



MEMORANDUM 09/31

TO : IFHA/FIAH
FROM : Maurits Bruggink
DATE : October 14, 2009
REF. Advertising by gaming operators

The issue of sponsorship, in particular shirt sponsorship of sports teams by gaming operators have been in the spotlight for a while. Advertising of gambling services through sports has proved to be very efficient and the sponsorship of sports clubs by gambling operators is mushrooming.

Many sports competitions are international and jurisdictions are faced with situations whereby a foreign sports team carries shirt sponsorship of a gaming operator that is prohibited in a jurisdiction. Another example of the cross-border effects of domestic advertising is the placement of billboard in stadiums, which are broadcasted to foreign audiences in case of international matches.

Attached is a note from the UK Gambling Commission on its policy in this area. It says inter alia that teams cannot carry shirt sponsorship of gambling operators with a non-recognised license (i.e. not coming from a white listed country).

- ☞ More and more jurisdictions are opening up their online gaming markets, which leads to an increase in cross-border advertising. IFHA members are advised to assess the risks of advertising by gambling operators that are not authorised in their jurisdiction. This will require action by your government as it will take customers away from the authorised operators and therefore undermines the funding of your sport.

Attachment

Advice note September 2009

Sponsorship of British sporting clubs by foreign gambling operators

A growing number of British sports clubs are obtaining sponsorship deals with gambling providers based outside Great Britain. Sports sponsorship falls within the definition of advertising in Section 327(2)(a) of the Gambling Act 2005 (the Act). Such sponsorship deals raise two principle issues, the first is whether foreign gambling providers may advertise within Great Britain; the second is the need to comply with the gambling industry code for socially responsible advertising.

Under section 331 of the Act, it is an offence to advertise foreign gambling. Any gambling operator who wishes to advertise within Great Britain must be licensed and regulated in either an EEA state (for the purposes of the Act, Gibraltar is considered an EEA state), or one of the states that have been approved by the Department for Culture, Media and Sport (DCMS) on the Government's white list (currently Antigua & Barbuda, Alderney, the Isle of Man and Tasmania).

If a gambling sponsor does not meet one of these licensing criteria they are not permitted to advertise in Great Britain and clubs may not carry their branding. Section 331 can be read online [here](#) and clubs or operators in breach of section 331 put themselves at risk of prosecution.

This should also be borne in mind when hosting international competitions. Care should be exercised to ensure that visiting teams' sponsors are permitted to advertise within Great Britain. As above, the advertising of a gambling sponsor on a visiting club's branded shirts will constitute an offence under section 331 if that sponsor does not meet the licensing criteria.

The second issue is with the branding of children's replica kits. The gambling industry code for socially responsible advertising (the industry code) covers this issue and states at paragraph 33 that: *The advertising of adult-only gambling products or product suppliers should never be targeted at children. This applies equally to sponsorship and this code requires that gambling operators will not allow their logos or other promotional material to appear on any commercial merchandising which is designed for use by children. A clear example of this would be the use of logos on children's sports shirts which in future would not be permitted under the terms of this code. Children's shirts and other merchandise will be defined as those that do not attract VAT.*

It should be noted that the industry code applies from 1 September 2007 and does not apply to sponsorship deals signed before this date. You can read the industry code online [here](#).

Further information on gambling advertising is available at www.gamblingcommission.gov.uk.

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