

JANUARY 2023

Rules of Accreditation for Advertising Agencies

INTERPRETATION

In these Conditions and the Rules of Accreditation, if not inconsistent with the context:

“Accredited advertising agency” means any partnership or company accredited in accordance with the Rules as an Advertising Agent of the News Publishers’ Association of New Zealand (Inc) (the “NPA”).

“Executive Officer” means the General Manager of NPA.

“Member” or “Members” means any Member or Members from time to time of the NPA.

“Member publication” means any newspaper or magazine published by a Member.

“NPA Accreditation Committee” means the committee formed from the Members with authority to grant accreditation on behalf of NPA members.

“Conditions of Credit” means the conditions of credit applying from time to time between a Member or Members and any Accredited advertising agency.

“Rules” means Rules of Accreditation.

Any provision to be performed by two or more persons shall bind those persons jointly and severally.

All provisions shall be construed so as not to be invalid illegal or unenforceable in any respect but if any such provision on strict interpretation is found to be illegal invalid or unenforceable then that provision may at the option of the NPA be construed in such manner as may be necessary to ensure that for the purposes of the Rules it is not illegal invalid or unenforceable. In the event that any such provision or part thereof cannot be so construed such provision shall be deemed to be void and severable and the remaining provisions hereof shall not in any way be affected or impaired thereby.

THE NPA ACCREDITATION COMMITTEE

The NPA Accreditation Committee is a committee formed from the members of the News Publishers’ Association (Inc) (NPA).

The members of the NPA have given the committee authority to grant accreditation to Advertising Agencies who wish to place advertising in member publications either via NPA’s centralised booking and billing service or directly with members.

This publication contains the Rules of Accreditation for Advertising Agencies.

Application material for Advertising Agencies wishing to apply for NPA Accreditation is available from the office of the NPA or on the NPA website npa.co.nz/newspaper-advertising/accreditation/

PO Box 2941
Auckland
Phone: 09 306 1600
Email: hello@npa.co.nz

1. CONDITIONS FOR ACCREDITED ADVERTISING AGENCY

Each advertising agency granted Accreditation (hereinafter called an “Accredited advertising agency”) warrants, represents and agrees throughout their accreditation:

- (i) That the relationship between the Accredited advertising agency and its advertiser clients is one of principal and agent and that the Accredited advertising agency shall throughout the term of accreditation act as agent for its advertiser clients and not for the NPA nor for any one or more Member.
- (ii) That notwithstanding that the Accredited advertising agency is acting as agent for its advertiser clients the Accredited advertising agency shall be responsible as a principal party for all amounts owing from time to time to any Member by its advertiser client.
- (iii) That advertising submitted shall comply with all relevant laws, regulations and industry requirements including the codes of the Advertising Standards Authority (Inc) and may be printed by any Member without the NPA or any Member incurring any liability of any nature whatsoever and the Accredited advertising agency or agent shall indemnify and keep indemnified the NPA, the Members and their employees against all claims, actions, suits, demands, losses, costs or expenses of whatsoever nature arising from a breach of the terms of this subsection;
- (iv) That it shall familiarise itself with any legislation affecting the advertising business, in particular the Fair-Trading Act or any Act passed in substitution, therefore.
- (v) That it shall ensure its advertiser clients are made familiar with legislation and industry requirements affecting the advertising business, particularly those referred to in subclause 1.3 and 1.4 above.
- (vi) That it shall use all reasonable endeavours to secure the ready observance and performance of such terms and conditions as may be required of its advertiser clients.
- (vii) That it shall maintain consistent professional standards to properly meet the needs of its advertiser clients and fairly represent negotiations with the NPA or any Member to its clients.
- (viii) That the Accredited advertising agency does not have any authority to act for or on behalf of the NPA or any Member as agent or in any other capacity.

2. APPLICATION FOR ACCREDITATION

2.1 Any partnership or company (hereinafter referred to as “the applicant advertising agency”) wishing to deal with the NPA as an advertising agency acting on behalf of any advertiser or advertisers who appoints that advertising agency to represent them to the NPA or any Member and whose business is advertising shall make written application in the form prescribed (such form being called “the Application Form”) to the NPA Accreditation Committee for the purpose of obtaining confirmation of Accreditation.

Application by a partnership shall be signed by all the partners.

Application by a company shall be executed with the signatures of at least two Directors, or otherwise in accordance with the Companies Act 1993.

2.1.1 Application forms are available on request from the NPA, PO Box 2941, Auckland 1140, or email: hello@npa.co.nz or npa.co.nz/newspaper-advertising/accreditation/

3. APPLICATION INFORMATION

The applicant advertising agency shall submit to the NPA with its application (in a form and content satisfactory to the NPA):

- (i) Evidence that the applicant advertising agency is in a position to place with Members orders for advertising of a total value sufficient in the opinion of the NPA to warrant accreditation.
- (ii) Three business references to confirm credit history and trade worthiness (additional references may be required by the NPA).
- (iii) Details of any shareholding in newspapers, periodical publications, or any other advertising media except for shareholding in public companies.
- (iv) The NPA may in its discretion call for any such further information as it deems desirable for the purpose of enabling it to decide whether or not the application for accreditation should be granted.

4. SEPARATE ACCREDITATION FOR BRANCH

Any Accredited advertising agency who proposes to establish a branch or subsidiary having a different shareholding from that agency must apply for separate accreditation for that branch or subsidiary.

5. CONFIRMATION OF ACCREDITATION

- 5.1 Upon firstly the fulfilment of all requirements specified herein to the satisfaction of the NPA and, secondly, after payment of the fee for accreditation the NPA shall issue to the applicant advertising agency a confirmation of Accreditation.
- 5.2 Accreditation when granted shall extend to all Members.

6. DECLINED APPLICATION

An applicant advertising agency whose application for accreditation has been declined may seek a review of that decision by way of written application to the NPA within fourteen days after the date of notice that such application has been declined.

7. ACCREDITATION FEES

7.1 The fee for accreditation shall be as determined from time to time by the NPA. Each application shall be accompanied by this fee which shall be received by the NPA as a deposit on account of the accreditation fee. Where the accreditation is initially granted for less than one year a proportion of the fee will be invoiced pro rata. Where the application is refused the fee shall be refunded.

7.1.1 Current fees as at January 2023 are as follows:

- (i) Initial Accreditation \$500
- (ii) Renewal \$350

7.2 A fee shall be charged for:

- (i) Granting of accreditation
- (ii) Accreditation of each branch or subsidiary
- (iii) Annual renewal of accreditation
- (iv) Annual renewal for each branch or subsidiary

8. REACCREDITATION

8.1 Accreditation for the next ensuing year will renew automatically subject to satisfactory review of credit performance of the advertising agency with the NPA and its members, and payment of accreditation fees prior to the commencement date of the new year.

8.2 Accreditation period covers 12 months, beginning 1 July to 30 June. Accreditation shall expire at the end of the 12 months unless such accreditation is earlier terminated.

9. OBLIGATIONS OF AN ACCREDITED AGENCY

- 9.1 During the accreditation period an Accredited advertising agency shall give immediate notice to the NPA of:
- (i) Any inability it may have to pay its debts or any default which has or is likely to occur in the payment of its debts.
 - (ii) Any proposed arrangement or compromise to be made in relation to all or any of its creditors.
 - (iii) In the case of a company, the proposal or issuance of any petition or the passing of any resolution or Court Order to wind up the company, or the appointment of any liquidator, official manager, receiver, or manager.
 - (iv) In the case of a partnership or individual any judgment against it.
- 9.2 Where the NPA considers the credit of the NPA, or any Member is at risk it may at its discretion require (where not already provided) any or all of the following:
- (i) A set of accounts prepared in accordance with the standards of the Chartered Accountants Australia and New Zealand (CA ANZ) and signed by the principal executive of the Accredited advertising agency and any other relevant current financial information.
 - (ii) The principal shareholders and/or directors of any company that is an Accredited advertising agency to obtain a guarantee from a third party and/or to sign a joint and several personal guarantee for the performance of the obligations of the Accredited advertising agency or agent as expressed or implied herein.
 - (iii) An Accredited advertising agency to take out and maintain an appropriate level of client debtor insurance cover satisfactory to the NPA with a recognised insurance company and to provide evidence thereof upon request.
 - (iv) An Accredited advertising agency to make payment in cash of all amounts owing to the NPA or any Member in advance of publication.
 - (v) The advertiser represented by the Accredited advertising agency to make payment directly to the NPA or the Member as the case may be for any advertising placed on behalf of the advertiser.

10. CHANGE OF CONTROL

- 10.1 Should an Accredited advertising agency reconstruct its business or effect any alteration in its ownership (in the case of a company where more than 25% of its shares change beneficial ownership); or alter its effective management or control, the NPA shall be given immediate notice of such reconstruction, and/or alteration whereupon the accreditation shall be reviewed by the NPA which may as its option revoke such accreditation or impose conditions on such accreditation.
- 10.2 Any applicant advertising agency which is a partnership must give not less than 21 days written notice to the NPA of the formation of a new partnership.
- 10.3 In the case of an applicant advertising agent which is an unlisted company it must give not less than 21 days' notice to the NPA of its intention to make any change in the ownership of its shares which results in a change in the effective management or control of the company.

11. RULES FOR PLACING ADVERTISING

- 11.1 An Accredited advertising agency shall not sublet nor resell any advertising space which has been purchased by the advertiser client from the NPA or any Member without the prior written approval of the relevant Member..
- 11.2 It shall be a condition of these Rules that advertising payments shall be received by the relevant Member on the last working day of the month following the publication of any advertisement.
- 11.3 The Accredited advertising agency shall provide any Member with which it deals with copies of advertising instructions.
- 11.4 Every advertising instruction shall clearly state the name and address of the Accredited advertising agent; the name of the advertiser and product; the size of the advertisement; the frequency and insertion dates; the price; any relevant loadings; whether subject to commission and if relevant, the rate of commission.
- 11.5 Any Member has the right to accept or reject any advertising instruction or advertisement for publication.
- 11.6 The Accredited advertising agency shall forthwith provide the NPA with copies of print advertising schedules on request.
- 11.7 Each Member shall determine its own level of charges from time to time for the placement of advertisements and instructions shall be submitted in accordance with those charges.
- 11.8 Where an order is exceeded and thereby qualifies for a lower charge the lower charge may, at the discretion of a Member, be retrospective to the commencement of that order. It is the responsibility of the Accredited advertising agent to notify Members as soon as the Accredited advertising agent is aware that an order is increased to enable an agent to qualify for a lower charge. The relevant Member must be notified during the currency of an order.

12. LETTERS OF APPOINTMENT

- 12.1 Upon grant of accreditation an Accredited advertising agency shall immediately provide the NPA with a signed authorisation in respect of each of its advertiser clients in the following format:
- X (the advertiser) hereby appoints Y (the Accredited advertising agency) to act as its agent for the purpose of placing advertisements with any Member.
- Duly authorised by the Executive Officer of X and Y
- 12.2 When Y (the Accredited advertising agency) is placing business on behalf of Z (the non-Accredited advertising agency) under a place through arrangement, client Letters of Appointment must clearly state
- Y (the accredited advertising agency) is placing advertising on behalf of X (the advertiser) and its Z (non-accredited agency)
- Duly authorised by the Executive Officer of X, Y and Z
- 12.3 Thereafter an Accredited advertising agency or agent shall immediately inform the NPA of:
- (i) Any advertising account obtained and shall provide the NPA with the signed authorisation of the advertiser referred to in Rule 12.1 and 12.2.
 - (ii) Written advice of any change or revocation of any authorisation by any advertiser.

13. COMMISSION

- 13.1 Notwithstanding Rule 1(i) it is agreed by the Accredited advertising agency that its entitlement to commission from any Member is personal to the Accredited advertising agency and that such entitlement arises from agreement between that Member and that Accredited advertising agency and not from any agreement between any Member and the advertiser client or that Accredited advertising agency and its advertiser client.
- 13.2 The NPA's current recommended rates of commission are:
- (i) For advertising payments received by the Member on the last working day of the month following the publishing of any advertisement – commission is paid at the current commission rate of the member;
 - (ii) For advertising payments received after the last working day of the month following the publishing of any advertisement and before the 15th day of the following month – less five percent (5%);
 - (iii) For advertising payments received thereafter - no commission;
 - (iv) Notwithstanding any other remedy available to it pursuant to this Agreement, a Member may charge interest in accordance with a member's advertising terms and conditions and, if there is no agreement between the member and the Accredited advertising agency the member may charge interest at 5% p.a. above that member's current bank lending rate on payments outstanding for 60 days from the last working day of the month following the publishing of any advertisement;
- 13.3 An Accredited advertising agency shall:
- (i) Not charge its advertiser clients a higher rate for advertising than the sum charged by any Member to an Accredited advertising agency or agent before the deduction of commission
 - (ii) Disclose commissions paid and rates charged by the relevant Member on all invoices to its advertiser clients in respect of any placement of advertising with any Member; and
 - (iii) Whenever required by the NPA to do so, produce copies of any such invoices to the NPA.
- 13.4 Where an advertiser notifies the NPA or any Member of its intention to transfer its business from one Accredited advertising agency to another Accredited advertising agency and such transfer is carried out in accordance with the terms and conditions upon which advertising material is received and printed by any Member, then any commission payable shall be paid:
- (i) To the first agency only in respect of the value of such advertisements as are actually printed prior to the transfer of such business; and
 - (ii) To the second agency only in respect of the value of such advertisements as are actually printed after the transfer.

14. TERMINATION

- 14.1 Accreditation may be terminated by either the NPA or the Accredited advertising agency upon the expiry of one month's notice in writing to the other party..
- 14.2 In the event of a breach by the Accredited advertising agency of these rules or on the NPA determining that there is some conflict between the interest of the NPA or any Member and any other party the NPA Accreditation Committee shall have the right to terminate this Agreement immediately by notice in writing and to revoke Accreditation.
- 14.3 In the event of termination:
- (i) The obligations of the NPA and the Accredited advertising agency as set out in these Rules shall cease as from the date of termination PROVIDED THAT any monies due pursuant to these Rules before such termination shall continue to be owed and such revocation or cancellation shall be without prejudice to the rights and remedies of any party in respect of any such monies.

15. DISPUTE OR BREACHES

- 15.1 Any dispute between any Member and an Accredited advertising agency or between agencies regarding the interpretation of these Rules shall be submitted to the NPA, whose decision shall be final.
- 15.2 If the NPA is satisfied that a breach of these Rules has been committed, it may, in respect of any such breach, issue to the Accredited advertising agency concerned a warning, or require the Accredited advertising agency to pay to the NPA part or the whole of any commission received in breach of these Rules and/or to surrender their Accredited status.
- 15.3 In the event of a breach of these Rules by an Accredited advertising agency the NPA on behalf of any Member, or any Member shall have the right to approach an advertiser client direct for payment of the full cost of publishing any advertisement by that Member and the Accredited advertising agency shall have no claim nor bring any action whatsoever by reason of or arising out of or in connection with such approach or payment except for any commission agreed to be paid under Rule 13.2.
- 15.4 Any Accredited advertising agency whose accreditation has been cancelled or suspended or upon whom any penalty has been imposed by the NPA or an applicant whose application has been refused by the NPA may lodge an appeal with the NPA Accreditation Committee at any time within 14 days after the date upon which written notice of such cancellation or penalty or refusal of an application for accreditation has been received by the applicant.
- 15.4.1 Upon receipt of any notice of appeal the NPA Accreditation Committee shall request the General Manager of the NPA to appoint a committee for the purpose of considering the appeal which committee shall not include any Member who is also a Member of the NPA Accreditation Committee.
 - 15.4.2 The committee appointed to consider the appeal may confirm or vary the decision of the NPA Accreditation Committee or may determine to set aside any such cancellation, suspension or penalty or grant accreditation to the applicant.
 - 15.4.3 The committee so appointed shall allow the agency whose accreditation has been cancelled or suspended or the applicant whose application has been refused to make such representations as the committee in its absolute discretion shall determine and think fit.

16. RULE CHANGES

These Rules are subject to change from time to time on one month's notice.

17. OTHER

The provisions of clauses 12 and 13 of these Rules are subject to the relevant member's advertising terms and conditions from time to time. In the event of a conflict or inconsistency between those and the member's terms and conditions, the latter will prevail.

18. CONTACT DETAILS

Address: News Publishers' Association Accreditation Committee
PO Box 2941
Auckland

Telephone: 09 306 1600

Email: hello@npa.co.nz

The address for service of notices on an Accredited advertising agency is its last known place of business.