

GUIDELINES FOR ACCEPTING NEW MEMBERS

Membership of Advertising Agencies Association of India (AAAI) is based on the basic principle that members are Full-fledged Advertising Agencies, Creative Agencies, Media Agencies or Digital Agencies.

Relevant Rules and Regulations regarding admission are:

1. ADMISSION :

It shall be open to the Association to admit as its Member, Associate or Provisional member, any organisation, firm or company which independently carries on the business of Advertising Agency and conforms to the minimum standards of business practices and professional skills prescribed by the Association for the purpose.

2. TYPES OF MEMBERSHIP :

There shall be three types of membership as under:

- a] Members
- b] Associate Members
- c] Provisional Members

3. ELIGIBILITY FOR MEMBERSHIP :

- a] Membership of the Association shall be open only to organisations, firms or companies practicing advertising.

MEMBERS :

- b] Any organisation, firm or company carrying on advertising profession and having a permanent office in the territory (i.e. India) covered by the Association and which conforms and agrees to conform to the minimum standards of business practices and professional skills as may be prescribed by the Association, from time to time, is eligible for the Membership of the Association.

ASSOCIATE MEMBERS :

- c] Any organisation, firm or company which operates as an advertising agency but has no permanent office within the aforesaid territory covered by the Association is eligible for admission as 'Associate Member'.

PROVISIONAL MEMBERS :

- d] Such advertising agencies which are operating within the territory covered by the Association and which do not fully comply with the provisions as prescribed by the Executive Committee to the standard of full-fledged membership may be enrolled as Provisional Members. Provisional Member must qualify for full-fledged membership within two years from the date of admission.

4. **APPLICATION FOR MEMBERSHIP :**

- a. Those eligible and desirous of becoming members of the Association shall fill in the membership application form as may be prescribed from time to time by the Executive Committee and send it to the registered office of the Association.
- b. Membership applications received would be considered by the Executive Committee in accordance with the procedure it may lay down from time to time.
- c. The decision of the Executive Committee shall be final. The Executive Committee is not under any obligation of explaining the decisions on membership applications.
- d. When an application for membership is rejected, the applicant is debarred from making a fresh application within six calendar months from the date of rejection of such application.

5. **MEMBERSHIP CATEGORIES AND GROUPS :**

For the purpose of admission and for determining subscription payable by Members they shall fall under one of the under mentioned Categories and be classified into the following Groups on the basis of revenue or income booked. Each Member Agency shall submit before 28th / 29th February every year, a certificate from a Chartered Accountant confirming the Agency's revenues for the latest audited accounting year.

a) **CATEGORIES**

Agencies are categorised further under the following classifications:

- (i) Full-Service Agency
- (ii) Creative Agency
- (iii) Media Agency
- (iv) Digital Agency

b) **GROUPS**

A Member can opt to get himself classified under any one of the above Categories based on the type of service he provides. Options once exercised shall hold good for a minimum period of three years. All Agencies will fall under one of the four Groups given below based on the Revenue in the previous financial year.

Group I - I(A) : Shall comprise of members having revenue in the previous year up to Rs. 5 crore.

I(B) : Shall comprise of members having revenue in the previous year more than Rs 5 crore and up to Rs 10 crore

I(C) : Shall comprise of members having revenue in

the previous year more than Rs 10 crore and up to Rs 15 crore

I(D) : Shall comprise of members having revenue in the previous year more than Rs 15 crore and up to Rs 20 crore

I(E) : Shall comprise of members having revenue in the previous year more than Rs 20 crore and up to Rs 25 crore

Group II - Shall comprise of members having revenue in the previous year above Rs.25 crore but up to Rs. 50 crore.

Group III - Shall comprise of members having revenue in the previous year above Rs.50 crore but up to Rs.75 crore.

Group IV - IV(A) Shall comprise of members having revenue in the previous year above Rs.75 crore but up to Rs 200 crore.

IV(B): Shall comprise of members having revenue in the previous year above Rs.200 crore but up to Rs 500 crore.

IV(C): Shall comprise of members having revenue in the previous year above Rs 500 crore

6. **MEMBERSHIP SUBSCRIPTIONS FOR ALL CATEGORIES:**

- a. Every member of the Association shall pay yearly subscription fixed as under. In Group I alone, in order to provide for lower subscription from smaller Advertising Agencies the Group is subdivided into five sub-groups. Group I will however be dealt with together for all other aspects. Due to similar reasons, Group IV has also been subdivided into three sub-groups to reflect current trends.

(i) Annual subscription payable by members falling under Group I –

Sub Group I (A) - Rs.15,000/- plus applicable taxes

Sub Group I (B) - Rs.30,000/- plus applicable taxes

Sub Group I (C) - Rs.45,000/- plus applicable taxes

Sub Group I (D) - Rs.60,000/- plus applicable taxes

Sub Group I (E) - Rs.75,000/- plus applicable taxes

(ii) Annual subscription payable by members falling under Group II - Rs.1.50 lakh plus applicable taxes

(iii) Annual subscription payable by members falling under Group III - Rs.3.00 lakh plus applicable taxes

- (iv) Annual Subscription payable by members falling under Group IV

Sub Group IV (A) – Rs 4,50,000/- plus applicable taxes

Sub Group IV (B) – Rs 6,00,000/- plus applicable taxes

Sub Group IV (C) – Rs 7,50,000/- plus applicable taxes

7. **ENTRANCE FEES :**

A flat entrance fee of Rs.1,00,000/- plus applicable taxes shall be payable by every agency admitted as a member.

8. **PRIVILEGES OF MEMBERS :**

a] **Each member of the Association shall be entitled :**

- i. to one vote only which can be exercised at all meetings of the Association or its committees where he serves as a member;
- ii. to attend and to participate in decisions, act and vote at all the meetings of the General Body of the Association;

[Explanation: Each member agency shall nominate its representative on the Association. He shall vote for his agency. If he is unable to attend a meeting he may participate and vote through a proxy duly notified as hereinafter provided].

- iii. to attend and to participate only in zonal activities of the Association through their respective branches in the respective zones;
- iv. to obtain gratis all free publications of the Association; and
- v. to the free use of the Association's library and such other facilities which the Association may provide from time to time for its members.

b] **Privileges Of An Associate Member Or Provisional Member :**

Each of the above categories of members shall be entitled :

- i. to participate in the activities of the Association, but will have no right to vote at the meetings of the Association or its committees;
- ii. to obtain gratis all free publications of the Association; and
- iii. to the free use of the Association's library and such other facilities which the Association may provide from time to time for its members.

9. **QUALIFICATIONS FOR MEMBERSHIP**

a. **METHOD OF APPLICATION :**

Each applicant shall be required to fill in the appropriate application form obtainable from the Association and such application should be duly proposed and seconded by any two members of the Association. The

Applicant Agency will have to pay processing fee of ₹.20,000/- (Twenty thousand) + GST or applicable taxes, while submitting the application. In case the application is approved this amount would be adjusted against the Entrance Fee.

b. **SIZE OF AGENCY :**

The size or volume of business in itself of any applicant shall not be a factor in determining qualifications for membership.

However, for Media & Digital Agencies

- a. The Minimum Revenue of agency should be ₹ 1 crore per annum and Billing of ₹ 25 crore per annum to qualify for membership

For All Categories of Agencies

- b. Applicant agency should have at least 5 (five) active clients.

c. **LOCATION OF AGENCY :**

The geographical location of the head office or the registered office shall determine the zone of the agency.

d. **AGE OF THE AGENCY :**

No agency shall be considered for election as a member of the Association unless it is operating as such for a minimum period of two years. The Executive Committee in exceptional cases can waive this condition. The principal employee (CEO/ Promoter/ Owner) must have been in the advertising business for at least 3 (three) years.

e. **OWNERSHIP :**

The applicant agency must show that it is directly and indirectly independent of and not maintained by any one advertiser or a group of advertisers and/or is not organised for the purpose of obtaining agency commission for any one advertiser or a group of advertisers.

f. **ABILITY :**

Advertising ability varies with individual talent and need. It is difficult to standardise. Nevertheless sound judgement regarding the applicant agency's ability can and may be formed after studying its method of operation and the work produced for clients.

g. **FINANCIAL STABILITY :**

Applicant Agency will have to satisfy the Association regarding its financial stability and healthy payment policy. AAAI may get the financials of the applicant agency independently verified and the applicant shall have no objection to it.

h. **CONTRACTS :**

No applicant shall be deemed worthy of membership who has failed to fulfil its lawful contractual commitments.

i. **SCOPE OF AGENCY SERVICE :**

Ability to render service in reasonable conformity to the agency service standards of the Advertising Agencies Association of India shall be a consideration in determining fitness for membership.

j. **ETHICAL AND BUSINESS STANDARDS :**

While it is not important to know the applicant agency's form of organisation in all of its details, or all of its operations, it is essential to know how it operates in relation to certain practices declared by the Association to be unfair practices in the light of the obligation agencies have not only to their clients but to the media they deploy, to the public and to each other.

The Board of Directors of the Advertising Agencies Association of India reserves its right to accept or reject any Application of Membership without specifying any reason.

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