



# **IAB Code of Conduct**



## Introduction to the IAB Code of Conduct

The IAB Code of Conduct is intended to provide IAB Members with a set of best practices and guidelines with which IAB Members agree to adhere to when joining and maintaining their membership in the IAB. In order to qualify as an IAB Member or renew IAB membership, each Member will be required to comply with the Code of Conduct and also agree to be subject to the various procedures and processes adopted by the IAB to deal with non-compliance and any on-going issues that may arise in connection with our Code of Conduct.

The IAB is committed to the continued growth of the interactive advertising ecosystem in tandem with ethical and consumer-friendly advertising practices. The IAB Board of Directors is authorized not only to develop and maintain this Code of Conduct, but to also establish and implement procedures and guidelines for the purpose of determining when violations or failures occur and for allowing the Members to participate in a resolution and remediation process that is both reasonable and fair to the Members and the industry in which the Members do business. The Code of Conduct represents a commitment by the IAB and its Members to follow the ethical standards and best practices evidenced by the Code of Conduct at all times.

Per the terms and conditions of Membership in the IAB, all active Members are required to have policies and procedures in place to be in compliance with the Code of Conduct and agree to submit to the procedures and guidelines that allow the IAB and its Members to appropriately deal with questions regarding compliance and non-compliance that may arise. The IAB fully expects this Code of Conduct to be a dynamic and evolving set of principles and procedures, because our Membership and the interactive advertising ecosystem are dynamic and evolving.

# Interactive Advertising Bureau – Code of Conduct

(Definitions for Title I can be found in Appendix A)

## TITLE I

### Online Behavioral Advertising

The IAB believes that consumers and business are best-served when strong and flexible self-regulatory measures are in place when Members and their business partners engage in digital behavioral advertising. The IAB participated in the development and the endorsement, with other industry groups, of the Self-Regulatory Principles for Online Behavioral Advertising. In this regard, the IAB Code of Conduct will facilitate and encourage industry adoption not merely by encouraging participation, but by making compliance with the Principles a prerequisite and a hallmark of IAB membership.

### I. EDUCATION

Entities should participate in efforts to educate individuals and businesses about Online Behavioral Advertising, including the actors in the ecosystem, how data may be collected, and how consumer choice and control may be exercised.

### II. TRANSPARENCY

#### A. Third Party and Service Provider Notice

1. Third Party and Service Provider Privacy Notice — Third Parties and Service Providers should give clear, meaningful, and prominent notice on their own Web sites that describes their Online Behavioral Advertising data collection and use practices. Such notice should include clear descriptions of the following:
  - (a) The types of data collected online, including any PII for Online Behavioral Advertising purposes;
  - (b) The uses of such data, including whether the data will be transferred to a non-Affiliate for Online Behavioral Advertising purposes;
  - (c) An easy to use mechanism for exercising choice with respect to the collection and use of the data for Online Behavioral Advertising purposes or to the transfer of such data to a non-Affiliate for such purpose; and
  - (d) The fact that the entity adheres to these Principles.

2. Third Party Enhanced Notice to Consumers — In addition to providing notice as described in (1), Third parties should provide enhanced notice as set forth below in (a) or (b):
  - (a) *Third Party Advertisement Notice* — Third Parties should provide notice of the collection of data through a clear, meaningful, and prominent link to a disclosure described in II.A.(1):
    - (i) In or around the advertisement delivered on the Web page where data is collected; or
    - (ii) On the Web page where the data is collected if there is an arrangement with the First Party for the provision of such notice.
  - (b) *Third Party Participation in Industry-Developed Web Site(s)* — Third Parties should be individually listed either:
    - (i) On an industry-developed Web site(s) linked from the disclosure described in II.B; or
    - (ii) If agreed to by the First Party, in the disclosure on the Web page where data is collected for Online Behavioral Advertising purposes as described in II.B.

## **B. Web Site Notice of Third Party Online Behavioral Advertising**

When data is collected from or used on a Web site for Online Behavioral Advertising purposes by Third Parties, the operator of the Web site should include a clear, meaningful, and prominent link on the Web page where data is collected or used for such purposes that links to a disclosure that either points to the industry-developed Web site(s) or individually lists such Third Parties.

A Web site does not need to include such a link in instances where the Third Party provides notice as described in II.A.(2)(a). A Web site should also indicate adherence to these Principles in its notice.

## **III. CONSUMER CONTROL**

### **A. Third Party Choice for Behavioral Advertising**

A Third Party should provide consumers with the ability to exercise choice with respect to the collection and use of data for Online Behavioral Advertising purposes or the transfer of such data to a non-Affiliate for such purpose. Such choice should be available from the notice described in II.A.(2)(a); from the industry-developed Web page(s) as set forth in II.A.2.(b)(i); or from the Third Party's disclosure linked to from the page where the Third Party is individually listed as set forth in II.A.2.(b)(ii).

### **B. Service Provider Consent for Behavioral Advertising**

1. Consent to Collection and Use — Service Providers should not collect and use data for Online Behavioral Advertising purposes without Consent.
2. Withdrawing Consent — Service Providers that have obtained Consent for collection and use of such data for Online Behavioral Advertising purposes should provide an easy to use means to withdraw Consent to the collection and use of that data for Online Behavioral Advertising.

## **IV. DATA SECURITY**

### **A. Safeguards**

Entities should maintain appropriate physical, electronic, and administrative safeguards to protect the data collected and used for Online Behavioral Advertising purposes.

### **B. Data Retention**

Entities should retain data that is collected and used for Online Behavioral Advertising only as long as necessary to fulfill a legitimate business need, or as required by law.

### **C. Service Provider Treatment of Online Behavioral Advertising Data**

Service Providers should take all of the following steps regarding data collected and used for Online Behavioral Advertising purposes:

1. Alter, anonymize, or randomize (e.g., through “hashing” or substantial redaction) any PII or unique identifier in order to prevent the data from being reconstructed into its original form in the ordinary course of business.
2. Disclose in the notice set forth in II.A.1 the circumstances in which data that is collected and used for Online Behavioral Advertising is subject to such a process.
3. Take reasonable steps to protect the non-identifiable nature of data if it is distributed to non-Affiliates including not disclosing the algorithm or other mechanism used for anonymizing or randomizing the data, and obtaining satisfactory written assurance that such entities will not attempt to re-construct the data and will use or disclose the anonymized data only for purposes of Online Behavioral Advertising or other uses as specified to users. This assurance is considered met if a non-Affiliate does not have any independent right to use the data for its own purposes under a written contract.
4. Take reasonable steps to ensure that any non-Affiliate that receives anonymized data will itself ensure that any further non-Affiliate entities to which such data is disclosed agree to restrictions and conditions set forth in this subsection. This obligation is also considered met if a non-Affiliate does not have any independent right to use the data for its own purposes under a written contract.

## **V. MATERIAL CHANGES TO EXISTING ONLINE BEHAVIORAL ADVERTISING POLICIES AND PRACTICES**

Entities should obtain Consent before applying any material change to their Online Behavioral Advertising data collection and use policies and practices prior to such material change. A change that results in less collection or use of data would not be “material” for purposes of this Principle.

## **VI. SENSITIVE DATA**

### **A. Children**

Entities should not collect “personal information”, as defined in the Children’s Online Privacy Protection Act (“COPPA”), from children they have actual knowledge are under the age of 13 or from sites directed to children under the age of 13 for Online Behavioral Advertising, or engage in Online Behavioral Advertising directed to children they have actual knowledge are under the age of 13 except as compliant with the COPPA.

### **B. Health and Financial Data**

Entities should not collect and use financial account numbers, Social Security numbers, pharmaceutical prescriptions, or medical records about a specific individual for Online Behavioral Advertising without Consent.

## **VII. ACCOUNTABILITY**

### **A. Applicability**

These Principles are self-regulatory in nature and entities engaged in Online Behavioral Advertising are within the scope of the accountability programs.

### **B. Operation**

Accountability programs on Online Behavioral Advertising shall have in place processes that do the following:

1. **Monitoring** — Programs will systematically or randomly monitor the Internet for compliance with the Principles. Programs will maintain a process for taking complaints from the public, from competitors, and from government agencies concerning possible non-compliance with the Principles.
2. **Transparency and Reporting** — Program findings of non-compliance (in particular those that are not corrected), the reasons for those findings, and any actions taken with respect to instances of non-compliance, will be publicly reported by the programs.
3. **Compliance** — When an entity engaged in Online Behavioral Advertising is informed by a program regarding its non-compliance with the Principles, the entity should take steps to bring its activities into compliance with the Principles. The programs will send the public reports of uncorrected violations (set forth in (2)) to the appropriate government agencies.

### **C. Relationship Among Accountability Programs**

1. Administrators of the programs should discuss coordination on accountability to help ensure efficiencies so that entities engaged in Online Behavioral Advertising are not unreasonably subject to multiple enforcement mechanisms regarding their possible non-compliance with the Principles and consumers have simple mechanisms to complain about possible non-compliance with the Principles.
2. Accountability programs should be linked to industry-developed Web site(s) and decisions made public as described in VII.B.2. should either be posted or a link to them should be available from such site(s).

## MONITORING AND ENFORCEMENT

Title I of the IAB Code of Conduct will be monitored and investigated by the Council of Better Business Bureaus, under the policy direction of the National Advertising Review Council Board of Directors.

### A. IAB NOTIFICATION AND MEMBERSHIP STATUS

1. If an IAB Member is found to be in violation of the Code in a final decision, the CBBB will provide a plan of action for remediation, as well as the Member's agreement to comply and correct any violations. A Member company will be given ample time and opportunity to correct violations before any IAB action is taken.
2. In the event that any violations are not resolved and remediated to the satisfaction of the CBBB, the IAB will consider the Member to be in violation of the Code of Conduct. In determining whether or not an IAB Member is in violation of the Code of Conduct, final case decisions by the CBBB only will be considered.

### B. MEMBER NOTIFICATION

1. Upon receipt of a final case decision by the CBBB, when a case has not been resolved to CBBB satisfaction, the IAB Member in question will be notified within fourteen (14) days that they have been found in violation of the IAB Code of Conduct.
2. The IAB will consider the final case decision of the CBBB to be conclusive, and at the time of Member notification, will not re-investigate the claim or practice that the CBBB has found to be in violation of the Title I of the IAB Code of Conduct.
3. At the time of notification, the IAB Member found in violation of the Code of Conduct will be informed that their Membership in the IAB is being terminated for a minimum of six (6) months, after which time the Member may re-apply for Membership.

### C. RE-APPLYING FOR MEMBERSHIP

1. At the expiration of the stated six (6) month period, a Member may re-apply for IAB Membership. At this time, the Member must show that they have remedied any practices that were found to be in violation of the Title I of the Code of Conduct.

## APPENDIX A

### DEFINITIONS FOR TITLE I ONLINE BEHAVIORAL ADVERTISING

#### I. Definitions

##### A. AD DELIVERY

Ad Delivery is the delivery of online advertisements or advertising-related services using Ad Reporting data. Ad Delivery does not include the collection and use of Ad Reporting data when such data is used to deliver advertisements to a computer or device based on the preferences or interests inferred from information collected over time and across non-Affiliate sites because this type of collection and use is covered by the definition of Online Behavioral Advertising.

##### B. AD REPORTING

Ad Reporting is the logging of page views on a Web site(s) or the collection or use of other information about a browser, operating system, domain name, date and time of the viewing of the Web page or advertisement, and related information for purposes including but not limited to:

- Statistical reporting in connection with the activity on a Web site(s);
- Web analytics and analysis; and
- Logging the number and type of advertisements served on a particular Web site(s).

##### C. AFFILIATE

An Affiliate is an entity that Controls, is Controlled by, or is under common Control with, another entity.

##### D. CONSENT

Consent means an individual's action in response to a clear, meaningful and prominent notice regarding the collection and use of data for Online Behavioral Advertising purposes.

##### E. CONTROL

Control of an entity means that one entity (1) is under significant common ownership or operational control of the other entity, or (2) has the power to exercise a controlling influence over the management or policies of the other entity. In addition, for an entity to be under the Control of another entity and thus be treated as a First Party under these Principles, the entity must adhere to Online Behavioral Advertising policies that are not materially inconsistent with the other entity's policies.

##### F. FIRST PARTY

A First Party is the entity that is the owner of the Web site or has Control over the Web site with which the consumer interacts and its Affiliates.



## **G. ONLINE BEHAVIORAL ADVERTISING**

Online Behavioral Advertising means the collection of data from a particular computer or device regarding Web viewing behaviors over time and across non-Affiliate Web sites for the purpose of using such data to predict user preferences or interests to deliver advertising to that computer or device based on the preferences or interests inferred from such Web viewing behaviors. Online Behavioral Advertising does not include the activities of First Parties, Ad Delivery or Ad Reporting, or contextual advertising (i.e. advertising based on the content of the Web page being visited, a consumer's current visit to a Web page, or a search query).

## **H. PERSONALLY IDENTIFIABLE INFORMATION "PII"**

Personally Identifiable Information is information about a specific individual including name, address, telephone number, and email address — when used to identify a particular individual.

## **I. SERVICE PROVIDER**

An entity is a Service Provider to the extent that it collects and uses data from all or substantially all URLs traversed by a web browser across Web sites for Online Behavioral Advertising in the course of the entity's activities as a provider of Internet access service, a toolbar, an Internet browser, or comparable desktop application or client software and not for its other applications and activities.

## **J. THIRD PARTY**

An entity is a Third Party to the extent that it engages in Online Behavioral Advertising on a non-Affiliate's Web site.