

Sports Sponsorship in the UAE

by Anita Siassios - a.siassios@tamimi.com -

April 2014

Against the background of advertising regulation in the UAE, sponsors should ensure as a best practice that global sponsorship deals include an appropriate local legal review and legal compliance approval.

As companies explore alternative ways to generate brand recognition, the concept of sponsoring sports events is now a key element for some local and global businesses' marketing campaigns. Nowadays it is quite common to see non-sports industry companies, such as global financial institutions and airlines, making strategic decisions to sponsor sporting events, such as rugby, golf and horse-racing, as well as sporting venues and arenas.

No doubt these companies are focusing on the commercial advantages (and disadvantages) of attaching their name to an event or venue. The value of these sponsorship deals is generally high, as can be the duration of the sponsorship.

Some attention and consideration, however, should also be given to the local laws which govern the location of the sporting event or venue. A company's decision to sponsor a global sporting event, such as the Formula 1 event or the World Cup, should factor in that there could be some local laws that may impede the company's ability to have its sponsorship (in full or in part) displayed in that country.

In the UAE, the local law doesn't distinguish between sponsorship and advertising. Sponsorship is considered a form of advertising, and as such, all sponsorship should be compliant with the local advertising laws and regulations.

Advertising in the UAE is predominantly regulated by the National Media Council's Advertising Regulations (Resolution No. 35 of 2012 Concerning the Standards of Advertisement Content in Mass Media). These Regulations reinforce a number of fundamental ethical principles, mainly respect for religious, cultural, and social values and norms in society, which are provisions found in other local laws such as the Printing and Publications Law (Federal Law No 15 of 1980 Regarding Printed Matters and Publications) and which also regulate advertising in the UAE.

The main principles under the Advertising Regulations are:

- Respect for religion and political institutions: Advertising content must be respectful of all divine religions and not offend Islamic beliefs. It must not disrespect the regime in the UAE, its symbols or political institutions. Further, no content broadcast or published by a media corporation or outlet may disrespect the local and international policies of the UAE or disrespect the cultural heritage of the UAE.
- Prohibited products/services: Advertising alcoholic beverages, tobacco, smoking and all banned products or services (including banned narcotics) is prohibited.
- Prohibited content: The publication of words and pictures that breach public morals is prohibited, as is the spread and dissemination of information that may prejudice children, women or any other members of society.
- Consumer Protection: Compliance with the laws governing consumer protection and commercial activities is mandatory particularly in relation to anti-competitive practices and illegal monopolies.
- Health regulations: Advertising content relating to medicines or pharmaceutical products must

comply with the rules set out by Cabinet Resolution No. 7 of 2007 Regarding Health Advertisements Regulation.

The National Media Council is authorised, under the Advertising Regulations, to apply various penalties for non-compliant advertisements. Such penalties may not be in isolation of any other penalties that may perhaps be imposed upon an entity under the Printing and Publications Law, or any other applicable law.

Anita frequently works with the Sports Law practice, engaging with some of the leading governmental and private sector media and sports companies in the region. Anita has previously worked with the UAE Pro League Committee and Yas Marina Circuit drafting, negotiating and advising on a range of sponsorship and advertising issues for major sporting events in the UAE, as well as a broad spectrum of related commercial matters.