

Media24 drops 16.5% agency commission

Effective 1 May 2016, Media24 has announced that its advertising rate cards will exclude the long established 16.5% early settlement discount or agency commission, following amendments to section 73A of the Competition Act, gazetted on Friday, 22 April 2016 and effective from 1 May 2016, which creates criminal sanctions for certain contraventions of the Act.



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In terms of the amendments to the Act, any conduct that is found to be collusive or cartel-like is a criminal offence. Having assessed its exposure, and without acknowledging any wrongdoing, Media24 has decided to take these precautionary measures to create certainty and avoid any regulatory and legal risk.

The industry-wide practice of making available a 16.5% early settlement discount or commission to media agencies that book advertising with Media24 properties – including all newspapers, magazines and online platforms – has been in existence for decades. New rate cards will exclude any agency commissions or early settlement discounts.

All Media24 documentation that refers to advertising rates, early settlement discounts and agency commission (including credit applications) issued before 1 May is nullified. Furthermore, for all advertising bookings made prior to 1 May 2016 where the advert will be published from 1 May 2016 or thereafter, revised rate cards will apply.

The group apologises for the short notice and inconvenience this will cause its advertisers and advertising agencies. Given

the serious nature of the matter, it believes these changes are in the best interest of all parties.

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