

## **INFORMATIVE NEWS**

## Reversal of the Specific Regulation of Loot Boxes in Spain

- In an unexpected turn, the "Draft Law Proposal for the Regulation of Random Reward Mechanisms Associated with Interactive Leisure Software Products", commonly known as "Loot Boxes", presented by the Ministry of Consumer Affairs and led by the former Minister Alberto Garzón, has been rejected. This marks a turning point in the proposed regulation that sought to establish a specific legal framework within the video game sector.
- The Draft Law Proposal proposed a regulatory framework intended to address and mitigate the potential harmful effects associated with loot boxes in video games, particularly concerning minors and vulnerable groups. The Ministry of Consumer Affairs indicated that this legal proposal emerged in response to growing social and academic concern about the similarities between these mechanisms and gambling, including potential risks of addictive behaviors.
- Among the proposed measures were the prohibition of access to these mechanisms by minors, the implementation of identity verification systems, significant advertising restrictions, and a sanctioning regime for non-compliance with the regulations.
- The decision to reject the Draft Law Proposal by the current Minister of Consumer Affairs, Bustinduy, is closely linked to the previous debate about the balance between consumer protection and the promotion of innovation and growth in the thriving digital entertainment sector in Spain. Arguments against the Draft Law Proposal highlight concerns about potential restrictions on the creative and economic development of the video game industry, a sector characterized by its dynamism and ability to generate new business models.
- On the other hand, the Director-General of Gambling Regulation, Mikel Arana, highlights the need and importance of regulating "loot boxes" and assures that the Ministry of Consumer Affairs is developing a new regulatory proposal. It is important to achieve a balance between protecting consumers, especially the youngest, and promoting a safe and responsible gaming environment, without hindering development and innovation within the prosperous video game industry in Spain.

LOYRA ABOGADOS Y ASESORES

Gaming Area Department