

Can Social Networks and Influencers advertise Gambling: The Bulgarian National Revenue Agency interprets the Scope of the Gambling Law

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In April 2024, the Bulgarian Parliament adopted amendments to the Gambling Law which entered into force on 18 May 2024. The law introduced far-reaching restrictions on the advertising of gambling games including on internet websites. For our summary of the amendments, see our blog post *The New Rules of the Game: Navigating the Near-Total Ban on Gambling Advertisement in Bulgaria*.

A key piece of the amended Gambling Law is the prohibition of advertising gambling games in electronic media, including internet websites. The law is drafted ambiguously leaving room for various interpretations, and more specifically – whether the ban on advertising on internet websites applies to all websites or this prohibition is restricted in some way.

In July 2024, the Bulgarian National Revenue Agency ("NRA") which is the supervising authority under the Gambling Law, adopted a decision (the "Decision") that aims to clarify certain aspects of the prohibition of gambling advertisements. The Decision was issued in the context of a procedure for disclosure of public information. Under this procedure, any person may request access to information in possession of the NRA, and if such request complies with the requirements of the law, the authority should disclose it. However, the Decision practically attempts to clarify the scope of the application of the statutory prohibition. Thus, the interpretation outlined in the Decision is not binding but rather discloses to interested parties how the authority interprets the latest amendments to the Gambling Law.

According to the NRA, the prohibition of advertising gambling games on internet websites applies only to internet websites of electronic media – audio-visual media service providers under the Law on Radio and Television (transposing the AVMS Directive). This stance of the authority is shared in the context of a discussion of whether the prohibition of advertisements of gambling games applies to social networks such as Facebook, X (Twitter), Instagram, TikTok. The position of the NRA is that social networks are not electronic media, thus the prohibition of gambling ads does not apply to them.

Another question discussed in the Decision is whether influencers may advertise gambling content on social networks such as Facebook, X (Twitter), Instagram, TikTok. By confirming that social networks should not be considered as electronic media because there is no editorial responsibility, the NRA states that generally, advertising of gambling content by influencers should not fall under the prohibition. An important argument of the authority is that each user decides whether to follow a specific "influencer" and thus the former chooses to receive information shared by the latter or stop receiving

information by unfollowing them. However, the NRA leaves room for manoeuvre, stating that each case should be assessed individually.

We note that the above is in contrast with the prior decisional practice of the Bulgarian Commission on Protection of the Competition (the authority vested with the power to investigate and sanction cases of misleading and prohibited comparative advertisement) which ruled in the past that video posts in YouTube (or other social media) can influence the market behaviour of customers. On this basis, the Competition Authority accepted that advertising content disseminated via social media profiles should comply with statutory restrictions or the advertiser may be held liable.

The NRA applies the same reasoning when considering whether a journalist may advertise gambling games in a YouTube podcast. According to the regulator, as long as the users can choose the content and leave the profile of the journalist's podcast, advertising of gambling games is allowed. If an electronic media advertises on specific channels in Twitch or YouTube (Pod Casts) where gambling ads are published, by providing a link to them, this falls into the prohibition of gambling advertising.

Oddly enough, the NRA considers that an audio-visual media service provider may publish links to YouTube podcasts of licensed gambling operators, as long as the link itself is not a gambling ad and the users are informed that they are redirected to social media profiles where information with gambling content is available.

In summary, this non-binding interpretation of the Gambling Law suggests that the NRA aims to limit the prohibition on advertising gambling games via the Internet to the websites of electronic media only. This interpretation by the NRA is subject to review by the

competent courts though, and it remains to be seen whether it will withstand judicial scrutiny.