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FTC Releases Sponsorship Disclosure Guide for Influencers on Social Media

The Federal Trade Commission (FTC) issued new, comprehensive guidelines earlier this month on when and how social media influencers need to disclose their material connections and brand sponsorships to their followers.

Called “Disclosures 101 for Social Media Influencers,” the eight-page guide gives specific examples of right and wrong ways to make disclosures. The FTC also released a one-minute [video](#) that provides a quick overview of the disclosure responsibilities of influencers.

The FTC has increasingly focused its enforcement efforts on influencers and endorsers. Although historically the agency has focused its attention on brands and advertisers rather than on influencers, in the past couple of years, the FTC has increased its efforts to both educate and admonish influencers. In 2017, the FTC sent “educational” warning letters to more than 90 advertisers and influencers. The agency cautioned the recipients to ensure that influencers who promote or endorse products on social media clearly and conspicuously disclose material connections between the endorser and the advertiser. The influencers ranged from A-list celebs to micro influencers with small numbers of followers.

The FTC followed up its first set of letters with another 21—this time “warning” letters—to social media influencers regarding Instagram posts that appeared to be endorsements. The letters requested that the

recipients provide the FTC with specific information about their posts. And in a settlement finalized at the end of 2017, the FTC brought its first-ever case against two social media influencers with an ownership stake in an online gaming company, CSGO Lotto. According to the complaint, the influencers promoted the company as gamers without disclosing that they also owned the company.

In the new guide and video on the agency’s disclosure rules, the FTC emphasizes to influencers of all kinds that it’s up to them to provide clear disclosures and that they should never assume that their followers already know about their material connections with brands.

While the FTC reiterated advice from its Endorsement Guides and follow-on guidance, it reminded influencers that they must disclose any financial, employment, personal or family relationship with a brand.

Additionally, the new guide provides several tips that influencers would be wise to follow (and brands would be wise to put in influencer marketing agreements!):

- Financial relationships aren’t limited to money; getting free or discounted products or other perks warrants a disclosure as well. Tags, likes, pins and other ways of showing favor for a brand or product are also considered endorsements.

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- Disclosure placement should be clear and conspicuous. For example, followers will likely miss disclosures if they appear only on an influencer’s About Me or profile page, at the end of a post, or anywhere that requires a viewer to click to see more. For influencers who post photos on Snapchat and Instagram, the guide recommends superimposing the disclosure over the picture.
- Disclosure wording should be simple and clear, such as “Thanks to Acme brand for the free product.” Vague or confusing terms like “#spon” or “#collab” should be avoided, according to the guide.
- Finally, the guide reminds influencers of some endorsement basics, including that they can’t talk about their experience with a product they haven’t tried.

The newly released guidance is significant for two reasons. First, it’s a reminder that all the players in the social media ecosystem—brands, agencies and talent—should be adhering to these principles. Second, it’s a sign that there will be more enforcement activity to come.

Related Professionals

For more information, please contact:

David G. Mallen

dmallen@loeb.com

Elisabeth K. O’Neill

elloneill@loeb.com

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