



APCON

Advertising Practitioners Council Of Nigeria
(Established by Act No. 55 of 1988 CAP A7 LFN 2004)

RE-ADVAN REJECTS AISOP

The attention of the Advertising Practitioners Council of Nigeria (APCON) has been drawn to the recent press release by the Advertisers Association of Nigeria (ADVAN). ADVAN in its press release rejected the implementation of the Advertising Industry Standards of Practice (AISOP).

APCON will like to state its position as follows:

1. APCON is a government regulatory agency established by Act No 55 of 1988 (now Advertising Practitioners (Registration Etc) Act, CAP A7, L.F.N. 2004) to regulate the Advertising Industry. Its mandate includes regulating and controlling practice of advertising in all its ramifications in Nigeria.
2. The AISOP is in line with the Federal Government's reformative plans aimed at accelerating the pace of economic recovery post pandemic era, enhance gainful employment, attract talents and investment to the industry as well as overhaul the business regulatory framework of the Nigerian Advertising Industry.
3. AISOP seeks to improve mutual respect, eradicate unfair advantage, unethical competition and inequitable engagement terms between stakeholders in the Advertising and Marketing Communication sector of the economy.

PROCESS LEADING TO AISOP

Sequel to the approval of the Honourable Minister of Information and Culture, Alh. Lai Mohammed on the need for a business regulatory framework as part of the advertising industry reform, APCON wrote to all the sectoral groups and stakeholders requesting for memorandum on industry standards, terms of engagement and other business protocols. A committee was thereafter set up with representatives of sectoral groups (ADVAN inclusive) to come up with an Industry Standard of Practice. The committee met and proposed the document. APCON had a working session with the committee and engaged in detailed discussion of the document.

Each sectoral group's views and points were discussed and APCON moderated a win-win situation in line with best practices and Federal Government policies. All other sectorial groups made concessions based on the maxim of equity, fair play and government efforts aimed at growing the economy. The document was later presented to the Hon. Minister of Information and Culture for approval in line with the APCON's establishment Act.

HIGHLIGHTS OF THE AISOP

1. **Media Rates Deregulation:** No sector of the Industry should cap or determine what media houses should charge as media advert rates going forward. However, media houses should give 30 days' notice before implementation of new media rate. Advertisers and agencies should accord Nigeria media houses the same mutual respect they accord foreign media operating in Nigeria and align with best practices.
2. **Credit Policy:** In line with best practices, payment for media and other advertisement services should be done within 45 days. Payment after 45 days will attract interest at prevailing CBN interest rate. Advertisers and agencies should honour advertising and marketing communications invoice promptly. All parties must be transparent in their dealings.

HEAD OFFICE

APCON House, National Theatre Annexe,
Iganmu, Lagos.

08141501015, 09094841841

infolagos@apcon.gov.ng

www.apcon.gov.ng

HEAD OFFICE ANNEXE

APCON House, Plot 467, Joseph Adetoro,
Utako District, Abuja.

08050898937, 09150791310

infoabuja@apcon.gov.ng



APCON

Advertising Practitioners Council Of Nigeria
(Established by Act No. 55 of 1988 CAP A7 LFN 2004)

RE-ADVAN REJECTS AISOP (CONT'D)

- 3. Agency Engagement Process:** Pitch procedure should be professionalised. Parties in pitch process must respect Nigeria's copyright Law. Pitch fee should be paid to agencies that participated in a pitch process in line with best practices. Profile Presentation, Agency Visit, Meet and Greet are free, however, Strategy and/or Creative Presentation will attract pitch fees if the agency participates in a pitch.
- 4. Agency Disengagement Policy:** Where advertisers decide to disengage an agency, the incoming agency, outgoing agency and the advertiser must reconcile all financial obligations. The outgoing agency must hand over the assets and liabilities of the account to the new agency as this will enable stakeholders track financial obligations and responsibilities.
- 5. Contract:** Going forward, all contracts of advertisement, advertising and marketing communications should be in writing and duly signed by parties involved in the contract.
- 6. Implementation Date:** All existing contracts, MPO, LPO and other POs should serve out their engagement terms, however, new engagement with effects from October 6th, 2021 should align with AISOP.

CBN, SEC, NCC, NAICOM and other regulatory agencies moderate their respective sectors and set guidelines for operators in line with their establishment Act and the Constitution of Federal Republic of Nigeria as well as promote economic growth and development. APCON has done the same in the advertising industry. The Heads of advertising sectoral groups and other stakeholders have publicly endorsed the AISOP as well as commended APCON. However, only ADVAN has rejected it. The position of ADVAN is being seen as a gang up by few multinationals and conglomerates against the Federal Government policy of inclusive growth in the SME sector in particular and the Nigerian economy in general as their position simply implies that the current challenges plaguing the industry should continue unabated, which will lead to loss of jobs in the industry, promote unethical practices and unhealthy rivalry.

Some business-friendly multinationals and conglomerates are incredibly supportive of service providers in the advertising ecosystem with pro-enterprise engagement terms, rewarding remuneration system, payment cycle, etc. Their policies are better than what is being proposed by AISOP as Industry minimum operating standard. We will endeavour to give credit to them as we move forward on the issue. The Advertising Industry reform has the capacity of creating over 100,000 jobs in the sector in the first 12 months of full implementation, improve salary payment to employees in the industry, attract more talents and investment as well as reposition the advertising industry in Nigeria for growth.

APCON is committed to constantly improving the practice and business of advertising in Nigeria and shall always welcome productive ideas that will enable her deliver the best of conducive business environment in line with her establishment Act, Federal Government policies and public interest.

Dr. Olalekan Fadolapo, FCA, rpa
Registrar/Chief Executive

HEAD OFFICE

APCON House, National Theatre Annexe,
Iganmu, Lagos.

08141501015, 09094841841

infolagos@apcon.gov.ng

www.apcon.gov.ng

HEAD OFFICE ANNEXE

APCON House, Plot 467, Joseph Adetoro,
Utako District, Abuja.

08050898937, 09150791310

infoabuja@apcon.gov.ng