

Advertising Standards Authority placed into business rescue

At a meeting on 18 October 2016, the board of the ASA resolved that the organisation voluntarily commence business rescue proceedings. It will be placed under supervision in accordance with the provisions of Section 129(1) of the Companies Act. The ASA board took this decision to allow time for the process of restructuring the organisation, while reviewing and rebuilding its funding model.



The Advertising Standards Authority of South Africa

The ASA is a self-regulatory independent body, established by the marketing, communications and media industries and is mandated by those members to regulate against unfair and misleading advertising which could compromise consumers and impact unfairly on competitors. The ASA has been safeguarding consumers' interests and protecting freedom of commercial speech since 1968. It continues to enforce, adopt and uphold its Code of Advertising Practice in an impartial and objective manner.

"The ASA performs a fundamental public service by self-regulating advertising in South Africa. The implementation of a business rescue plan ensures that the public will continue enjoying protection from untrustworthy advertising material while we work on implementing a new funding model," says Nkwenkwe Nkomo, chair of the ASA.

Continues Nkomo: "The organisation is supported by government and the marketing, advertising and media industries as a relevant organisation. The ASA has applied for recognition as an ombudsman under the National Consumer Protection Act. The business rescue process is therefore an ideal opportunity to overhaul the operations of the ASA toward its imminent ombud status. Once accredited, the ASA will be recognised in both law and jurisdiction. This will allow it make findings/rulings on all deceptive and misleading advertising claims thereby protecting consumers and raising standards of good conduct within the industry.

"All stakeholders would like to see the continued existence of the ASA as a self-regulatory body for the industry. The decision taken by the board provides the time and space to make the necessary changes required to safeguard its sustainability and to ensure that we deliver a fit-for-purpose ASA to the industry at large in 2017," concludes Nkomo.

The business rescue practitioner will be engaging with all relevant affected parties and will also inform the process of restructuring the organisation. The ASA looks forward to continuing to discharge its mandate under the purview of its Code

of Practice, and will defend the rights of all stakeholders in accordance with this mandate.

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