
- 9) All accredited Agencies / MBHs shall be entitled to a maximum of **15% commission**, on the business placed by them with the Broadcast Houses and no Agency / MBH shall claim, demand or receive any commission or compensation from a Broadcast House beyond this specified rate. Provided that at its option, a Broadcast House may allow a cash discount to an Agency / MBH.



**10) Credit Period:** The Rules and Regulations for conduct of advertising Agencies /MBHs provide **60 days** credit facility to fully accredited advertising Agencies /MBHs from Broadcast Houses. The clearance procedure provides the clearance **on monthly basis**.

The credit facility is counted from the last day of every clearance period for the invoice raised in the respective clearance.

**(i) Billing by Broadcast Houses:** The clearance procedure provides that Broadcast Houses should send their bills supported with Telecast Certificates along with the statement of bills **within 15 days** of the last date of each clearance period. The Broadcast Houses are required to obtain proper acknowledgement of the receipt of these bills from the Agencies / MBHs. A copy of the statement of bills should also be sent to the Association Secretariat for information and record.

**(ii) Last Dates for Filing Objections:** On receipt of bills and statement of claims from Broadcast Houses, the Agencies / MBHs are required to file objections, if any, in respect of discrepancies in bills / amounts against their release orders, or with respect to the non-fulfillment of any condition of business or production specifications by a Broadcast House within a time period of 15 days.

**11) Complaints Procedures:** The Broadcast Houses shall lodge their complaints with Association Secretariat for non-payment of their dues pertaining to the relevant clearance period on the 15th of the payment month between 5:00 p.m. to 9:00 p.m. positively. The complaints shall contain the following information on their letterhead duly signed and stamped by the competent authority in the broadcast House.

- (i)** Name of the Agency / MBH
- (ii)** Bill Number
- (iii)** Date
- (iv)** R.O. Number
- (v)** Name of Client
- (vi)** Amount

**12)** The outstanding bills relating to previous clearance periods should not be included in the complaint. If there is any outstanding bill relating to other clearance periods (not earlier than last clearance period), the claims must be sent separately.

**13)** The broadcast houses before lodging their complaints against Agencies / MBHs must ensure that the complaint of outstanding is complete and accurate and that no representative / offices within their establishment have received any payment adjustable against the complaint lodged with the Association. The members shall not receive any cheques from an Agency / MBH or its clients after having lodged their complaints with the Association. The advertising Agencies / MBHs shall not effect payment to broadcast houses directly after the receipt of complaints from the Association, and all such payments should be made to the Association. The Broadcast Houses are not entitled to withdraw their complaint, but in any case, they shall not unilaterally allow any extension of payment date against the claims reported to the Association. Only the Association can provide such a date under the existing rules once a complaint is duly lodged.

14) All such outstanding dues must be paid to the Association and no defaulting Agency / MBH will be exempted under any circumstances whatsoever. However the Secretary General can allow extension upto 7 days and further extension upto 14 days with approval of the Chairman, to the agencies/MBHs applying in this regard. In addition to the above in case the further extension is sought the matter will be referred to the Executive Committee, which will be empowered to grant further extension/rescheduling, in consultation with the stakeholders, subject to plausible justifications.

a. The Secretariat will initiate action of suspension against the defaulting Agencies / MBHs on 21<sup>st</sup> of the payment month and the Agencies / MBHs so suspended will only be restored on payment of the reported dues, restoration fee and a Late Payment Surcharge (LPS).

15)

a) The late payment surcharge (LPS) will be @ 3% per month for first 3 months and thereafter @ 2% per month till restoration. Notwithstanding the above, the Board will examine the nature and extent of default of defaulting agency/MBH on case to case basis after due notice and in case it is found that defaulting agency is no more interested by its conduct to continue accreditation the Secretariat will issue dis-accreditation notice, which decision will be conclusive and final for all practical purposes and the defaulting agency will have no right to impugn the same.

b) Accredited Agencies / MBHs shall be under obligation to honour their cheques issued in favour of Broadcast Houses. In case of any default, the Agency / MBH shall replace its bounced cheque by pay order / demand draft within 48 hours of the receipt of the Association notice along with 5% surcharge of the amount of the bounced cheque.

Failing this the business of defaulting advertising agency/MBH will stand suspended as per clause 14.

16) **Credit Calendar:** The Association shall install the Process Calendar:

## Clearance Calendar

Broadcast month	Member Broadcasters should raise invoices by	Last date of raising billing disputes by Accredited Agencies to Member Broadcasters	Last date for settlement of billing disputes by both parties	Last date of e-Filing complained dues to PBA by Member Broadcasters	Date of sending complained dues to Accredited Agencies	Due date for payment by Accredited Agencies	Suspension with/ 3% LPS per month .....
January-2015	15-Feb-15	28-Feb-15	15-Mar-15	9-Apr-15	10-Apr-15	20-Apr-15	22-Apr-15
February-2015	15-Mar-15	30-Mar-15	15-Apr-15	9-May-15	10-May-15	20-May-15	21-May-15
March-2015	15-Apr-15	30-Apr-15	15-May-15	10-Jun-15	11-Jun-15	20-Jun-15	21-Jun-15
April-2015	15-May-15	31-May-15	15-Jun-15	9-Jul-15	10-Jul-15	20-Jul-15	22-Jul-15
May-2015	15-Jun-15	29-Jun-15	15-Jul-15	9-Aug-15	10-Aug-15	20-Aug-15	21-Aug-15
June-2015	15-Jul-15	31-Jul-15	15-Aug-15	9-Sep-15	10-Sep-15	20-Sep-15	21-Sep-15
July-2015	15-Aug-15	31-Aug-15	14-Sep-15	9-Oct-15	10-Oct-15	21-Oct-15	22-Oct-15
August-2015	16-Sep-15	30-Sep-15	15-Oct-15	9-Nov-15	12-Nov-15	20-Nov-15	21-Nov-15
September-2015	15-Oct-15	31-Oct-15	15-Nov-15	9-Dec-15	10-Dec-15	20-Dec-15	21-Dec-15
October-2015	15-Nov-15	30-Nov-15	14-Dec-15	9-Jan-16	10-Jan-16	20-Jan-16	21-Jan-16
November-2015	16-Dec-15	31-Dec-15	15-Jan-16	10-Feb-16	11-Feb-16	20-Feb-16	21-Feb-16
December-2015	15-Jan-16	31-Jan-16	15-Feb-16	9-Mar-16	10-Mar-16	19-Mar-16	20-Mar-16
January-2016	15-Feb-16	28-Feb-16	14-Mar-16	8-Apr-16	9-Apr-16	19-Apr-16	21-Apr-16
February-2016	14-Mar-16	30-Mar-16	14-Apr-16	8-May-16	9-May-16	19-May-16	20-May-16
March-2016	14-Apr-16	29-Apr-16	14-May-16	8-Jun-16	9-Jun-16	19-Jun-16	20-Jun-16
April-2016	14-May-16	30-May-16	15-Jun-16	8-Jul-16	9-Jul-16	20-Jul-16	22-Jul-16
May-2016	15-Jun-16	29-Jun-16	15-Jul-16	8-Aug-16	10-Aug-16	19-Aug-16	20-Aug-16
June-2016	14-Jul-16	30-Jul-16	14-Aug-16	8-Sep-16	9-Sep-16	19-Sep-16	21-Sep-16
July-2016	14-Aug-16	29-Aug-16	14-Sep-16	8-Oct-16	9-Oct-16	19-Oct-16	20-Oct-16
August-2016	14-Sep-16	29-Sep-16	13-Oct-16	9-Nov-16	10-Nov-16	19-Nov-16	20-Nov-16
September-2016	14-Oct-16	30-Oct-16	14-Nov-16	8-Dec-16	9-Dec-16	19-Dec-16	21-Dec-16
October-2016	14-Nov-16	29-Nov-16	14-Dec-16	8-Jan-17	9-Jan-17	19-Jan-17	20-Jan-17
November-2016	14-Dec-16	29-Dec-16	13-Jan-17	8-Feb-17	9-Feb-17	19-Feb-17	20-Feb-17
December-2016	14-Jan-17	30-Jan-17	15-Feb-17	8-Mar-17	9-Mar-17	19-Mar-17	20-Mar-17



17) Accredited Agencies / MBHs shall follow the appointment and bifurcation rules as given under **Schedule “B”**, and provide the Association with appointment letters of their clients on the prescribed Performa (**Annexure “C”**) for enlistment of any new clients acquired by them at the earliest. They shall also inform the Association in writing of any existing client lost or relieved by them. No Agency / MBH shall accept or place the business of a client of another accredited Agency / MBH unless one month's written notice to the Association has been given by the client concerned of its intention to shift its business to another Agency / MBH, and till such change has been confirmed and notified by the Association to its members, any agency /MBH which is found to infringe / contravene the aforesaid process / mechanism will be liable to consequences as prescribed under rule 20. Before finally including the client among the list of clients of the new Agency / MBH, the Association shall ensure that there are no amounts lawfully due from the client to the previous Agency / MBH serving the client. The Association may require the client to obtain a certificate from the previous Agency / MBH to the effect that there are no dues outstanding against the client pertaining to advertising with Broadcast Houses.

**18) Violation of Rules:**

- (1) No accredited Agency / MBH shall accept the business of a client of an Agency / MBH whose accreditation has been suspended or withdrawn, unless it has secured a clearance from the Secretariat of the Association.
- (2) The advertising Agencies / MBHs are required not to release advertisements of black-listed clients and or Agencies / MBHs, advertisements of clients of accredited / Agencies / MBHs through any source whether directly by the client or any other Agency / MBH. In case any Agency / MBH contravenes the above rules, the Association on its own or on the complaint of a Broadcast House or an Agency / MBH, shall issue a show cause notice to the violating Agency / MBH to explain its position within 10 days vis-à-vis the violation in question. In the event the Board of Directors finds the explanation unsatisfactory; it may impose a fine and / or penalty on the violating member.
- (3) No Member shall run advertisement of a suspended Agency/MBH, or a blacklisted client. In the event of violating this rule, the violating Member shall be liable to a fine as per following schedule:

Category of Channel (Revenue per month)	Violations for 3 days or more	Violations for 2 days	Violations for 1 day
60 million and above	200% of invoice +2,00,000	150 % of invoice + 1,00,000	100% of invoice
30 – 59.9 million	150% of invoice +1,00,000	100% of invoice + 50,000	100% of invoice
29.9 million and below	100% of invoice + 50,000	100% of invoice +25,000	100% of invoice



- (4) No member broadcast House will accept release order from any accredited Advertising Agency / MBH or enter into any contract to run the advertisement, without ensuring strict observance of rule 17 in respect of its clients. In case of violation of this rule, the violating Broadcast House shall be liable to a fine equivalent to the rack rates in proportion to the volume of aired advertisements.
- 19) Any or all disputes between an accredited Agency / MBH and a Broadcast House, related to placement of their business by the accredited Agency / MBH with a Broadcast House shall be referred to Dispute Resolution Committee. The DRC shall conduct the disputes in accordance with the rules and regulations governing conduct of advertising agencies & MBHs.
- 20) In case an accredited Agency / MBH contravenes any of the rules and regulations or the Code of Conduct by the Agencies / MBHs given at schedule 'B' and Code of Ethics given in the Articles of the Association, or fails to respond to the directives of the Board of Directors, it will become liable to any one or more of the following actions against it:
- (i) A fixed amount not exceeding Rs.500, 000/- as fine.
  - (ii) Suspension of credit facility.
  - (iii) Suspension of accreditation for 6 months.
  - (iv) Cancellation of accreditation.
  - (v) Encashment of bank guarantee
- 21) A penalty equivalent to the Agency / MBH commission of the advertisements that have been released in violation of the Rules of the Association and an additional fine described in Rule 20 Broadcast of the advertisement in every individual Broadcast House will be treated as separate violation for the purpose of determining the fine.
- 22) In the event of an action stipulating cancellation of an Agency / MBH's accreditation, the Association, through its Chairman or Secretary General, shall give two weeks Show Cause Notice to the Agency / MBH outlining the basis on which the cancellation of accreditation is sought to be affected. The reply/explanation submitted by the Agency / MBH shall be placed before the Board of Directors for its decision and such decision shall be final and binding. Provided that during the pendency of the notice period, the Agency / MBH shall not be entitled to release any business to the Broadcast Houses and no Broadcast House shall accept business from such an Agency / MBH.
- 23) Any Agency / MBH, whose accreditation has been cancelled, shall not be eligible to a fresh accreditation until past errors, breaches and violations of rules have been rectified and such application shall be treated as a new application. Provided further that no Agency / MBH whose accreditation has been cancelled shall be eligible to apply afresh until a period of six months after the date of cancellation of its accreditation.
- 24) The accreditation of an advertising Agency / MBH shall automatically stand terminated on the death of the proprietor, dissolution of the partnership or winding up of the Company, as the case may be, and also on bankruptcy or cessation of advertising practice. Provided, however, that in case an Agency / MBH is proposed to be restructured necessary steps shall be taken by the existing Partners / Directors and the Association shall follow to consider such application as in Clause 20.
- 25) All changes in the ownership or management of an accredited Agency / MBH shall be communicated forthwith to the Association which shall have the right to review, through its Accreditation Committee, for continuation of accreditation of the Agency /MBH. The decision of the Board of Directors in this regard shall be final.



- 26) Subject to the acceptance of these rules and regulations, each accredited Agency / MBH shall enter into an agreement with the Association in terms of the default agreement set out in **Schedule 'C'** hereto.
- 27) The Association reserves to itself the right to refuse accreditation to any Agency / MBH Without assigning reason thereof.
- 28) The Association shall have the power to amend, alter, delete, abrogate and substitute from time to time and as it deems desirable, the rules and regulations governing the accreditation of Agencies / MBHs and such amendments alterations, abrogation, deletions and substitutions shall be binding on all accredited Agencies / MBHs, from the date such rules are enforced by the Association.



## **RULES FOR BIFURCATION OF ADVERTISING ACCOUNTS**

- 1.** As far as possible bifurcation shall be discouraged except in case where a client (department/organization) spends more than one million for bifurcated account in Broadcast houses. The clients may bifurcate their account for different media i.e. T.V., Radio or print media. However, no client shall be allowed to appoint more than three Agencies / MBHs for dealing its account in the Broadcast House.
- 2.** The clients shall be required to clearly specify the products or the nature of ads to be handled by the Agencies / MBHs on the panel to the satisfaction of the Association. No bifurcation on area/region basis shall be allowed. The bifurcation of account for temporary basis shall not be entertained.
- 3.** The appointment of additional Agency / MBH shall only be regularized by the Association, if the No Objection Certificates of the existing Agencies / MBHs are provided along with the bifurcation of account. The No Objection Certificate will also be required in case of new products/services.
- 4.** In case of suspension of an accredited agency/MBH, the Secretary General with approval of the Chairman may also suspended the defaulting clients of such agency/MBH on all bifurcated accounts, which shall be duly notified to other additional agencies/MBHs of the defaulting clients.
- 5.** No Services such as Hotels, Airlines etc. will be bifurcated. Only clients handling multiple but distinguishable services can bifurcate their account clearly specifying the nature of services handled by each Agency / MBH. Those clients which handle both products as well as services may bifurcate their account appointing an Agency / MBH for their products and the other Agency / MBH for their services.
- 6.** A client having an accredited Agency / MBH on its panel cannot appoint a non-accredited Agency / MBH as an additional Agency / MBH to share its account.
- 7.** The Broadcast Houses of the Association shall not broadcast and the advertising Agencies / MBHs /clients shall not release the ads of bifurcated account until the bifurcation requirements noted above are completed by the clients and regularized and circulated by the Association.
- 8.** While making a bifurcation, or while evaluating an existing bifurcation, ONE Agency / MBH shall be, among these bifurcations, for products and/ or services as a residual Agency / MBH. This implies that residual Agency / MBH is responsible for releasing all non-brand advertising, where no brands are or, and not any other advertising/MBHs is under the bifurcation.





## SCHEDULE "A"

### APPLICATION FOR REGISTRATION/ASSOCIATESHIP/LISTING TO BE COMPLETED BY APPLICANT

On behalf of the under named advertising agency, I hereby make application for accreditation/listing by Pakistan Broadcasters Association (Hereinafter referred to as the "Association") and submit the following information and agree that the information herein given shall be the basis of the agreement of accreditation/listing between the Association and the agency and further that any inaccuracy or omission herein, accidental or otherwise, is liable to render such agreement voidable at the option of the Association.

1. NAME OF AGENCY \_\_\_\_\_
2. Address of the main office \_\_\_\_\_
3. Date of Registration/Incorporation & Commencement of Business  
(A copy of relevant certificate to be attached) \_\_\_\_\_
4. Constitution (Whether Proprietorship /Partnership or Limited) \_\_\_\_\_
5. Names of Proprietors/Partners/Directors along with their full official and private address \_\_\_\_\_
6. **Capital Structures:**  
Authorized and Paid-up Capital;  
in case of proprietorship or partnership,  
Indicate amount of total investment  
and working capital \_\_\_\_\_  
(Attach latest copy of audited/certified Balance Sheet)
7. Registered Office (if different from the Main office)  
and other place of business (if any) \_\_\_\_\_
8. Names of Directors or Partners who are actively associated in the conduct of the agency's business \_\_\_\_\_
9. Apart from the Principals enumerated above, staff employed in various Departments:  
i) Media Department \_\_\_\_\_  
ii) Production Department \_\_\_\_\_
10. Do you carry on or are engaged directly or indirectly, in any business besides that of an advertising agency. If so, give details including the total turnover of your other business and the turnover of the advertising agency section \_\_\_\_\_
11. Do you own, broadcast or are in other manner, directly or indirectly associated with the ownership of any broadcasting house. State names of TV Channel/ Radio Station \_\_\_\_\_
12. Do you act as representative for any Broadcasting house or other businesses, if so, give details \_\_\_\_\_



13. Has any advertiser any interest financial or otherwise, in your business. If so, give details. \_\_\_\_\_
14. Have you any interest, financial or otherwise, in the business of any of your clients. If so give details \_\_\_\_\_
15. Has any Director or Partner in your agency been ever removed from the list of the Association's accredited agents or refused accreditation as an advertising agency on any previous occasion. If so, give details \_\_\_\_\_
16. Do you agree and undertake not to transfer, assign, sublet or otherwise materially alter the proprietary structure of your undertaking or business except with previous intimation in writing to and approval of the Association, of the interests of the member broadcasters \_\_\_\_\_
17. State here the amount of available working capital with full details of its structure \_\_\_\_\_
18. Give particulars of any additional financial support, its sources, and the conditions under which it would become available \_\_\_\_\_
19. Total business placed by you with Association's member broadcasting house during the course of the last calendar year or in the 12 months preceding the month of application \_\_\_\_\_
20. Total business you expect to place in the Association's member broadcasting house during the forthcoming 12 months \_\_\_\_\_
21. Names of the Agency's active clients \_\_\_\_\_
22. Give three trade references, two of which should be member broadcasting house and third from a banker \_\_\_\_\_
23. Agency's nominee authorized to deal with the Association \_\_\_\_\_

Note: The Association reserves the right to make reference to all or any of the clients listed before taking a final decision on the application

(In case space in the Form is insufficient, answers to the questions and other information may be supplied on separate sheets of paper to be attached to this Form).

Full Name of the Person making this application with designation:

Date .....

**Signature**  
**Seal of Agency**



## Schedule 'B'

### **ADVERTISEMENT RULES AND CODE OF ETHICS**

1. That Association, through its members, undertakes to use all possible measures to develop the qualitative and quantitative factors of the broadcasting House so as to render the best possible service to the public and to advertisers.
2. All advertising Agencies / MBHs shall take all reasonable precautions to ensure that all advertising released by them is legal, decent, clean, honest and truthful and that such advertising is in respect of goods or services prepared with a sense of responsibility to consumers and to Association.
3. The advertising Agencies / MBHs/ advertisers, before releasing an advertisement for broadcasting, must have documentary evidence to prove all claims, whether direct or implied, that are capable of objective substantiation and it will be required to be provided to the Association on demand.
4. The advertisers should assure that no advertisement should mislead by inaccuracy, ambiguity, exaggeration, omission or otherwise. No advertisement should so closely resemble any other product/advertisement that it misleads or causes confusion.
5. No advertisement should make unfair use of the goodwill attached to the trademark, name, brand or the advertising campaign of any other advertisers.
6. No advertisement should contain anything that is likely to cause serious or wide spread offence or fear or distress among its readers without good reason.
7. The advertiser should not unfairly attack or discredit other businesses or products.
8. No advertisement will be accepted which in any way advertise prescription - only medicines unless authorized by the Ministry of Health. However, such advertisements may be broadcasted by medical and allied broadcasts meant for medical practitioners.
9. Any advertisement intending to influence public opinion in favour of or against any political party/ group or electoral candidate must not contain anything that breaks the law or incites any one to break it. Personal attacks on the candidates should also be avoided and only the policies or manifestos should be referred to.



- 10.** No advertisement will be accepted containing claims or illustrations that are either distorted or exaggerated in such a manner as to convey false impressions or containing "knocking copies" of direct nature.
- 11.** All payments due from the Advertising Agency / MBH to the members of the Association shall be payable at the place of the member broadcaster and only the appropriate court at the place of broadcaster or any of its notified establishments for this purpose shall have the jurisdiction in the case of any dispute or legal proceedings. In the event of any dispute or difference between the members of the Association and the accredited advertising Agency / MBH and the advertisers, arising out of or in connection with the contract or order of insertion or a bill in connection therewith, or otherwise, the same would be referred to an arbitrator who may be nominated by Association if both parties agree. Otherwise, disputes would be settled in accordance with the Arbitration Act.
- 12.** Broadcast Houses shall not favour direct advertisers by giving them better facilities such as lower rates, longer credit periods, preferential positions, commissions, discounts and supplying related material at nominal rates.
- 13.** The members of the Association shall not give commission or any rebate to any direct advertiser provided that a non-accredited advertising Agency / MBH or a canvasser may be allowed commission not exceeding 6.5% on advance cash payment.
- 14.** In case airtime contacted for is not fully utilized, the time consumed shall be paid for at the rate applicable to such air time which was in force at the date of contract as per tariff of the broadcast house.
- 15.** The members of the Association shall be free to approach clients of advertising Agencies / MBHs for the purpose of procuring advertisement business. However all such business will be routed through the appointed Agency / MBH and the Agency / MBH will be entitled to 15% Agency / MBH Commission, if client under the Agency / MBH, as per the Rules of the Association.
- 16.** The members of the Association may in their discretion allow concession on advertisements broadcasted in their broadcast houses by other members of the Association.
- 17.** The members of the Association may in their discretion allow concession on advertisements relating to charitable and Public Service organizations.



- 18.** The advertiser shall pay dues to the advertising Agency / MBH, not later than 45 days from, the date of issue of Agency / MBH Invoices. Where an advertiser fails to pay and in consequence the Agency / MBH is unable to pay broadcast houses, Association upon being authentically informed by the Agency / MBH and being so satisfied will advise its Broadcast Houses to suspend the advertisements of the concerned advertiser, until payment is realized. This is without prejudice to the Agency / MBH's clear liability to pay its dues even if its clients have not paid



## SCHEDULE "C"

### AGREEMENT BETWEEN ADVERTISING AGENCY / MBH AND ASSOCIATION TO BE EXECUTED AFTER ACCREDITATION HAS BEEN GRANTED

AN AGREEMENT made this..... day of ..... two thousand and ..... between the ..... Association whose registered office is at .....

..... hereinafter referred to as the "Association" and shall be represented by the Board of Directors of the said Association, of the first part and .....

....., of ..... hereinafter called "the Agency / MBH" of the second part.

The words and expression Association and the Agency / MBH wherever the context so permits shall mean and include their respective successors, assigns and administrators.

WHEREAS, for the better regulation of the practice of advertising and to secure the best advertising service for advertisers, the members of the Association have agreed that they will allow commission in respect of advertisement inserted in broadcast houses owned or controlled by them (hereinafter referred to as "broadcast houses") to an advertising Agency / MBH accredited by the Association.

AND WHEREAS the Agency / MBH is desirous of being accredited by the Association for the purpose of becoming entitled to commission in respect of broadcast house advertising placed by it, and has completed a form of application for accreditation, the information wherein shall be the basis of this agreement (any inaccuracy or omission in the said information, accidental or otherwise, shall render this agreement voidable at the option of the Association).

AND WHEREAS the Association has, by a resolution of its Board of Directors passed at a meeting held on ..... agreed to offer accreditation to the Agency / MBH.

NOW it is hereby mutually agreed by and between the parties as follows:

1. BY THE ASSOCIATION:

- (a) That the Association accredits the Agency / MBH and includes its name in the list of accredited agents published from time to time and at least once every year.
- (b) That the Association on its part agrees that members will abide by its Code of Standards as published.
- (c) That the Association agrees that in case of cancellation of accreditation, notice shall be given to the Agency / MBH and shall be circulated to the members of the Association at least two weeks before the cancellation becomes effective. Provided, however, where an Agency / MBH either fails to prove, as required by the Association, or fails to make payment of its dues to any member of the Association within the period as specified by the Association, the accreditation of



the Agency / MBH may be cancelled with immediate effect and without any notice. Provided further that in the event of a Notice, the Agency / MBH will not be entitled to release business of the Member Broadcaster.

2. BY THE AGENCY / MBH:

In consideration of the accreditation herein afforded and of the commission to which the Agency / MBH is entitled by reason of such accreditation:

- (a) That the Agency / MBH shall strictly and faithfully abide by the Association's "Rules and Regulations for Accreditation and Conduct of Advertising Agencies" and that the Agency / MBH acknowledges its awareness of and its obligations under these Rules and that these Rules are to be taken as being a part of and an annexure to this Agreement.
- (b) That it will maintain properly equipped office and use its best efforts to ensure that all advertising placed by it is legal, clean, honest and truthful, render the best possible advertising service to advertisers and encourage the development of new advertising accounts.
- (c) That its remuneration for placing advertisements in any of the broadcast houses shall be in the form of a commission paid by the broadcast houses.
- (d) That it will retain in full all commission and remunerations earned by it as an advertising Agency / MBH from member broadcaster and that it will at no time pay or otherwise allow any part of such commissions or remunerations to any advertisers or representative of any advertiser for whom it may be acting, or has acted, as an advertising Agency / MBH. (The Agency / MBH shall be deemed to rebate commission in breach of this agreement if it supplies free, or partly free, any publicity or other material, including films or the like or defrays in whole or in part the salary of any employee of an advertiser, or makes any allowances, or does any act or thing whatsoever which in effect is equivalent rebating any part of the commission).
- (e) That it will not charge any advertiser for any advertising more or less than the price charged by the broadcast house.
- (f) That it will require payment for the cost of all research undertaken at the instruction of advertisers other than into quantity and quality of broadcast house viewer-ship / listeners and gathering of normal marketing data.
- (g) That it affirms the truth and accuracy of the information given by it in the application for accreditation and agrees that any inaccuracy or omission in the said information, accidental or otherwise, shall render this agreement void able at the option of the Association.
- (h) That it will advise the Association immediately of any alteration or changes in the particulars furnished in the form of application for accreditation originally submitted.
- (i) That in the event of any important alterations being effected in the Agency / MBH structure without prior intimation to and approval of the Association, the Association may thereupon remove the Agency / MBH name from the list of accredited agents or, if necessary, require the Agency / MBH to submit a fresh application for accreditation.



- (j) That in the event of the Association removing from the list of accredited agents the name of any advertising Agency / MBH, no Agency / MBH, accredited to the Association will, for a period of 3 years after the date of such removal, employ any Director or Principal of such an Agency / MBH, or make any arrangement for the purpose of taking over its business, wholly or partly, without prior intimation in writing to and No Objection from the Association.
- (k) That in releasing an advertisement to a broadcasting houses the Advertising Agency / MBH concerned assumes full responsibility for the veracity of any claims made or views or symbols represented therein and that the Agency / MBH hereby indemnifies the Broadcast House concerned against any claims or proceedings, legal or otherwise, arising out of the broadcasting of such advertisements.
- (l) That it will conform strictly to the advertisement tariff of individual broadcast houses respecting rates and related conditions.
- (m) That in the event of any Agency / MBH desiring to cancel the spot of any advertisement, it will not give shorter notice than that which may be required under any agreement between the Agency / MBH and any individual broadcast house.
- (n) That it will conform to all decisions and regulations made by the Association from time to time for the better conduct of the advertising business.
- (o) That it will pay all dues of Association members according to the rules framed and within the credit period fixed by the Association in this regard from time to time, and will be liable to lose its accreditation, if in the Association's opinion, it has failed to fulfill these requirements and obligations.
- (p) That the Association will have the right to cancel the Agency / MBH accreditation and remove its name, from the list of accredited agents without being obliged to give reason for this decision, after issuing a two weeks' Show Cause Notice.

However, in certain cases, including the non-payment of the dues of members Broadcast Houses within the specified time, the Agency / MBH accreditation may be suspended/cancelled without any notice to the Agency / MBH.

For and on behalf of  
Association:

Secretary General

(for the Agency / MBH )  
(To be signed by a Director  
where the Agency / MBH is  
Limited Company or by a  
Partner or sole proprietor)

Witnesses:

1. \_\_\_\_\_

2. \_\_\_\_\_

Any notice required by the undertaking herein to be given shall be sent in writing to the Secretary General, Association, Karachi.





**Annexure' A'**

**PROFORMA MEANT FOR BANK GUARANTTEE TO BE PROVIDED ON  
NON JUDICIAL STAMPED PAPER FOR RS.100/-**

(FOR ACCREDITATION / ASSOCIATESHIP)

Pakistan Broadcasters Association  
Karachi.

Dear Sirs,

The Board of Directors of the Pakistan Broadcasters Association having agreed to accredit M/s..... for the purpose of placement of Orders for advertising on its Broadcast Houses, for brevity called the Advertising Agency / MBH , on the terms and conditions governing such accreditation and our agreeing to guarantee payment waived their demand of security deposit of Rs..... for the performance of the terms and condition of accreditation, we hereby agree:

- To make an unconditional payment of Rs. .... (Rs. *In words*) being the amount of Security deposit referred to above to the Pakistan Broadcasters Association on demand without any reference to Advertising Agency / MBH in question. The Bank's liability under this Bond shall in any case not exceed the sum of Rs..... (Rupees). This Bond shall remain valid until ..... and the Bank will be discharged and released from its liabilities hereunder unless a Claim is lodged before the expiry of the said expiry date.

- To keep this guarantee in force till.....

Yours faithfully,

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## Annexure 'B'

### PROCEDURE FOR APPOINTMENT OF AGENCY / MBH BY THE CLIENTS

The Rules and Regulations for accreditation and conduct of advertising Agencies / MBHs require that Agencies / MBHs must provide the Association, the appointment letters of their clients for enlistment. The specimen for appointment letter and the procedure is given hereunder:

**(Specimen for Appointment Letter to be typed on the letterhead of the client)**

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*The Secretary General,  
Pakistan Broadcasters Association,  
Karachi.*

*Dear Sir,*

*We are pleased to inform you that we have appointed M/s.....  
..... as our sole advertising agents to handle our publicity in the  
members of your Association.*

*We have not so far appointed any advertising Agency / MBH to advertise our account.*

*We hereby undertake that we shall place a minimum business of Rs.5,000,000/- (Rupees Five Million only) per annum to your member Broadcast Houses.*

*Thanking you,*

*Yours faithfully,*

*(Authorized Signature & Seal)*

### REQUIREMENTS

1. The Agency / MBH should attach its consent to handle the business of the client with the appointment letter.
2. The appointment letter should be addressed to the Secretary General, Association of and forwarded to Association's Secretariat in original. No Photostat copies will be entertained.
3. The client should undertake that their advertisements to the member Broadcast Houses of the Association will not be less than Rs.5,000,000/- (Rupees Five Million only) per annum.
4. If the client is already under any accredited Agency / MBH the Clearance certificate from the outgoing Agency / MBH should be obtained and forwarded to Association's Secretariat in original.
5. In case the clients have appointed the Agency / MBH as additional Agency / MBH, the clients must provide NOC from the existing advertising agents, along with the bifurcation of account among advertising Agencies / MBHs on their panel, clearly specifying the products / nature of ads to be advertised by each Agency / MBH.
6. The advertising Agencies / MBHs should not release the advertisements of the clients till the appointment is regularized and circulated by the Association's Secretariat.