

CMA response to the Alcohol and Gaming Commission of Ontario (AGCO) consultation on the potential regulatory risks associated with promotional partnerships

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Introduction

The Canadian Marketing Association (CMA) appreciates the opportunity to provide a response to the Alcohol and Gaming Commission of Ontario (AGCO) on the potential regulatory risks associated with promotional partnerships related to internet gaming.

As the voice of the marketing profession in Canada, our corporate members represent virtually all of Canada's major business sectors, and all marketing disciplines, channels and technologies. The CMA supports our members in maintaining high standards of professional conduct through our mandatory Canadian Marketing Code of Ethics & Standards, and a series of compliance and best practices guides. Our guidance on internet gaming marketing is in development.

In addition, we support consumers through our online Consumer Centre, which helps them better understand their rights and obligations, and by responding to inquiries and working to resolve consumer complaints.

CMA members recognize their obligation to maintain the highest standards of honesty, transparency, truth, accuracy, fairness and professionalism.

Overall response to the consultation

The CMA supports efforts by the AGCO to protect consumers by identifying emerging risks while allowing iGaming operators to operate gaming sites through electronic channels.

The consultation paper seeks input on the possibility that the AGCO take regulatory action to prohibit the creation of any physical venue (temporary or permanent) where a purpose of the venue is to encourage and/or facilitate the placing of bets at the venue.

If the intent is to further clarify the types of activities that are and are not permitted as part of promotional partnerships, CMA supports amendments that reflect:

- A measured regulation of activities that are fair and consistent across the industry, not an outright ban; and
- A responsible gambling approach that presents iGaming for entertainment purposes to ensure that existing and potential new participants in the space make informed choices.

Response to specific consultation questions

We are pleased to offer the following comments on the questions contained in the consultation paper.

- 1. What types of promotional or other offline activities, which fall short of creating a traditional land-based gambling site, do you think may be of concern or create risks? What risks might these promotional or other activities create?
 - Proper safeguards should be established to mitigate risk for reasonable marketing activities, such as experiential approaches, promotion of co-branded products, and geotargeted display advertising around an event space that may have vulnerable populations in close proximity, such as rehab centres or schools.

- Potential risks include exposure of vulnerable players and impacts on responsible gambling
 efforts, including increased association of alcohol consumption with gambling activity without
 proper responsible gambling measures in place where alcohol may also be made available,
 youth exposure to gambling advertising and activities, and promotion of gambling at venues
 intended for another purpose. To address and mitigate these potential risks, consider:
 - a) Guidelines around consent in sporting arenas and venues.
 - b) No display advertising around an event space that may have vulnerable populations in close proximity such as rehab centres or schools during certain times.

2. What facts, context, and considerations should the AGCO be aware of when considering these risks?

Establishments with a liquor license have a built-in mitigating factor because of the age
requirements that the license requires. As a result, display ads in these venues should be
permitted. The Liquor Licence and Control Act and its risk-based approach could be relied upon
to ensure the appropriate use of the premises through terms of the liquor licence or in the
Standards and Requirements.

3. What mitigating actions would you suggest the Registrar consider to address relevant risks?

- Mitigating actions should complement the existing requirements for responsible gambling and be subject to compliance with the Registrar's Standards and reputable association guidance, such as that of CMA or other relevant associations.
- Responsible gambling messaging should be easy to understand, informative and readily available for consumers.
- To raise awareness and education, regulators should work with online and offline ad platforms, vendors and industry to establish compliance standards within local markets.
- The above suggestion might include requiring premises that are used for promotional purposes to include responsible gambling messaging and provide educational information or activities, such as courses on responsible betting. The Registrar should also consider the role of venues and operators in providing these activities. For example, can people sign up at these promotional events? Can the operator assist them in doing so?

4. Is there anything you would like to highlight for the AGCO to consider when developing a potential regulatory response to these risks? Are there other factors, data, comments or requests you wish to share related to this matter?

- AGCO regulatory action to address risks should consider progress made to date to transition participants into the regulated marketplace and consumer expectations.
- Regulations need to account for an array of legitimate reasons that would result in the physical
 presence of an operator when co-branding or sponsoring an event. For example, when
 sponsoring an event, an operator might set up an event truck or tent. The goal may be to do

brand promotions or merchandise giveaways, rather than to offer betting within the space. A similar scenario could occur if an operator co-brands an event with a bar or restaurant for promotional purposes, or if an operator decides to permanently operate a restaurant with their brand name, such as BetABC bar.

- If the intent is to scrutinize physical locations, whether permanent or temporary, then the AGCO
 may want to consider auditing the locations to verify the activities are branding focused, for
 example, and not in-venue gambling.
- Resources that provide clear guidelines for what is and is not permitted should be readily available.

In closing

As the AGCO continues to build a framework for the regulated iGaming market in Ontario, the CMA would welcome the opportunity to work with the Commission to ensure that guidance and resources are both effective and practical.

For any questions regarding CMA or its response to this consultation please contact:

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About the Canadian Marketing Association

The CMA's purpose is to embolden Canadian marketers to make a powerful impact on business in Canada. We provide opportunities for our members from coast to coast to develop professionally, to contribute to marketing thought leadership, to build strong networks, and to strengthen the regulatory climate for business success. Our Chartered Marketer (CM) designation signifies that recipients are highly qualified and up to date with best practices, as reflected in the Canadian Marketing Code of Ethics and Standards. We represent virtually all of Canada's major business sectors, and all marketing disciplines, channels and technologies. Our Consumer Centre helps Canadians better understand their rights and obligations.