ABG Best Practices Charter KSA

November 2024

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For any questions, please email: info@abg-me.com.

What is Influencer Marketing?

- **How do you define an influencer?**
  An influencer is any individual who has a form of influence or sway over specific industries or groups of people through their social and digital channels.

- **How do I know if I'm engaging in Influencer Marketing activities?**
  You are engaging in Influencer Marketing if you are working on a transactional basis (financial or not) with brands or businesses to promote their services or products to your followers on your social channels.

- **How do influencers work with brands?**
  Brands and businesses collaborate with influencers on content creation and product placement. Influencer marketing generally drives brand awareness, supports a brand message or encourages engagement with a brand's product or service.

- **Where and how does Influencer Marketing take place?**
  Influencer marketing typically occurs on digital platforms, particularly social media networks. These platforms provide a space for influencers to connect with their audience, share content, and promote brands or products.

- **What counts as Influencer Marketing?**
  Influencer marketing can take different forms: one off engagements, short- term promotional collaborations or long term ambassador positions, hosted trips by a brand and blogging or review type content also counts.

Regulations and Licensing in Saudi Arabia

- **Is Influencer Marketing Regulated in the KSA?**

  Yes. As of 2017, and under the **General Commission for Audiovisual Media (GCAM)** in Saudi Arabia the **Audiovisual Media Law (Royal Decree No. M/33 of 25/3/1439** applies to content creators and influencers who engage in audiovisual content production, including advertisements. Influencers promoting products or services via audiovisual media must comply with the guidelines on accurate representation and avoid misleading claims.

  Extending beyond this, influencers in Saudi Arabia must also adhere to the **Cybercrime Law, E-Commerce Law**, and **Consumer Protection Law**. These laws regulate online behavior, digital transactions, and consumer rights, respectively. Influencers must be mindful of these regulations to avoid legal repercussions and maintain ethical standards in their online activities. Failing to do so can result in facing legal consequences.

  It's crucial to respect the country's laws, culture, and values such as respecting divine and Islamic beliefs, as well as all other religions and beliefs. This includes avoiding actions such as spreading misinformation or fake news, and refraining from actions that could harm the nation's reputation or social fabric. Additionally, it's important to be mindful of greenwashing and to ensure that any sustainability claims are genuine and backed by evidence to avoid greenwashing.

- **Do influencers in Saudi Arabia need a license?**
  Yes. As of 2021, the **General Commission for Audiovisual Media (GCAM)** in Saudi Arabia requires **Saudi and non-Saudi influencers** who are 18 years of age or older, to obtain a license called the **Mawthooq License** prior to engaging in paid promotions or publishing advertising content on social media platforms. The Mawthooq License costs 15,000 SAR (approx. US$ 4,000) and is valid for 3 years.

  Non-Saudi influencers are also required to obtain the relevant licenses from the Ministry of Investment of Saudi Arabia (MISA) and the Ministry of Commerce if they wish to carry out advertising services.

  GCAM exempted 11 categories of individual advertisers who are not required to obtain the Mawthooq License, including practitioners of certain professions, and those who work in handicrafts and want to advertise their products through their personal accounts, so check if you fall under exemptions.

  While organic posts without compensation might not be directly subject to these regulations, it's still advisable for influencers to obtain the necessary licenses to avoid potential legal issues, ensuring compliance and minimizing risks, especially given the evolving regulatory landscape.

- **What happens if I don't get a license?**
  Within **KSA** content creators need to have an individual license before working with any brand, regardless of if they are working through an agency. Non-compliance with the law can result in fines, penalties, or suspension of the influencer's license.

- **Do I need to register for anything else?**
  Yes, by law Influencers who generate income through paid promotions and other services and whose earnings exceed a certain threshold must comply with the Value Added Tax (VAT) regulations as stated by **Zakat, Tax and Customs Authority (ZATCA).**

What about sensitive topics or products?

- **It is not permitted** to advertise or promote illegal products, services, or activities, and generally any product, service or practice that is considered unlawful or unethical under Sharia Law principles such as:
  - Tobacco products
  - Betting and gaming
  - Alcohol

- **It is also not permitted to:**
  - Exploit children for advertising and marketing purposes.
  - Display or broadcast any advertising or promotional material without a written contract or agreement.
  - Post and produce an advertisement that contains any acts that include cruelty, violence, incitement to commit crimes, racial discrimination, or incitement to hatred.

The **General Commission for Audiovisual Media (GCAM)** is the primary regulator for media in KSA, and have a broad oversight over media activities. They can enforce regulations related to content that is deemed inappropriate or harmful. Those who ignore the ruling face warning notices from the governing body, a possible **five-year prison sentence** and **fines of up to SR5 million.**

So how do I post as an influencer responsibly and legally?

- Not everyone is social media savvy. It's up to the creator and brands to ensure their consumer is aware they are being advertised to through paid materials. The GCAM's regulation states that all paid influencer marketing communications must be clearly identifiable as advertising with the us of the below language:

    1. Use clear language like **"#advertising"** or **"#paid_ad".** It's not acceptable to have numerous other hashtags within the post description, as this obscures the message.
    1. Disclosures should be prominently placed at the beginning of content.
    2. Vague wording like "in cooperation with" is not sufficient for disclosure.
    3. In addition to written disclosure, paid advertising in videos should be stated verbally and within the first three seconds of content. Eg. stories or live videos.
    1. It's not acceptable to use very small font that is unreadable or use a font color that is hard to read (e.g. using a similar font colour to the background color).
    1. Disclosures should also not require users to move to another page or be re-directed content (e.g., the disclosure may not be placed under a "*Read More*" link).

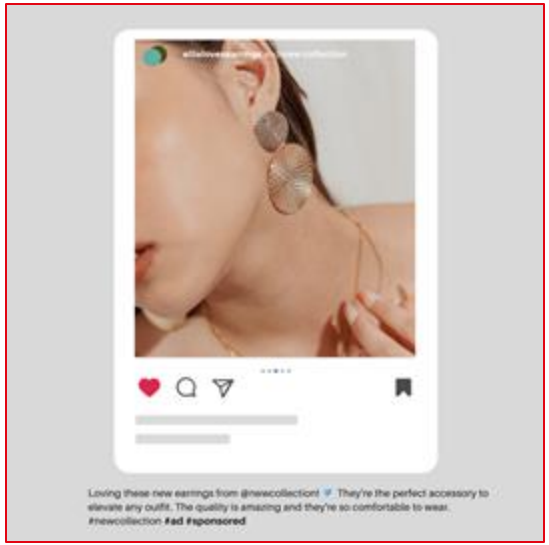
- **Use social media disclosure tools**
  Clearly labeling sponsored content such as using "Paid Partnership" badges on social media platforms builds trust with your audience. It demonstrates honesty and integrity, which can lead to stronger relationships with your followers. Even when using features like Instagram's joint publishing, remember to use the appropriate disclosure tag.

  While social media platforms offer tools to help influencers easily disclose paid partnerships, the ultimate responsibility for ensuring that these disclosures are made correctly lies with the person or entity publishing the content. Always prioritize ethical practices and avoid misleading your audience. If you feel pressured to promote a product you don't believe in, consider terminating the partnership.

Practical Examples for disclosure

When you use paid partnership badges, it will appear on your post, letting your followers know that the content is sponsored.

This helps maintain transparency and avoids any confusion.



- **Can I use AI in my content?**
  Currently there are no laws within Saudi Arabia for the use of AI, however The European Parliament recently came out with the first ever AI Act, declaring that content that is either generated or modified with the help of AI - images, audio or video files (for example deepfakes) - need to be clearly labeled as AI generated so that users are aware when they come across such content.

- **As for Virtual Influencers:**
  While there are no laws specifically targeting virtual influencers in Saudi Arabia, they must comply with existing media, advertising, and data protection regulations and be mindful of the rules set by the General Commission for Audiovisual Media and other regulatory bodies. Aligning with the Kingdom's advertising standards, virtual influencers must clearly disclose any paid partnerships or sponsorships, produce clear and honest communication to consumers about commercial relationships, and adhere to the social fabric of the country's culture and values.

CREATORS

Additional Best Practices for Creators

- **How do I know if I should work with a brand or not?**
  It is highly recommended that you do your homework on a business, brand, product and/or service before entering into a formal agreement to work with them. Ensuring the brand you are partnering with is in line with your values and belief is crucial to your own brand and ethics.

- **Should I have a contract in place when I work with a brand/company?**
  It is a legal requirement to have a contract in place when working in Saudi Arabia.
  The contract outlines the terms and conditions of your partnership, protecting both your rights and the brand's interests

- **What does it mean if a company doesn't want me to work with any other brand during our promotion?**
  If a brand wants exclusive access to your influence, they might require an exclusivity clause in your contract or agreement. This means you agree not to promote competing products or services during a specific timeframe or within a particular category. Ensure that the compensation for the exclusive agreement is fair and that you are happy with the contract duration, including intellectual property rights it would also be helpful to clearly define what constitutes a competing product or service to avoid misunderstandings. Influencers should carefully review exclusivity clauses in their contracts, as these can limit your earning potential.

- **Should I share my insights and audience data with a brand?**
  Sharing insights and audience data with a brand is a professional practice that fosters a healthy business relationship. It provides a benchmark for performance and helps ensure your campaigns are effective. Regularly auditing your follower base to remove fake accounts can further improve your engagement rate and the accuracy of your audience data. Instagram has recently announced a new feature to remove suspicious following accounts. Here's a step by step of how to do it.

Additional Best Practices for Creators

- **Consider a “pre” pre-approval on content**
  Shooting and editing content takes time, so before starting, consider sending a storyboard and script to the brand your partnering with to ensure you’re on the same creative path. It may save you future edits down the line. If you’re working with an agent or talent manager, have them also review and approve your content with the brand, even if the brand did not require approval.

- **Participate in ABG’s training**
  Consider taking advantage of training programs offered by the ABG. These short courses empower you to learn the rules and regulations of influencer marketing in Saudi Arabia and provide valuable knowledge about best practices with a certification of completion at the end which can be shared with brands to boost your credibility and used as leverage.

BRANDS

Additional Best Practices for Brands

- **Have a contract in place when working with creators**
  It is a legal requirement to have a contract in place with talents when collaborating in KSA, so ensure you have one in place before you start any work with a content creator.

- **Get permission for influencer content usage rights**
  Before repurposing an influencer's content across various social channels, you should obtain explicit permission to do so, and agree on usage terms. This includes defining a specific timeframe for the content's use and any potential exclusivity rights. Be prepared to offer additional compensation for extended usage or exclusive rights. Ensure that the content aligns with your brand's messaging and values, and that it's used appropriately to avoid any negative consequences, and consider the potential impact of repurposing content on the influencer's brand reputation and audience engagement. It's advisable to include this in the contract.

- **Editorial control and pre-approval process**
  Provide briefing documents for creators as guidance, particularly by providing examples. This will alleviate any back and forth editing rounds before content goes live. By also outlining the MRO disclosure regulations in your briefing document you are ensuring responsible posting from both yourself as a brand, and from the creator you are working with.

Additional Best Practices for Brands

- **Do your homework on your audience**
  A creators content aesthetics are important and must fit your brand's, but insights are key to your campaign success. Ask for audience insights to ensure your marketing budget is going towards your desired target audience. Something to consider is that as an influencer's follower count increases, so may their percentage of fake followers. **No influencer has 100% real followers**. Even the most authentic accounts have some fake followers. The key is to look for a healthy ratio of real to fake followers.
  A fake follower rate of up to 20% is still considered normal and healthy, anything up to 30% can be acceptable, but above 30% it would be advisable to be evaluated.

- **Some benchmarks for spotting fake followers**

  - **Sudden spikes in followers:** Organic growth is gradual. A sudden, dramatic increase often indicates purchased followers.
  - **Mismatched engagement:** Tons of followers but very few likes or comments on posts signal fake engagement.
  - **Repetitive or irrelevant comments:** Comments like "Nice pic!" or emoji spam on every post are likely from bots.

  Instead look for genuine and thoughtful comments to gauge an audience's engagement and reaction to the content such as questions about the product or services on posts - e.g. "Can you share a link?" "Where is this product from?"

PLATFORMS AND AGENCIES

Additional Best Practices for Agencies & Platforms

- **Contract**
  Protect both yourself and your brand clients by having a contract in place with talent, including a digital comms policy. This could include a requirement for pre-approvals and an opportunity to outline the required GCAM disclosure regulations, this way you are ensuring responsible posting from yourself as a platform, protecting the brand and ensuring ethical advertising from the creator you're working with.

- **Editorial control and pre-approval process:**
  Provide detailed briefing documents for creators as guidance, along with a brand brief if this is available. This will alleviate any back and forth editing rounds before content goes live.

- **Get permission for influencer content usage rights**
  Before brands repurpose an influencer's content across various social channels, agencies should obtain explicit permission to do so from the creator, and negotiate between brand and creator on usage terms. This includes defining a specific timeframe for the content's use and any potential exclusivity rights, advising brands that there may be additional compensation for extended usage or exclusive rights. As best practice include this in any contract you may have in place.

Additional Best Practices for Agencies & Platforms

- **Be transparent about commissions**
  Within your contract with creators, its advisable to outline any commissions you may be receiving from the influencer partnership. Not only is it transparent and ethical, it allows influencers to be aware of the full financial picture and can negotiate their rates accordingly.

- **Continue to be the role model within the industry**
  Agencies and platforms play a crucial role in shaping the future of influencer marketing in Saudi Arabia. By setting a strong example of ethical practices, such as transparent compensation, clear guidelines, and data-driven insights, they can help establish industry standards. By sharing knowledge and best practices, agencies can empower both brands and influencers to navigate the evolving landscape of influencer marketing responsibly and effectively.

A Shared Responsibility

As an ecosystem we all share the responsibility for complying with the GCAM's advertising codes. The ABG's Best Practice Recommendations emphasizes transparency and responsibility in influencer marketing, calling for a collaborative approach between SROs, advertisers, platforms, agencies and influencers to maintain ethical standards that fosters fair industry growth and protects consumers. Each shares the responsibility of complying with advertising self-regulation codes and we should all be aware of and adhere to these codes, understanding that each is accountable for their content.

Building on the **Audiovisual Media Law (Royal Decree No. M/33 of 25/3/1439** and in consultation with industry stakeholders, this Best Practices Charter has been developed to provide advertisers, agencies, influencers, brands and the broader ecosystem with a clear industry playbook on Influencer Marketing.

About ABG

The Advertising Business Group, was founded in March 2007 & formerly known as the Advertisers Business Group, the Advertising Business Group was relaunched in November 2016 and rebranded to reflect the interests of the wider industry including advertisers, agencies, and media owners. As the United Arab Emirates' Self-Regulatory Organisation, ABG defends and promotes the interests of the UAE and the Kingdom of Saudi Arabia's advertising industry and advocates for responsible advertising and communications in the country.