



Department of Policy and Business Practices

ICC International Code on Sponsorship

Prepared by the Commission on Marketing and Advertising

Introduction

This edition of the ICC International Code on Sponsorship follows the well-established ICC policy of promoting high standards of ethics in marketing via self-regulatory codes intended to complement the existing framework of national and international law.

This Code, which was first issued in 1992, is an expression of the business community's recognition of its social responsibilities in respect of marketing activities and communications. The globalization of the world economy, and the intense competition that ensues therefrom, require the international business community to adopt standard rules. The adoption of these self-disciplinary rules is the best way that business leaders have of demonstrating that they are motivated by a sense of social responsibility, particularly in light of increased market liberalization and the emergence of new media and forms of marketing. The Code has been substantially revised and updated and combines past experience with current thinking.

Sponsorship has become one of the major sources of funding for both local and international events involving sports, the arts, the environment, media, humanitarian and community projects, education and various other fields. Sponsorship benefits the general public by making possible the staging or broadcasting of events and activities which might not have been feasible otherwise and adding additional benefits to existing events and activities. Successful sponsorship therefore benefits all the concerned parties, including sponsors, organizers, media, performers, spectators and the general public.

Sponsorship is an important marketing tool for companies and organizations to convey a broad message through association with the sponsorship property (eg event, activity, organization, individual, media or location). Sponsorship is an integral part of marketing strategy, but differs from other forms of commercial communications as well as from donations and patronage with respect to objectives, message and control. It can be undertaken as a single marketing activity, but will often utilize other marketing skills such as advertising, public relations, and promotion in order to leverage the sponsorship and increase the impact.

The Code is designed primarily as an instrument for self-discipline. However, it is also intended for use as an interpretative aid for the parties in the clarification of uncertainties arising under the sponsorship, as well as a reference for courts or arbitrators in sponsorship disputes.

ICC believes that this edition of the Code will promote adherence to high standards of sponsorship practice, leading to significant benefits for all concerned as well as for society as a whole.

Scope of the code

The Code applies to all forms of sponsorship relating to corporate image, brands, products, activities or events of any kind. It includes sponsorship by both commercial and non-commercial organizations. It does not apply to product placement, nor to funding which lacks a commercial or communication purpose, such as donations or patronage, except where any of the aforesaid has a sponsorship element.

The Code should be read in conjunction with the other ICC Codes, namely the

- ICC International Code of Advertising Practice
- ICC Guidelines on Advertising and Marketing on the Internet
- ICC International Code on Environmental Advertising
- ICC International Code of Direct Marketing
- ICC/ESOMAR International Code of Marketing and Social Research Practice
- ICC International Code of Direct Selling
- ICC International Code of Sales Promotion

The Code sets standards of ethical conduct to be followed by all concerned with sponsorship, whether as sponsors, sponsored parties, organizers, practitioners or agencies, or media, and is to be applied against the background of the applicable law.

Interpretation

The Code is to be applied in the spirit as well as in the letter, bearing in mind the characteristics of different kinds of sponsorship and the varying degrees of knowledge, experience and discriminatory ability of those to whom they are directed.

Definitions

In the context of the ICC International Code on Sponsorship certain key terms are defined as follows:

Sponsorship: any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or products and a sponsorship property in return for rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.

Sponsor: any corporation or legal person providing financial or other sponsorship support.

Sponsored party: any individual or legal person owning the relevant rights in the sponsorship property and receiving direct or indirect support from a sponsor in relation to the sponsorship property.

Audience: the public, individuals, or organizations to which a sponsorship property is directed.

Media sponsorship: sponsorship of a media property (eg television or radio broadcast, publication, cinema, internet, mobile or other telecommunication technology).

Donations and patronage: forms of altruism where money or goods may be given, for which there may be limited or no benefits, recognition or commercial return.

Product placement: the inclusion of a product so it is featured within a programme, normally in return for payment or other valuable contribution to the programme producer or licensee.

Other marketing terms used in the Code are defined as in other ICC International Marketing Codes.

Basic principles

Article 1

All sponsorship should be legal, decent, honest and truthful. It should be conceived with a due sense of social responsibility and should conform to the principles of fair competition as generally accepted in business.

The sponsorship should be based on contractual obligations between the sponsor and the sponsored party. Also, sponsors and sponsored parties should set out clear terms and conditions with all other partners involved to define their expectations regarding all aspects of the sponsorship deal.

Sponsorship should be recognizable as such.

The terms and conduct of sponsorship should be based upon the principle of good faith between all parties to the sponsorship.

It should be recognized that the sponsored party has absolute right to decide on the value of the sponsorship rights that they are offering and the appropriateness of the sponsor with whom they contract.

Rules

Autonomy and self-determination

Article 2

Sponsorship should respect the autonomy and self-determination of the sponsored party in the management of its own activities and properties, provided the sponsored party fulfils the objectives set out in the sponsorship agreement.

Imitation and confusion

Article 3

Sponsors and sponsored parties, as well as other parties involved in a given sponsorship, should avoid imitation of the representation of other sponsorships where such imitation might mislead or generate confusion, even if applied to non-competitive products, companies or events.

Ambushing of sponsored properties

Article 4

No party should seek to give the impression that it is a sponsor of any event or of media coverage of an event, whether sponsored or not, if it is not in fact an official sponsor of the property or of media coverage.

Respect of the sponsorship property

Article 5

The sponsor should take particular care to safeguard the inherent artistic, cultural, sporting or other content of the sponsorship property and should avoid any abuse of its position which would damage the identity, dignity, or reputations of the sponsored party or the sponsorship property.

The sponsored party should never obscure, deform or impugn the image or trademarks of the sponsor nor should it jeopardize the goodwill or public appreciation these have already earned.

The sponsorship audience

Article 6

The audience should be clearly informed of the existence of a sponsorship with respect to a particular event, activity, programme or person and the sponsor's own message should not be likely to cause offence. Due note should be taken of existing professional ethics of the sponsored party.

The foregoing does not imply any restriction on the sponsor to provide support for avant-garde or potentially controversial artistic/cultural activities, nor is the sponsor thereby required or encouraged to exercise censorship over the sponsored party's message.

Children and young people

Article 7

Sponsorship addressed to or likely to influence children and young people should not be framed so as to take advantage of their youth or lack of experience. Furthermore, such sponsorship should not be framed so as to harm children or young people mentally, morally or physically, nor to strain their sense of loyalty vis-à-vis their parents or guardians

Data capture/data sharing

Article 8

In the case that, as part of sponsorship, an individual's data are used, the provisions of the ICC Code on Direct Marketing should be observed.

Artistic and historical objects

Article 9

Sponsorship should never be operated in such a way as to endanger artistic or historical objects.

Sponsorship which aims to safeguard, restore, or maintain cultural, artistic or historical properties or their diffusion, should respect the public interest related thereto.

Social and environmental sponsorship

Article 10

Both sponsors and sponsored parties should take into consideration the potential social or environmental impact of the sponsorship when planning, organizing and carrying out the sponsorship.

Any sponsorship message fully or partially based on a positive (or reduced negative) social and environmental impact should be substantiated in terms of actual benefits to be obtained. Parties to the sponsorship should respect the principles set out in the ICC Business Charter for Sustainable Development.

When environmental advertising claims are made with respect to the sponsorship, the advertisements should conform to the principles set out in the ICC Code of Environmental Advertising.

Charities and humanitarian sponsorship

Article 11

Sponsorship of charities and other humanitarian causes should be undertaken with sensitivity and care to ensure that the work of the sponsored party is not adversely affected but the sponsored party gains additional benefit through the sponsorship association.

Multiple sponsorship

Article 12

Where the activity or event requires or allows several sponsors, the individual contracts and agreements should clearly set out the respective rights, limits and obligations of each sponsor including but not limited to details of any exclusivity.

In particular, each member of a group of sponsors should scrupulously respect the defined sponsorship fields and the allotted communication tasks, abstaining from any interference that might unfairly alter the balance between the contributions of each sponsor

The sponsored party should inform any possible future sponsors of any sponsors already a party to the sponsorship. The sponsored party should not accept a new sponsor without ensuring that it does not conflict with any rights of sponsors who are already contracted and without, where appropriate, informing the existing sponsors.

Media sponsorship

Article 13

The content and scheduling of sponsored media properties should not be unduly influenced by the sponsor so as to abrogate the responsibility, autonomy or editorial independence of the broadcaster, programme producer or media owner except to the extent where the sponsor is permitted by the applicable legislation to be the programme producer or co-producer, media owner or financier.

Sponsored media properties should be identified as such by display of the sponsor's name and/or logo at the beginning, during and/or end of the programme content.

Particular care should be taken to ensure that there is no confusion between sponsorship of an event or activity and the media sponsorship of that event, especially where different sponsors are involved.

Responsibility

Article 14

All sponsorship should conform to this Code. As sponsorship is conceptually based on a contract of mutual benefit, the onus for observing the code falls on the sponsor as well as the sponsored party, who between them have the ultimate responsibility for all aspects of the sponsorship, whatever its kind or content.

Anyone taking part in the planning, creation or execution of any sponsorship has a degree of responsibility commensurate with their position for ensuring the observance of the Code towards those affected or likely to be affected by the sponsorship.

Effect of subsequent redress for contravention

Article 15

While subsequent correction and appropriate redress for a contravention of the Code are desirable, they cannot excuse the contravention as such.

Substantiation

Article 16

Substantiation of verifiable facts needed to establish compliance of the sponsorship with the Code should be available and be produced when called for by any relevant self-regulatory body.

Respect of self-regulatory decisions

Article 17

No sponsor, sponsored party or others involved should be party to the implementation of any sponsorship that they know to have been found unacceptable by the relevant self-regulatory body.

Implementation and interpretation

Article 18

This Code is to be applied nationally and internationally, and should be the basis for the decisions by bodies set up for the purpose of self-regulation.

Any request for interpretation of the principles contained in this Code should be submitted to the ICC Code Interpretation Panel¹.

Document No 240/475rev3 Final
15 July 2003

International Chamber of Commerce

The World Business Organization

Copyright © 2003. All rights reserved.

¹ See the Terms of Reference of the ICC Code Interpretation Panel - www.iccwbo.org