



HAYAT KIMYA'S INDEBTEDNESS OF N481,349,845.45 TO MAINSAIL MEDIA LIMITED 7-DAYS ULTIMATUM TO RESOLVE THE DEBT

Preamble

Hayat Kimya Nigeria Limited is a subsidiary of Hayat Holding, a Turkish enterprise with strong presence in several countries including Nigeria. Hayat Kimya Nigeria Limited is also a player in the FMCG sector and a member of the Advertisers Association of Nigeria (ADVAN).

Mainsail Media Limited is a Media planning and buying agency. Mainsail Media Limited is a member of the Media Independent Practitioners Association of Nigeria (MIPAN).

FACT OF THE CASE AS ESTABLISHED AT THE MEETING HELD ON MAY 24, 2022 AT APCON HOUSE, NATIONAL THEATRE ANNEXE, IGANMU, LAGOS

1. Hayat Kimya Head Office in Turkey engaged Mainsail as its Media Independent agency to coordinate media buying and placement, working with Hayat Kimya Nigeria Limited.
2. The contract was initially for 12 months and renewable every December.
3. Sometime in June 2021, Hayat Kimya alleged that a whistle-blower sent information that Mainsail was fraudulent in executing media contract in connivance with a media monitoring service provider.
4. Hayat Kimya Head Office instituted investigation after the allegation into the matter without the knowledge or involvement of its Nigeria office.
5. Notwithstanding the whistle-blowing, Hayat Kimya continued to conduct business with Mainsail until sometime in September, 2021.

HEAD OFFICE
Advertising House,
National Theatre Annexe, Iganmu, Lagos.
0814 150 1015, 0909 484 1841
infolagos@advertcouncil.gov.ng

www.advertcouncil.gov.ng

HEAD OFFICE ANNEXE
Advertising House, Plot 467,
Joseph Adetoro Street, Utako District, Abuja.
08050898937, 09150791310
infoabuja@advertcouncil.gov.ng

6. Hayat Kimya disengaged Mainsail in November, 2021, the outstanding invoice as at the time was N481,349,854.45 (Four Hundred and Eighty-One Million, Three Hundred and Forty-Nine Thousand, Eight Hundred and Forty-Five Naira, Forty-Five Kobo only).
7. Hayat Kimya did not inform the Management of Mainsail of the whistle blowing up until the meeting called by the advertising industry regulator - the Advertising Practitioners Council of Nigeria (APCON) now the Advertising Regulatory Council of Nigeria (ARCON).
8. Hayat Kimya offices have ignored all correspondence from Mainsail and failed to liquidate the outstanding debt.
9. The investigation of the allegation has been ongoing for 12 months as at the time of the meeting.

INDUSTRY INVOLVEMENT

1. Media Independent Practitioners Association of Nigeria (MIPAN), as Mainsail's Sectoral Group, sought to intervene and reached out to the Management of Hayat Kimya Nigeria Limited on the issue. However, the Management of Hayat Kimya Nigeria Limited did not respond to enquiries or overtures from MIPAN. Mainsail consequently reported the matter to APCON (as it then was) through MIPAN.
2. APCON (as it then was), wrote letters to Hayat Kimya requesting for a meeting, but was replied that the issue was under investigation by another government agency hence the company will not respond to any enquiry or correspondence on the issue. The insistence of APCON (as it then was), that the case was not subjudice and was within the jurisdiction of the regulatory authority compelled Hayat Kimya Nigeria Limited to appear before its committee on 24th May, 2022 in company of Mr. Osamede Uwubamwen the President of its sectoral group, the Advertisers Association of Nigeria (ADVAN).

OBSERVATION AND DECISION OF THE COMMITTEE

1. The Committee noted that the investigation had been going on for about 12 months (June 2021 to May 2022), a time long enough to have had investigation of the matter concluded and the issue of indebtedness resolved.

2. If Mainsail or any of her officers is found guilty, the organization or any such officer should be prosecuted and the money recovered.
3. Decision of Hayat Kimya to continue investigation in perpetuity is objectionable and injurious to the business and activities of Mainsail in particular and the industry in general.
4. All investigations should be concluded within 90 days from the date of the meeting and the issue resolved thereafter.
5. APCON (as it then was), will review the issue in September, 2022 for conclusion and finalization.

STATUS OF THE ISSUE

1. Hayat Kimya has failed, neglected and ignored all correspondences from Mainsail.
2. Hayat Kimya has failed, neglected and ignored all overtures to pay its debt to Mainsail.
3. Hayat Kimya has resolved to continue the investigation in perpetuity with impunity and disregard to the Nigeria advertising industry regulations.

IMPLICATION OF HAYAT KIMYA'S ACTION

1. Mainsail is a media-buying agency, hence the bulk of the money is owed to Nigerian Media houses and third party suppliers across several sectors.
2. The money owed has lost substantial value over time due to inflation and rising cost of business operations.
3. Hayat Kimya has moved on with its media buying business and doing business without recourse to the alleged indebtedness.
4. Hayat Kimya's continued indebtedness with and resolve to act with impunity over the matter is a sad example of one of the root causes of decadence in the Nigerian Advertising Industry.
5. The action of Hayat Kimya has led to loss of jobs and disruption in the Nigeria advertising ecosystem in particular and the economy in general.

REGULATORY AUTHORITY'S RESOLVE

1. Hayat Kimya should resolve the issue indebtedness with Mainsail within 7 days of receipt of this letter.
2. Where the debt is not resolved within 7days, the ARCON will be constrained to invoke all or any of the following actions:
 - (a) Revoke all approvals to advertise issued to Hayat Kimya advertising materials until the issue is resolved.
 - (b) Decline further approval of all advertisement materials of Hayat Kimya until the issue is resolved.
 - (c) Enter Hayat Kimya in the black book of Nigerian Advertising Register.
 - (d) Petition other relevant government regulatory agencies to investigate the business and economic activities of Hayat Kimya in Nigeria for the purpose of determining whether such activities are being carried out in an unethical manner and in disregard to government's regulation.
 - (e) Cause the prosecution of Hayat Kimya or its officers where violation of any provision of the law is observed.

ARCON will continue to ensure ethical advertising and marketing communications practice in Nigeria.

Signed:
Dr. Olalekan Fadolapo, FCA, rpa
Director-General