



This Code is based on the November 1997 edition. It incorporates change of name detail effective April 2002 and includes all current Guidelines adopted by the membership. Amended wording and additions made to Guidelines 6.2 and 6.3 incorporated March 2004.

Revised contact numbers 6.3 Code of Conduct Guideline June 2006

Code of Practice

The New Zealand Self-Medication Industry Association Inc (SMI) is the national trade association representing manufacturers, marketers and distributors of a wide range of products, generally available “over-the-counter”(OTC) and mainly for use in self-medication by New Zealand consumers.

As well as activities on a national basis, contact is maintained world-wide through membership of the World Self-Medication Industry (WSMI).

The SMI continues to pursue the broad vision of “promoting responsible consumer health care “ with the associated commitment “that the SMI is a recognised professional body working in partnership with all interest groups to positively influence the health status of New Zealanders.”

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1 INTRODUCTION

The New Zealand Self-Medication Industry Association Inc (SMI) is the national trade association representing manufacturers, marketers and distributors of a wide range of products, generally available “over-the-counter” (OTC) and mainly for use in self-medication by consumers. These industry products include non-prescription medicines, dietary supplements and any other complementary healthcare products that meet New Zealand legislative requirements.

Products include registered medicines designated as Pharmacist Only Medicine, Pharmacy Medicine and ‘general sale’ medicines available to New Zealand consumers with, or without, professional advice from various approved retail outlets.

Because self-medication, or self-care, is an integral and increasingly important part of New Zealand’s health care system, a continuing need exists for non-prescription medicines and other healthcare products that are safe, effective and meet the highest quality standards.

These products can benefit the personal health and well-being of many individuals and, under responsible control, can reduce the financial burden on health care resources

2 OBJECTS OF THE ASSOCIATION

The New Zealand Self-Medication Industry Association Inc is dedicated to the achievement of the highest standards of excellence in the manufacture and marketing of industry products.

To achieve these standards the Association has the following objectives:

- 1 To ensure high quality, safe and effective industry products are available to all New Zealand consumers, for the purpose of responsible self-medication.
- 2 To promote, aid, foster and maintain the highest standards of integrity in the formulation, manufacture, marketing and distribution of industry products to the general public.
- 3 To be concerned with and recognise all relevant legislation and to promote and implement, within the industry, voluntary codes of self-regulation.
- 4 To maintain dialogue with Government and professional bodies, with the express objective of reclassifying to “non-prescription’ status those medicines considered safe and effective for self-medication.
- 5 To advise the public in the responsible use of industry products for self-medication and encourage greater awareness of the label information on non-prescription medicines and other industry products.
- 6 To promote communication, dialogue, co-operation and unity between members of the Association throughout New Zealand.
- 7 To represent and speak on behalf of the industry on all official and public matters involving industry products.
- 8 To do all such other things as may appear necessary, or desirable, or incidental, or conducive, to the attainment of all the above objects, or any of them.

3 OBJECTIVES OF THE CODE

Why a Code of Practice?

One of the strategic objectives of the SMI is to “institute and monitor self-regulatory codes of practice for the benefit of consumers, customers and members”.

It is recognised by legislators and industry alike that self-regulation by the industry is considered to be infinitely more preferable than enforced legislation. It is also recognised, however, that to be totally effective, self-regulation requires legislative reinforcement. Self-regulation has flexibility, it can be developed relatively quickly and can be readily adapted to meet changing circumstances.

This Code of Practice is the instrument that allows industry self-regulation to operate successfully. It portrays the wider social responsibility of the industry to its constituent customers and consumers; it establishes the standards and obligations for members of the industry; it provides a high degree of credibility for the industry to the various external stakeholders.

Above all, it demonstrates that the industry is responsible in its approach to all activities.

What is the Scope of this Code?

For the purpose of this Code, an industry product is defined as being any product, mainly for use in self-medication, intended or recommended for internal or external human use, manufactured or sold or supplied...

either for a defined therapeutic purpose (where that purpose is achieved wholly or principally by pharmacological, immunological or metabolic means).

or to enhance the general well-being and health status of consumers.

The Code relies upon a series of basic principles to guide the membership in the conduct of its business. It covers compliance with the law, adherence to standards, advertising and promotion responsibilities to the consumer and other industry related activity obligations.

It requires member companies to accept the “principle” approach to self-regulation, in that each member company must assume responsibility for its actions in relation to the appropriate provisions of the Code.

This Code clearly represents an act of self-discipline. In interpreting the code, emphasis will be placed on its spirit and intention and each of the principles involved. A practice which adheres to the letter of the legislation, ethics or the principle may, nevertheless, be in breach of the Code if it fails to comply with, or respect the spirit or intention of the Code.

It is intended that this Code will be the primary means of regulating the activities of the industry with the following existing legislation and amendments as formal reinforcement:

Medicines Act 1981
Food Act 1981
Commerce Act 1986
Fair Trading Act 1986
Consumer Guarantees Act 1993
Privacy Act 1993

Other legislation, including any Regulations consequent to the above Acts, may be applicable from time to time.

This Code has been drawn up in consultation with the Ministry of Health, the Advertising Standards Authority, the Pharmacy Guild of New Zealand Inc, the Pharmaceutical Society of New Zealand Inc, the Consumers' Institute, the New Zealand Medical Association and other interested parties.
The Code also recognises and incorporates appropriate guidelines established by the World Self-Medication Industry (WSMI).

Acceptance and observance of the provisions of this Code are conditions of membership of the SMI.

Alleged breaches of this Code may be brought to the attention of the Association any person, and will be administered in accordance with the complaints procedure detailed in this Code.

The SMI Code of Practice establishes basic principles to guide the membership in business conduct, particularly in matters of advertising and promotion of industry products.

The Code has two main purposes:

- 1 It is a self-regulatory Code, to guide members in the achievement of the highest standards of integrity and responsibility, and establishes criteria for professional conduct.
- 2 It will complement present and proposed legislation, but it is aimed to ensure that the initiative for the highest standards of conduct within the industry emanate from the Association and its members.

Specifically, the Code obliges members to :

- Inform consumers responsibly
- Ensure all claims are accurate, lawful, balanced and based on sound and objective scientific evidence.
- Communicate information to promote responsible use of industry products

Companies outside the Association, who manufacture, market or distribute Industry products are invited to observe and accept the Code.

4 PRINCIPLES OF THE CODE

PRINCIPLE ONE

Members will be responsible for compliance with all relevant legislation and provisions of this Code.

- It is a condition of membership of the SMI that all activities comply with this Code both in the letter and in the spirit.
- Responsibility lies with member companies to ensure they are familiar with and comply with all relevant Government legislation. The primary responsibility lies with the Chief Executive responsible for the New Zealand member company operation.
- Copies of the Code must be provided to relevant company personnel, distributors, suppliers and agencies involved in the company business; it is the responsibility of member companies to ensure that the provisions of the Code are understood by these parties.
- Breaches of the Code will result in sanctions being applied and/or expulsion. The penalty imposed will depend upon the persistence or seriousness of the breach.

Important: Please also refer to Guidelines 6.2 and 6.3

PRINCIPLE TWO

Members will adhere to high ethical standards in respect of all marketing activities

- All communications with particular reference to advertising, promotion and packaging must be accurate and truthful, based on current knowledge and evidence.
- Any communication shall not denigrate or attack unfairly any other products, goods or services.
- Any marketing activity shall not bring disrepute upon the industry, undermine confidence in advertising or promotion, or prejudice public confidence in industry products.
- Members shall not promote, or be in any way associated with any schemes intended to encourage the sale of industry products if they are likely to introduce to any hazard to the general public, or to lower the tone of, or bring disrepute to the industry.

Important: Please also refer to Guidelines 6.2 and 6.3

PRINCIPLE THREE

All medicine advertising and promotional activities must be prepared and executed with a high degree of social responsibility and shall conform to acceptable standards of fair competition.

GENERAL PROVISIONS

- Advertisements shall be factually true and shall not mislead or contain any exaggerated or unreferenced claim, direct or implied, by the use of superlatives or words implying magical or mythical results, or any other benefit contrary to reasonable belief.
- Advertisements shall not include or imply any claim(s) contrary to the approved indication(s) approved by the Minister of Health.
- Advertisements shall not cause those who see or hear them unwarranted anxiety that they are suffering (or may suffer, if they fail to respond to the advertisers' offer) from any disease or condition of ill health.
- Advertisements and promotional activities shall not directly or indirectly encourage the indiscriminate, unnecessary or excessive use of any medicine.
- Advertisements shall be clearly distinguishable from editorial matter.
- Advertisements shall not contain any offer to diagnose, prescribe, or treat personally by any form of correspondence, except by a registered health professional.
- Advertisements shall not mislead about the novelty of a product or indication. Unless the product has special attributes, the term "new" is applicable for one year following its national launch.
- Advertisements shall comply with any relevant Codes or Guidelines endorsed by the SMI eg Medsafe Guidelines for Advertising OTC Medicines, Advertising Standards Authority. Code for Therapeutic Products. Notwithstanding this requirement, all advertisements and promotional material shall contain the following minimum information..
 - 1 Trade name of the product and its physical form.
 - 2 Approved indication(s)
 - 3 Clear, explicit instructions to use the medicine as directed.
- Promotional material should not imitate the devices, copy, slogans or general layout of other manufacturers/marketers in any way that is likely to mislead, confuse or deceive.

Important: Please also refer to Guidelines 6.2 and 6.3

SPECIFIC PROVISIONS

Misleading

- Advertisements shall not contain any material which suggests that the medicine is a foodstuff, cosmetic, or other consumable product. Although it is acceptable to indicate that a product is palatable, such an attribute should not be presented in any way that could lead to misuse or misunderstanding as to the medicinal nature of the product.
- Uniqueness of a product must clearly specify the property that justifies such a statement.
- Reference to speed of absorption, dissolution, distribution and other preliminary actions are acceptable, if approved and supported by appropriate evidence.
- Any claim for complete absence of side effects is not acceptable; highlighting the lack of what otherwise would be a specific side effect eg “no drowsiness” is acceptable.

Comparisons

- Comparisons of products are acceptable, subject to the provisions of this Code and the ASA code for Comparative Advertising.
- Comparative advertisements shall be unambiguous and clearly understandable.
- Claims of superior or superlative status must accurately reflect the extent and the nature of the substantiating evidence available. All comparisons shall be balanced and fair.

Testimonials

- Testimonials, where permitted, should be used with extreme care and must be valid, current, documented and be representative of the current body of evidence.
- Advertisements shall not contain any material which refers to a recommendation by a person who, because of their celebrity, could encourage excessive or unwarranted consumption of a medicine.

Sampling

- Members shall not distribute unsolicited samples to the general public of Restricted/Pharmacist Only or Pharmacy Medicines or internal analgesics.

Important: Please also refer to Guidelines 6.2 and 6.3

PRINCIPLE FOUR

Members accept responsibility for all other industry related activities generated by their companies.

- All company representatives must be adequately trained and be competent in the course of their marketing activities.
- Statements made by company representatives carry the same implication as if written, must be factual, and comply with the spirit of the Code.
- Any response to a technical enquiry must, if there is any doubt, be referred to an appropriate company officer for authoritative comment.

External Relationships

- Members shall not engage in any activities that are likely to prejudice harmonious relationships between the SMI and Government, trade or professional organisations.

Media Statements

- Individual members shall refrain from making public, any statement relating to the New Zealand Self-Medication Industry Association, unless it is done with the full knowledge and endorsement of the Executive of the Association.
- Statements on behalf of the Association can only be made by a member of the Executive.

News Releases

- Releases to the media concerning new product introductions, marketing activities etc should, on all occasions, be in good taste, factual in claims and not create undue or unrealistic optimism for potential users.

Important: Please refer also to Guidelines 6.2 and 6.3

5 ADMINISTRATION OF THE CODE

The administration of the Code shall be supervised by the Executive Committee, co-ordinated by the Executive Director and monitored and reviewed by the Marketing and Ethics Committee of the Association.

As an adjunct to this Code, the Executive may, after reasonable consultation with affected parties and adoption by the membership, institute Guidelines. It is not intended that any such Guidelines be the subject of legal challenge; they are intended to provide member companies with further background in accordance with the spirit and intention of the Code of Practice. As such Guidelines may be modified from time to time in light of experience and changing circumstances.

1 Code Complaints Panel (CCP)

The Executive Committee shall appoint a Code Complaints Panel (CCP) which can meet up to twelve times each year as necessary.

The CCP shall comprise:

- a practising lawyer as Chair
- a community pharmacist, being a member of the Pharmaceutical Society of New Zealand
- the immediate Past President of the SMI
- a member of the SMI Executive Committee
- a consumer representative

The quorum needed for a CCP meeting is three, one of whom must be a non member of the SMI. Only complaints made in writing can be considered by the CCP; decisions are by simple majority, with the Chair having a deliberate and casting vote.

Members with a direct commercial interest in the outcome of a complaint will not participate in discussion, or in voting. The decision on who should not participate will be made by the Chair.

2 Complaints Procedure

Any person is free to make a complaint about a member company under the Code, and such complaint should be directed in writing to the Association. Where a complaint has been made by a member of the Association that member should try, in the first instance, to resolve the issue by telephone, written or personal contact with the company responsible, before contacting the SMI.

All complaints must be as specific as possible as to the nature of the complaint, and must be in writing and in the case of complaints lodged by a member company, be signed by the Chief Executive and accompanied by all previous correspondence relating to the complaint.

On receipt, the Executive Director will inform the Chief Executive of the company concerned that a complaint has been received, and notify detail of the complaint. The Executive Director will conduct an initial investigation and is free to consult with other parties considered relevant.

The Executive Director will endeavour to resolve disputes under the Code, but if a complaint cannot be resolved by consensus, the Executive Director will assess the complaint and determine if independent facilitated mediation is appropriate. If so, both parties to the dispute will be brought together under a completely independent facilitator to seek resolution. The Executive Director will provide the facilitator with all background information. All communications will be confirmed in writing.

If the Executive Director considers facilitated mediation inappropriate, the matter will be referred directly to either

- (a) the Code Complaints Panel, with existing right of appeal; or
- (b) an arbiter, with appropriate professional competence, to have the dispute resolved 'at law'.

The time frame from receipt of complaint to either informal resolution or determination of alternate direction by the Executive Director should not exceed ten working days.

If a complaint cannot be resolved either by way of consensus or facilitated negotiation it will be referred to the CCP for determination.

If a complaint is to be referred to the CCP, the respondent may reply in writing to the complaint within ten working days of notification that the complaint is to be referred to the CCP. In the absence of any response the CCP will proceed and determine the complaint.

Decisions will be made on the basis of any written submissions and the Executive Director's report on resolution efforts.

The CCP will report on its determination to the Executive Committee within five working days of its meeting, and the Executive Director will notify the parties to the complaint of the CCP findings and determinations. Concurrently, details of appeal rights will be advised.

3 Sanctions

Should the CCP decide a breach of the Code has occurred, the following sanctions can apply:

- 1 Formally request immediate steps to comply with the Code.
- 2 In the event of trade involvement, the publication of any corrective letter or statement.
- 3 Order the payment of a fine up to \$10,000 taking into account any corrective action already taken and the seriousness of the complaint in relation to Rule 5 (d) of the SMI Constitution and Rules.

4 Expulsion

5 Notification to the Head Office in the case of a multinational company.

Any sanction to become effective immediately upon receipt in writing.

It is required of the respondent company to notify the Executive Director of its intended course of action, if this is not apparent. Any corrective letter or statement is to be reviewed by the CCP.

The decisions of the CCP together with the response from the company will be published in SMI Annual Report, specifying the names of the parties, the nature of the complaint, the findings and what sanctions, if any, were imposed.

In addition, the Ministry of Health and selected trade publications will be notified (if circumstances so warrant) with the approval of the Executive Committee.

4 Appeal Procedure

A written appeal against the findings of the CCP may be lodged with the Executive Director within ten working days of being notified of the determination, setting out the grounds for the objection.

The appeal will be considered by an independent arbiter with appropriate legal and/or technical expertise. The arbiter will be appointed by the Executive Committee.

The appeal shall be heard no later than 20 working days after receipt of the written appeal.

The arbiter has the right to determine procedure and may receive oral or written submissions from the parties.

Within ten working days of the conclusion of the appeal meeting, the arbiter shall determine whether to confirm, modify or revoke any previous determination made, or sanction applied or recommended by the CCP.

The determination if the arbiter is final except where expulsion is recommended; procedures under Rule 5(d) apply.

Pending the outcome of any appeal, no member shall persist with any activity that is contrary to the determination of the CCP.

5 Costs

No external costs will be borne by the Association for disputes determined under this Code Complaints Procedure. Costs will be determined and allocated in accordance with current SMI Disputes Procedure Guidelines. These may be modified from time to time as needed.

6 Non Members

Although this Code of Practice is a condition of membership of the SMI, it complements the Advertising Standards Authority Code of Advertising for Therapeutic Products and in this respect applies to both members and non-members. If the Executive Director receives a complaint about a non-member it shall be referred to the trade association representing that non-member, or brought to the attention of the company concerned or, in the event of a complaint considered to be of serious nature, it will be forwarded to the Ministry of Health.

This Code of Practice incorporates change of name detail etc consequent upon the revised Constitution and Rules effective April 2002.
It supersedes the original Code adopted in December 1975 with subsequent Amendments in October 1986, November 1995 and November 1997.

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6 GUIDELINES ADOPTED BY THE MEMBERSHIP

6.1 DISPUTE PROCEDURE GUIDELINES

The prime aim of the Complaints Procedure detailed in the SMI Code of Practice is to achieve a speedy resolution of disputes and minimise the need for member companies to resort to lengthy and costly formal legal proceedings.

These Guidelines are to be read in conjunction with the SMI Code of Practice.

Initial Phase... "Informal Resolution"

1 Before consideration of any complaint under the Code, the member company **should** try to resolve the issue by phone, written or personal contact.

This 'informal' phase is important and successful conclusion at this stage precludes any SMI involvement.

Lodging a Complaint with the Executive Director

1 The complaint must specify the particular section of the SMI Code where an alleged breach has occurred; it must be in writing and signed by the Chief Executive of the member company.

2 Copies of all correspondence must be lodged when the formal complaint is made under the Code.

3 The appropriate bond payment is to be lodged with the Association (refer Costs)

Executive Director Action

1 Inform the Chief Executive of the company concerned of the nature of the complaint.

2 The Executive Director will make available documents submitted with the complaint on request by the respondent.

3 If informal resolution attempts are unsuccessful, the Executive Director will assess the complaint and be satisfied that facilitated mediation is appropriate. Appropriateness will depend on the evidence of mutual willingness and a spirit of compromise.

4 If, in the view of the Executive Director, there are doubts that facilitated mediation will produce an outcome the right exists to refer the matter

(a) directly to the Code Complaints Panel, with existing right of appeal; or

(b) directly to an arbiter, with appropriate professional competence, to have the dispute resolved 'at law' immediately.

Facilitated Mediation

1 Conducted by an independent mediator (the appointment of whom is mutually agreed), both parties to sign a mediation appointment agreement prior to mediation.

2 The agreement reached as a result of mediation is confidential to both parties.

Determination by the Code Complaints Panel

1 The procedure is in accordance with the Code of Practice.

2 A decision will be made on the basis of any **written** submissions and the Executive Director's report on resolution efforts. Each party will have been given the opportunity to comment on the other side's case and to offer contrary evidence.

3 The full cost of the Code Complaints Panel will be borne by one or other or both of the parties.

The general principle to be followed is that the company who has the ruling go against them will bear the direct costs of the Panel.

The Code Complaints Panel will determine allocation of costs.

4 It is important to note that pending any appeal, the decision of the Code Complaints Panel becomes effective immediately upon receipt in writing and no member shall persist with any activity that is contrary to that decision.

6.1 DISPUTE PROCEDURE GUIDELINES (Contd)

Arbiter/Arbiter Appeal Process

- 1 In the event of an appeal against the Code Complaints Panel decision, the appellant will lodge the sum of \$2000 (two thousand dollars) with the Association.
- 2 The arbiter will be appointed by the Executive Committee.
- 3 The arbiter has the right to determine procedure but, as a guiding principle, the arbitration will be based on the material presented to the Code Complaints Panel and a written copy of their decision. The arbiter may call for further oral or written submissions if considered crucial to the dispute.
- 4 The allocation of costs of the arbitration will be determined by the arbiter.
- 5 The arbiter's decision is final except where expulsion has been recommended; in this case procedures under Rule 5(d) of the SMI Constitution and Rules apply.

Costs

- 1 No external costs will be borne by the Association.
- 2 The complainant must be prepared to lodge a bond payment of \$3000 (three thousand dollars) with the Association at the time the formal complaint is laid with the Association. This is to cover the anticipated cost of the process excluding an appeal against a Code Complaints Panel decision for which a separate bond of \$2000 is required. Costs over and above these sums will be borne by the parties concerned in accordance with actual costs and/or the determination of the Code Complaints Panel or the Arbiter. Any surplus will be returned to the complainant.

Timeframes

This process is designed to provide relatively speedy resolution and the timeframes detailed in the Code are expected to be adhered to; any deviation of other than a minor nature at any stage of the process must be notified to and endorsed by the Executive Committee of the Association. Any evidence of deliberate frustration of the process will be conveyed to all parties and may be the subject of disciplinary action by the Executive Committee.

Company Representation

At all times the company representative in any dispute is expected to be the Chief Executive. However, should circumstances dictate, any appointed alternate must have been given delegated decision making authority.

It is not intended that these Guidelines be the subject of legal challenge; they are intended to provide member companies with further background in accordance with the spirit and intention of the Code of Practice. As such these Guidelines may be modified from time to time in the light of experience and changing circumstances.

Formally adopted at the NMA Biannual Meeting 19 August 1997

6.2 CONSUMER PROMOTIONS GUIDELINES

Introduction

The SMI Code of Practice is the instrument by which the OTC medicines sector of the healthcare industry self-regulates to promote responsible consumer health care.

The Code relies upon a series of basic principles to guide the membership in the conduct of non-prescription medicines business activities.

These include...

Principle Two

Members shall not promote, or be in any way associated with, any scheme intended to encourage the sale of a non-prescription medicine if they are likely to introduce any hazard to the general public, or lower the tone of, or bring disrepute to the industry.

Principle Three

Advertisements and promotional activities shall not directly or indirectly encourage the indiscriminate, unnecessary or excessive use of any medicine.

An important part of the Code is devoted to advertising and promotional activities with the prime focus on the need for a high degree of social responsibility in the preparation and execution of those activities.

Our main aim is to encourage responsible self-medication. It is generally accepted that the marketing of medicines imposes greater obligations upon the marketer than for most other consumer goods. The main criteria is that any promotional techniques should not encourage consumers to purchase a medicine which may not be needed or in a larger quantity than is sufficient to meet the reasonable needs of the consumer.

The following Guideline is to be read in conjunction with the SMI Code of Practice....

1 No member shall promote to the general public any scheme or prize competition which is conditional upon the purchase of any medicine.

(Explanatory Note: This does not include banner group/pharmacy loyalty schemes such as Fly Buys, AA Rewards etc which have been initiated by the group or an individual pharmacy and are generally for all purchases from that pharmacy)

2 No member shall promote to any sales assistants or to any healthcare professional, any sales-related prize competitions, which are likely to result in consumer purchasing a medicine which may not be needed or in a larger quantity than is sufficient to meet the reasonable needs of the purchaser.

(Explanatory Note: This is not intended to totally eliminate the ability of marketers to offer various incentives but rather emphasises the joint obligation of marketer and retailer to the consumer)

3 No member shall engage in the following consumer schemes-

- (i) "two for the price of one"
- (ii) "buy a medicine for entry into a competition"
- (iii) "buy one medicine, get another one free"
- (iv) "buy one medicine, get a free non-medicinal item"

(Explanatory Note: In the case of (iii) and (iv) this is not intended to preclude the offer of directly related items provided it is clear that the offer would not encourage any unnecessary purchase of the medicine.

Examples (iii) Acne Wash with Medicated Pads;(iv) Cough Liquid with Medicine Measure)

4 Members shall consider the relevancy of consumer promotion incentives to ensure that such activity will not bring disrepute to or lower the tone of the industry sector.

These Guidelines were circulated for comment 2 February 2000 to the NMA membership, discussed at the Annual General Meeting 22 February 2000 and approved for circulation by the Executive Committee 29 March 2000.

Explanatory Note added to Point 1 March 2004

6.3 CODE OF CONDUCT PREVENTING DIVERSION OF MEDICINES TO PRODUCE ILLICIT DRUGS

This Code is to be read in conjunction with and as part of the SMI Code of Practice. It provides for a series of General Provisions followed by Specific Provisions pertinent to a particular medicine or active ingredient list that may be added or deleted from time to time

GENERAL PROVISIONS

Objectives

This Code of Conduct is to be read in conjunction with and as part of the industry Code of Practice. It is to establish a common procedure for New Zealand manufacturers, marketers and distributors of non-prescription medicines to protect against the diversion of legitimate medicines, available primarily from pharmacy retail outlets, for the production of illicit drugs. The prime objective is to ensure continued access and availability of such products for legitimate users.

Regulatory Obligations

Promotional activities should comply with all relevant legislation and any related guidelines covering the sale and promotion of non-prescription (OTC) medicines in New Zealand eg Medicines Act 1981 and consequent regulations.

This also includes any relevant self-regulatory provisions applicable to the industry sector eg Pharmaceutical Society of New Zealand Code of Ethics and Guidelines

SMI Code of Practice and Guidelines.

Procedures

(i) Sales Monitoring

Member companies shall closely monitor all sales of the defined product.

Such information shall be provided upon request to formally authorised persons

Associated with the appropriate government authority viz the National Drug Investigation Bureau and Medsafe.

(ii) Record Keeping

Sales data should be kept for a period of not less than **3 (three)** years. This data should include

Name and Address of Purchaser

Quantity Supplied

Date Supplied

(iii) Liaison Officer

Member companies shall nominate one or more liaison officers (at management level) with specific responsibility to:

--- ensure that appropriate systems and procedures exist and are maintained to facilitate accurate sales monitoring and recording

--- ensure that 'suspicious' orders and enquiries are reported to the appropriate authorities viz NDIB and Medsafe

(vi) Notifications of Orders or Enquiries

Member companies must use their discretion and prior experience when dealing with any order for any medicines that are known to be subject to diversion for illicit use.

If any suspicions exist regarding a specific order the appropriate authorities should be notified.

6.3 CODE OF CONDUCT (Contd)

SPECIFIC PROVISIONS

1 Pseudoephedrine Hydrochloride

Pack Size Limitation

No member company shall offer for retail sale either as a single entity or in combination with other active ingredients, any pack size containing more than 1.8g of Pseudoephedrine Hydrochloride(or equivalent).

This equates to 30 dose units containing not more than 60mg per recommended dose.

Promotional Activities

To minimise prospects of diversion at various points in the supply chain, bonus stock should not form part of any promotional activity.

1 It is considered **unacceptable** to offer specific sales incentives to **individual** pharmacy staff involving the sale of any products containing pseudoephedrine

2 It is considered unacceptable to offer incentives that result in individual pharmacies being expected to accept more than 4 weeks of anticipated demand in any one shipment.

3 It is considered unacceptable to offer 'sale or return' or bonus stock incentives for any PSE products.

(**Bold** denotes change of wording (Point 1) and additional provisions (Points 2 & 3))

Pharmacy Staff Education

To reinforce the industry commitment, member company sales/detail personnel will emphasise the procedural provisions of this industry code at every opportunity.

This would also include reference to the following contact numbers:

** Auckland Region (Taupo north)	Auckland Chemical Diversion Desk	Ph 09 259 1065 Fx 09 276 8143
Wellington Region (South of Taupo)	Wellington Chemical Diversion Desk	Ph 04 802 3744 Fx 04 802 3675
South Island	Christchurch Chemical Diversion Desk	Ph 03 363 4718 Fx 03 363 5616 Freephone 0800 BAD SINUS (223 74687)
National Precursor & ATS Co-ordinator (Emergency or 'after-hours' contact only)		027 246 3467

Should any pharmacy staff or any member of the public have information they wish to provide to the authorities they can do so to the above numbers.

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It is not intended that this Code of Conduct be the subject of legal challenge; it is intended to provide member companies with further background in accordance with the spirit and intention of the SMI Code of Practice. As such this Code of Conduct may be modified from time to time to meet changing circumstances.

Formally adopted at the Annual General Meeting 6 March 2002.

Changes to wording and new provisions added under Promotional Activities reflect practices adopted by member companies in 2003 and incorporated into this Code March 2004.

****Denotes updated regional contact numbers June 2006**

ENDS