



## IPA/ ISBA /APA JOINT INDUSTRY GUIDANCE

This joint industry guidance is intended for member organisations of the IPA, APA and ISBA and concerns films produced for advertisers by their agencies using production companies under the industry-standard agency/production company 'PIBS' contract.

### Introduction

Before advertisers give the go-ahead on a production to their agencies, each company involved needs to understand the significance of that instruction and the ramifications if the advertiser then changes its mind.

Instructing an agency to proceed with a production triggers the agency into signing an industry-standard production contract (known as the 'PIBS') with the production company.

The PIBS contains cancellation provisions whereby, if the client changes its mind and instructs the agency to cancel the production, it will have to pay cancellation charges.

Advertisers, agencies and production companies need to have clear procedures in place so that each is certain that the instruction to proceed has been given, received and its ramifications understood.

The following provides a basic outline of what each party should have in place with regards to the production approval process:-

### ADVERTISERS

- Have a clear internal sign-off process by which authority to proceed with a production is agreed within your organisation.
- Make sure that it is clear who within your organisation has authority to instruct the agency to proceed with the production.
- That person must ensure that they have all necessary internal sign-offs before confirming the instruction to proceed to the agency.
- Have a clear process in place with your agency by which the authorised person will confirm your organisation's instructions to the agency.

### AGENCIES

- Have a clear internal process by which, prior to a production being confirmed, your agency notifies the client that it will have to pay cancellation fees if, having instructed your agency to proceed, it then changes its mind.
- Have a clear process in place with your client by which the authorised person at your client will confirm its instructions to your agency.
- Have a clear internal sign-off process by which your client's instructions are approved and acted on.
- Have a clear process in place with the production company for confirming a production (including by email or purchase order etc).

### PRODUCTION COMPANIES

- Have a clear process in place with your agency by which your agency may confirm a production.