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# Cause-related marketing: mandatory transparency for businesses from 21 July 2026

Law No. 120 of 19 June 2026 ("Provisions concerning the allocation of proceeds deriving from the sale of products"), previously known as the "DDL Ferragni", has entered into force. The law introduces a comprehensive framework of disclosure and prior notification obligations for businesses that promote products whose proceeds are, in part, allocated to charitable purposes. This is a long-awaited measure, developed in the wake of the media attention generated by the so-called "pandoro-gate", and set to have a significant impact on cause-related marketing practices.

## Legislative background

The case is well known. In December 2023, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato, "AGCM") imposed sanctions on Fenice S.r.l., TBS Crew S.r.l. and Balocco S.p.A. in relation to the "Pandoro Pink Christmas" advertising campaign. According to the AGCM, the commercial communication associated with the product had led consumers to believe that the purchase would contribute to a donation to the Regina Margherita Hospital in Turin, whereas the actual terms of the initiative were unclear. The case highlighted a possible regulatory gap: the absence of specific rules on transparency for charitable initiatives linked to the marketing of products (aside from Article 46 of the Italian Advertising Self-Regulation Code, which has for years governed "public announcements"). This gave rise to the legislative process that, after more than two years on hold, culminated in Law 120/2026.

## New advertising disclosure and prior notification obligations

Among the most significant changes, in the case of promotions linked to charitable initiatives, the Law requires manufacturers and professionals to state on product packaging or in other advertising materials (ensuring clarity and adequate graphic prominence) the following information:

a) the identity of the party receiving part of the proceeds;

b) the purposes for which the allocated proceeds will be used;

c) the percentage of the sale price, or the amount, allocated for each unit of product.

These obligations extend to all commercial communications, including traditional advertising and influencer marketing.

In addition, at least fifteen days before the product is placed on the market, the manufacturer or professional must notify the AGCM of: (i) the information described above (recipient, purposes, share of proceeds); and (ii) the deadline by which the allocated amount will be paid. Confirmation that the payment has been made must be notified to the AGCM within three months of the deadline referred to in point (ii) above.

With respect to these prior notification obligations, the AGCM had raised a number of concerns last year, noting – in an opinion dated 13 May 2025 – the risk of introducing an excessive "level of complexity" and of discouraging businesses from promoting charitable initiatives. The Authority had also identified the Ministry of Enterprises and Made in Italy (MIMIT) as the body best suited to carry out prior controls, by analogy with the rules governing prize competitions. The legislature did not, however, take these observations on board, and confirmed the original regulatory framework.

## Sanctions regime

The Law introduces an *ad hoc* sanctions regime for breaches of the disclosure and notification obligations described above. In such cases, the AGCM has the power to impose an administrative fine ranging from EUR 5,000 to EUR 50,000 (unless the conduct constitutes a criminal offence or an unfair commercial practice under the Consumer Code), as well as to order publication of the sanction. In the event of non-compliance, a further fine of between EUR 5,000 and EUR 50,000 applies. The amount of the fine is determined taking into account the list price of the product and the number of units offered for sale. 50% of the proceeds from the fines is allocated to solidarity initiatives, to be identified by inter-ministerial decree.

The provisions of Article 27 of the Consumer Code are also declared applicable, to the extent compatible (including the AGCM's precautionary and investigative powers and the sanctions regime provided for unfair commercial practices). This overlap had been flagged by the AGCM in its 2025 opinion as a potential weakness of the new regulatory framework.

## What changes for businesses?

The entry into force of Law 120/2026 requires businesses involved in cause-related marketing campaigns to update their commercial communications accordingly (the new provisions do not apply to promotions, sales and supplies of products already under way as of 21 July 2026). In particular, businesses will need to review their advertising processes, incorporating the new disclosure obligations into the approval procedures for communication materials, and to plan campaign timelines taking into account the 15-day deadline for prior notification to the AGCM and the subsequent obligation to notify that payment has been made. The new disclosure obligations also require closer coordination with any commercial partners and influencers involved in the promotion, as they are expressly subject to the same rules.

## Contacts

**Gianluca De Cristofaro**
gianluca.decristofaro@lcalex.it

**Marina Savio**
marina.savio@lcalex.it