

Advertising ban - does that do the trick?

FOCUS ON THE ITALIAN GAMBLING ADVERTISING AND SPONSORING BAN

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- Key elements of the gambling market in Italy**
- The gambling advertising self-regulation**
- The gambling advertising regulations**
- The ban**
- Is this the right way forward?**

GAMBLING IN ITALY

Key elements

- ❑ Gambling is a **State-reserved activity** managed through offline and online **concessions** granted by the Italian gambling authority (ADM)
 - ❑ In 2005, a progressive **gambling legalization and regulation** started
 - ❑ Since 2012, following a negative public opinion perception, a process of **gambling offer rationalization and advertising regulation** took place
 - ❑ GGR 19 bn € in 2017 of which:
 - ➡ 17,7 bn € offline
 - ➡ 1,3 bn € online
- Total tax : 10,3 bn € (54%)

GAMBLING ADVERTISING SELF-REGULATION

2012 Institute of self-regulation for advertising (IAP) Code

❑ It forbids any gambling advertising if it :



induces in error - by OMISSION, AMBIGUITY or EXAGGERATION



is not affirming behaviour inspired to correctness, awareness, responsibility

❑ (Among others) Gambling advertising shall not ...

- **represent** and **enhance excessive or uncontrolled** gambling
- wrongfully be associated to **strong emotions**
- **use the passion of sport** to associate the love of sport with gambling activity
- deny gambling is a dangerous activity
- be addressed or referred to **minors** also indirectly and show minors gambling

GAMBLING ADVERTISING REGULATIONS (1/4)

2012 “Balduzzi” Decree

- It forbids to provide **gambling advertising messages on newspapers, magazines, publications, during radio and television programs, movies and theatre performances and on the Internet**
 - directed to **incite to gamble or to praise practicing gambling**
 - **showing minors**
 - during TV and radio programs and movies and theatre performances **prevalently directed to minors**
 - without **warnings on gambling addiction risks and winning probabilities notices** on ADM and on licensees' websites or available on gambling premises
- Sanctions for violations to be inflicted by the ADM consist in pecuniary fine towards the **CONTRACTOR** and the **MEDIA** channel from €100k up to € 500k

GAMBLING ADVERTISING REGULATIONS (2/4)

ADM to oblige licensees notably to

- include in any TV, newspapers and publications, radio, Internet, theatre, cinema promotions **compulsory information and warnings:**
 - name of the licensee and licensee concession code
 - gambling is prohibited to minors sentence in addition to the logo 18+
 - addiction risk warning sentence
 - reference to ADM website and licensee's website for winning probabilities and/or RTP information notices
 - ADM logo and responsible gaming logo
- insert an **addiction and winning probabilities warnings box on the top of the licensee homepage/ landing page of not less than 60 pixel size**
- the **lay-out of the warning in newspapers and publications promotions to be "idoneous"** to the promotion

GAMBLING ADVERTISING REGULATIONS (3/4)

2016 Budget Law

- ❑ Radio and TV commercial communications on gambling **forbidden every day from the “generalist programs” between 7AM to 10PM.** Specialized medias have been listed by a specific decree of the Ministry of Finance and the Ministry of Economic Development
- ❑ **12 specific compulsory principles** such as “gambling shall not address minors” or “shall not encourage excessive and uncontrolled gambling”. These principles are **deriving from the self-regulation code of IAP**
- ❑ Sanctions for violations to be inflicted by the AGCOM consist in a pecuniary fine towards the CONTRACTOR, the MEDIA channel and the MEDIA owner from €100k and up to € 500k

GAMBLING ADVERTISING REGULATIONS (4/4)

The missed opportunities

- ❑ **No implementation decree for the EU Recommendation 2014/478/EU of 14 July 2014 on principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online as stated by the 2016 Budget Law**



The Recommendation included limitations to promote messages encouraging irresponsible gambling and banned irresponsible appeals

- ❑ **No strict and severe application of the sanctions**

GAMBLING ADVERTISING AND SPONSORING BAN

2018 “Dignity” Decree

- ❑ It provides for a **total ban for gambling ...**
 - **advertising**, directly and indirectly, legal and illegal gambling, in whatever form undertaken and on whatsoever media channels (tv, radio, newspapers, magazines, bill posting including digital and telematic channels, social media) and on whatsoever sport, cultural or artistic event **from 14th July 2018**
 - **sponsoring** events, activities, initiatives, programs, products or services, any form of commercial communication with promotional content, including visual and acoustic quotes, overlay of tradenames, trademarks, logos, signs or products linked with gambling **from 1st January 2019**

BAN EXEMPTIONS AND TEMPORARY EXCLUSION

- ❑ Exemptions to the total advertising and sponsoring ban only for:
 - **the national deferred prize-drawing lottery**, managed by ADM directly and offered once a year - which offline reselling activity is carried out through national scratch-cards licensee
 - **the local contests** generally managed by the State municipalities directly
 - **the ADM logo for safe and responsible gambling** – which will be removed starting from 1st January 2019

- ❑ The ongoing **advertising agreements** at 14th July 2018 benefit of one-year time total ban postponement

BAN SANCTIONS TO A DEDICATED FUND

- ❑ The violation of the ban is to be sanctioned by AGCOM, with a pecuniary fine equal to the 20% of the (sponsorship or advertising) contract value, towards the CONTRACTOR, the MEDIA OWNER and the ORGANIZER of the event, activity or initiative. In any case, a minimum fine amount of € 50,000 is set per each single violation
- ❑ Should the violation refer to targeting minors, sanctions provided for with the Balduzzi Decree will also apply
- ❑ The income deriving from the sanctions for violating the ban are to be devolved to a **dedicated fund for the contrast to gambling addiction**

STRICTER RULES FOR SCRATCH-CARDS AND AWP/VLT ^(1/2)

- ❑ Scratch-cards shall contain dedicated gambling addiction warnings on both sides of the card, to cover at least 20% of the same. The wording of the warning is to be defined by the Health Ministry. In any case, **it is mandatory to insert a new warning of appropriate dimension so to be immediately visible and on both sides : “THIS GAME DAMAGES HEALTH” - SIMILARLY AS FOR THE TOBACCO PRODUCTS WARNING**
- ❑ Gambling addiction warnings will have to be printed on AWP and VLT machines and the bar/outlets where these are located
- ❑ Mandatory use of State-issued health ID cards to play on AWP and VLT in order to “prevent access to games by minors”
- ❑ Introduction of the “No Slot” logo, which outlets can display if they chose to remove or avoid gaming machines

STRICTER RULES FOR SCRATCH-CARDS AND AWP/VLT (2/2)

- To compensate the obligations deriving from the total ban calculated as “equal to 147 million € for 2019 and to 198 million € per (following) year”, the **unique fiscal levy on AWP and VLT is increased** until 1st January 2023
- Within the next 6 months, the **Government shall propose an overall gambling reorganization** “in order to tackle gambling addiction risks and contrast illegal gambling and frauds damaging the State income and in any case in order to ensure the invariance of the corresponding entries” including the additional taxes deriving from AWP and VLT

IS THIS THE RIGHT WAY FORWARD?

PRO

- No more aggressive gambling commercials**
- Contrast gambling addiction?**
- Preventing minors to play?**

CONS

- A ban impossible to enforce**
- Competitive disadvantage to gambling licensees in Italy**
- Preventing a clear distinction among legal and illegal gambling offer**
- Diverting advertising and sponsoring budget abroad**
- New complaints and Court cases both at National and EU level?**

IS THIS THE RIGHT WAY FORWARD?

Thank you for your attention!

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