

BETDAQ



Affiliate Marketing Guidance

1.1 Overview

The purpose of this document is to provide the key marketing regulations and guidance from the associated regulatory bodies, for affiliates marketing on behalf of LC International Limited. In addition, it will also highlight their responsibilities as affiliates to which they are contractually obliged.

2 Licensing Objectives

2.1 Principles based Approach

BETDAQ abides by the overarching principles as set out by the Gambling Commission. These principles are known as the licensing objectives as set out below:-

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

Whilst there is an obligation by licences to adhere to the regulations, there is also an obligation to act in the spirit of the three licensing objectives at all times.

This approach is applied when considering reporting obligations to all regulatory authorities.

It is prudent to remember that although the responsibility of abiding to these regulations lies with the licensee (LC International Limited), all affiliates are contractually obliged to adhere to these overarching principles, in addition to the regulations/guidance, and consideration should be given to these when creating, and/or publishing any marketing material.

3 Regulators and associated responsible bodies

3.1 Regulators

The following entities are responsible for providing the regulations and associated guidelines to which all marketing must comply:

- United Kingdom Gambling Commission (UKGC)
- Advertising Standards Authority (ASA)
- Information Commissioners Office (ICO)

3.2 Gambling Commission

The regulations from the Gambling Commission in relation to advertising are relatively limited, however these are not voluntary codes, and we must abide to these in **all** advertisements:

- *The receipt nor the value or amount of the promotion is:*
 - *Dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency; or*

- *Altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.*
 - *If the value of the benefit increases with the amount the customer spends it does so at a rate no greater than that at which the amount spent increases; and further that:*
 - *If the benefit comprises free or subsidised travel or accommodation which facilitates the customer's attendance at particular licensed premises the terms on which it is offered are not directly related to the level of the customer's prospective gambling.*
- Licensees must satisfy themselves that their marketing communications, advertisements, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008), including 'free bet' offers, do not amount to or involve misleading actions or misleading omissions within the meaning of those Regulations.
 - Licensees must abide by any relevant provision of the CAP (UK Code for Non-broadcast and Direct & Promotional Marketing) or BCAP code (UK Code of Broadcast Advertising), as the case may be, which relates to 'free bet', 'bonus' or similar offers and in that regard follow the CAP and BCAP 'Guidance on the rules for gambling advertisements'. In particular that:
 - Marketing communications (which include advertisements) must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.
 - Marketing communications that include a promotion and are significantly limited by time or space must include as much information about significant conditions as practicable and must direct consumers clearly to an easily accessible alternative source where all the significant conditions of the promotion are prominently stated. Participants should be able to retain those conditions or easily access them throughout the promotion.
 - Terms and conditions relating to consumers' understanding of a 'free bet' offer and of the commitments that they have to make in order to take advantage of such an offer should generally be stated in the advertisement itself. Where the advertisement is limited by time or space (for example a banner advertisement), significant conditions likely to affect a consumer's decision to participate in promotions should be displayed no further than one click away from the advertisement itself. If the significant conditions are not displayed with sufficient prominence, the advertisement will be seen as misleading.
 - The terms and conditions of each marketing incentive must be made available for the full duration of the promotion.

3.3 Advertising Standards Authority

The Advertising Standards Authority (ASA) are the body responsible for publishing all marketing guidance for all industries, and also deal with complaints made against adverts. Only the key points from the guidance are included below, however links to the full guidance documents are also provided:

- Marketing communications must not materially mislead or be likely to do so.
- Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.
- Marketing communications must not materially mislead by omitting the identity of the marketer.
- Material information is information that the consumer needs to make informed decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.
- Before distributing or submitting a marketing communication for publication, marketers must hold documentary evidence to prove claims that consumers are likely to regard as objective and that are capable of objective substantiation. The ASA may regard claims as misleading in the absence of adequate substantiation.
- Marketing communications must not claim that products can facilitate winning in games of chance.
- Marketing communications must make clear the extent of the commitment the consumer must make to take advantage of a "free" offer.

- Marketing communications must not:
 - portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm
 - exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons
 - suggest that gambling can provide an escape from personal, professional or educational problems such as loneliness or depression
 - suggest that gambling can be a solution to financial concerns, an alternative to employment or a way to achieve financial security
 - portray gambling as indispensable or as taking priority in life; for example, over family, friends or professional or educational commitments
 - suggest that gambling can enhance personal qualities, for example, that it can improve self-image or self-esteem, or is a way to gain control, superiority, recognition or admiration
 - suggest peer pressure to gamble nor disparage abstention
 - link gambling to seduction, sexual success or enhanced attractiveness
 - portray gambling in a context of toughness or link it to resilience or recklessness
 - suggest gambling is a rite of passage
 - suggest that solitary gambling is preferable to social gambling
 - be likely to be of particular appeal to children or young persons, especially by reflecting or being associated with youth culture
 - be directed at those aged below 18 years (or 16 years for football pools, equal-chance gaming [under a prize gaming permit or at a licensed family entertainment centre], prize gaming [at a non-licensed family entertainment centre or at a travelling fair] or Category D gaming machines) through the selection of media or context in which they appear
 - **include a child or a young person. No-one who is, or seems to be, under 25 years old may be featured gambling or playing a significant role. No-one may behave in an adolescent, juvenile or loutish way.**
 - exploit cultural beliefs or traditions about gambling or luck
 - condone or encourage criminal or anti-social behaviour
 - condone or feature gambling in a working environment. An exception exists for licensed gambling premises.
 - https://www.asa.org.uk/type/non_broadcast/code_section/03.html
 - https://www.asa.org.uk/type/non_broadcast/code_section/16.html
 - https://www.asa.org.uk/type/non_broadcast/code_section/02.html
 - https://www.asa.org.uk/type/non_broadcast/code_section/01.html

3.4 Information Commissioners Office (ICO)

The Information Commissioners Office (ICO) govern all data privacy regulations. This is an extremely controversial topic at present, so specific care and consideration should be given to these points. Specific points of consideration are included below:

- Marketing databases must have been acquired lawfully, with specific and obvious content given to market the receiver of the correspondence
- Customers who have chosen to Self-exclude from **BETDAQ** must be excluded from all marketing material immediately
- Customers who choose to opt-out of marketing, either from us, or from the information provided in the correspondence, must be removed from the database with immediate effect
- All marketing material must be clearly identifiable as such, and details of the marketer (you, the affiliate) must be clearly presented in the advert

NB: This guidance will change as part of the General Data Protection Regulation (GDPR) which will come into force in May 2018

4 Key things to consider and contractual responsibilities

4.1 Do's and don'ts

Do's

- Observe the law/guidelines in local jurisdictions where facilities may be accessed. In particular, **adverts must not** be: (1) **indecent, pornographic or offensive**; (2) false, deceptive or **misleading**; (3) intended to **appeal specifically to persons under** the minimum **permitted age**; or (4) in **breach** of copyright **laws**
- Include **factually correct** information (instead of false or misleading information), particularly with regard to customer winnings.
- Carry an **age restriction warning**
- **Clearly display** T&CS applicable to promotional activities, inc. start and end dates
- Have an unsubscribe, or opt out, facility (for Email, SMS and bonus advertisements)
- Flag immediately to Compliance/Legal if you become aware of any affiliate and/or third party providing marketing services behaving in a manner that contravenes the RTOS or other advertising requirements
- Ensure increases to the value of the benefit are in line with the spend
- Ensure that free or subsidised travel and accommodation is **proportionate** to level of customers' prospective gambling
- Ensure that offers are proportionate to customers' level of gambling
- Ensure that offers clearly states **key limitations** and qualifications (and these must not be contradicted in the terms and conditions).
- Ensure that key terms are **prominent** and contain a **link** to the full promotion **T&Cs**
- Ensure that free bet terms are clear, including prominent terms, such as time limitations
- Ensure that adverts are **socially responsible**
- Ensure that T&Cs available for duration of promotion
- Ensure that promotions are **not unfair or misleading**

Dont's

- Don't make offers dependent /altered upon a customer gambling for a **pre-determined length of time or frequency**.
- Don't **include a child or young person in promotions**. No under 25s to be featured gambling nor persons who appear under 25. Do not include childish or loutish behaviour
- Don't put promotions on Responsible Gambling pages
- Don't make offers dependent /altered upon a customer gambling for a **pre-determined length of time or frequency**.
- Don't put promotions on Responsible Gambling pages

5 Significant conditions

5.1 What are 'significant conditions'?

Significant conditions are those likely to influence a customer's decision on whether or not to accept the offer

5.2 Where should significant conditions be located?

Significant conditions must be included in the main body of the promotional text or image, and cannot simply be hidden within the terms and conditions of the promotion

5.3 Examples of significant conditions

A non-exhaustive list of significant conditions is included below for your reference:

- Winnings Paid in Free Bets
- Valid from/to dates/times (where appropriate)
- New Customers only – where not obvious in promotion name
- In Bonus Funds/Matched bonus/In Free bets
- Terms Apply of T & C's Apply
- Free bets credited as 4x£5
- Minimum (xx) x wagering requirements on selected games
- Max total bonus bet £xx
- Single bets only
- One bonus per player
- Free bet stake not returned
- Minimum deposit £xxx or Minimum stake £xxx
- First/second/third deposit only
- Offer available until... (where appropriate)
- Bonus/Free Bet valid for (x) days
- Any minimum odds required

As explained in section 5.1, consideration should be given to the overarching principle of a significant term when deciding what should be included.

6 Examples

Below are several examples of non-compliant affiliate advertising campaigns which we have either seen online, or have received complaints about from the ASA of UKGC:



- **Fake News Article**

- **Twitter – sexualising gambling**

<https://twitter.com/BabesAndBets>

- **Image not including significant terms**



7 Social media

The ASA have recently published additional guidance in relation to age-gating marketing material. This is especially prevalent on social media, whereby additional focus must be given. Not only are you required to block posts from being seen by those users who register with a date of birth under the age of 18, you will now also have to give consideration to other factors such as groups associated with underage persons.

All of the aforementioned guidance is applicable across **all** mediums including social media.

8 Affiliate responsibilities and contractual obligations

8.1 Compliance with licence conditions and codes of practice

As a gambling licence holder, **BETDAQ** must comply with the Gambling Commission's licence conditions and codes of practice (LCCP). These impose certain requirements on **BETDAQ** with regards to contracts with affiliates. In particular **BETDAQ** must ensure that our contracts with affiliates:

- Require the affiliate to conduct themselves as if they were bound by the same LCCPs as **BETDAQ**;
- Oblige the affiliate to provide any information **BETDAQ** reasonably requires to enable **BETDAQ** to comply with our reporting and other obligations owed to the Gambling Commission; and
- Enable **BETDAQ** to terminate the affiliate's contract promptly if the affiliate is in breach of contract or they have acted in a way which is inconsistent with the licensing objectives (as set out above at 2.1) or the affiliate is in breach of a relevant advertising code of practice (the provisions of which are set out above at 3.2 to 3.3)¹.

¹ The relevant LCCPs are as follows:

Social responsibility code provision 1.1.2

These provisions are covered off in the **BETDAQ** affiliate terms and conditions – which is part of the reasoning behind our preference to have these as the governing terms of our contracts with affiliates as opposed to the affiliates' own terms.

Breach of these obligations is taken extremely seriously by **BETDAQ**. Affiliate contracts may be terminated in such circumstances.

8.2 Electronic communications

Unless expressly approved by the **BETDAQ** Legal team in writing, affiliates are not permitted to distribute any **BETDAQ** marketing materials by way of:

- a. SMS or text message;
- b. email; or
- c. a mobile 'pop over' or 'mobile pop under' which automatically redirects the recipient to a **BETDAQ** product.

In order for an affiliate to be approved to send such electronic marketing communications, the **BETDAQ** electronic marketing questionnaire must be completed in advance by the affiliate to the satisfaction of the **BETDAQ** Legal team (approval is to be communicated in writing).

Following approval by the **BETDAQ** Legal team, we must ensure the following in relation to any electronic marketing communication that an affiliate is to conduct on **BETDAQ**'s behalf:

- a. the name of the affiliate shall appear in the electronic communication "From" line as the sender of the communication with a sender address unconnected with any **BETDAQ** brand name;
- b. a reference to any **BETDAQ** brand name shall not be included in the subject header on any electronic communication;
- c. the name of the affiliate and/or the affiliate's logo shall be shown in the header and footer of any electronic communication disseminated by affiliate so that recipients may know that the affiliate is sending the communication and not **BETDAQ**;
- d. each and every electronic communication sent by the affiliate shall include an "unsubscribe" option, such unsubscribe facility being linked solely to the affiliate (with no link to any **BETDAQ** brand website or name);
- e. the recipient of the electronic communication shall not be charged a premium for using the "unsubscribe" facility by the affiliate;
- f. the "unsubscribe" facility shall at all times remain fully functioning and operational;
- g. any reference to a bonus incentive in any electronic communication sent by the affiliate shall indicate by a link or a footnote that "T&Cs apply" to such bonus incentive arrangement;
- h. the recipients of any electronic communication disseminated shall be comprised solely of recipients listed on an 'opt in' database (i.e. such individuals must have provided their express consent to the affiliate to receive marketing and advertising electronic communications from a third party gambling operator such as **BETDAQ**);
- i. the affiliate shall immediately remove from its 'opt-in' database any recipient who notifies the affiliate that they no longer wish to receive marketing communications from the affiliate (whether through the "unsubscribe" facility or otherwise);
- j. the affiliate shall not send any electronic communication to any recipient who has notified the affiliate that they no longer wish to receive marketing communications from the affiliate (whether through the "unsubscribe" facility or otherwise); and
- k. upon **BETDAQ**'s request, the affiliate will co-operate with **BETDAQ** in good faith and in a timely manner to carry out any data scrubbing exercises against **BETDAQ**'s 'unsubscribe' lists whether directly or via a third party.

1 Licensees must take responsibility for third parties with whom they contract for the provision of any aspect of the licensee's business related to the licensed activities and ensure that the terms on which they contract with such third parties:

a require the third party to conduct themselves in so far as they carry out activities on behalf of the licensee as if they were bound by the same licence conditions and subject to the same codes of practice as the licensee

b oblige the third party to provide such information to the licensee as they may reasonably require in order to enable the licensee to comply with their information reporting and other obligations to the Commission

c enable the licensee, subject to compliance with any dispute resolution provisions of such contract, to terminate the third party's contract promptly if, in the licensee's reasonable opinion, the third party is in breach of contract (including in particular terms included pursuant to this code provision) or has otherwise acted in a manner which is inconsistent with the licensing objectives.

Social responsibility code provision 1.1.3

1 Remote licensees must ensure in particular:

a [N/A for the purposes of this guidance]

b that the terms on which they contract with their affiliates (that is those who are given a right to advertise, or provide a hyperlink to, a licensee's gambling website) enable them to terminate, subject to compliance with any dispute resolution provisions of such contract, the affiliate's rights promptly if, in the licensee's reasonable opinion, the affiliate is in breach of a relevant advertising code of practice.

Full LCCP available : <http://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/LCCP/Licence-conditions-and-codes-of-practice.aspx>

9 Updates

It is worth noting that this document will be updated at least annually, and in line with any regulatory developments. Additional guidance will be provided when the General Data Protection Regulation comes into force in May 2018.