

Data Privacy and Advertising Regulations Are Tightening

The push for a comprehensive and pre-emptive national data privacy law remains unresolved. The [American Privacy Rights Act \(APRA\)](#) stalled in Congress last year, leaving advertisers to navigate a mix of state laws. While some states, like Virginia, have created business-friendly models, others, such as Maryland, are introducing stricter rules that could increase compliance costs. Meanwhile, the Federal Trade Commission (FTC) continues expanding its definition of "sensitive information," now including browsing data, making it clear that collecting and using consumer data for advertising requires stronger controls. See [here](#) a tracker of states' consumer data privacy laws and what they are.

What This Means for Video Advertising:

Advertisers relying on audience-based targeting must reassess how they collect and use data. Video ad buyers should prepare for increased scrutiny on managing viewership data, particularly if it includes behavioral insights. More states will likely adopt privacy laws affecting measurement, retargeting, and data-driven ad placement.

Subscription and Negative Option Rules Affecting Streaming Platforms

The FTC has made sweeping changes to its rules on "negative option" billing, adding significant compliance burdens for businesses offering subscription services. These amendments go beyond stricter disclosure requirements and opt-out mechanisms, imposing new obligations that could make it harder for companies to maintain subscription-based models ([here](#)). IAB is actively challenging these amendments, arguing that they place unnecessary restrictions on businesses and could ultimately limit consumer access to subscription-based content. This particularly impacts ad-supported video streaming services that offer premium subscriptions. The changes impose stricter requirements on how services present auto-renewals and cancellations, aiming to prevent deceptive billing practices.

What This Means for Video Advertising:

Streaming platforms that offer both ad-supported and subscription tiers need to adjust their customer acquisition strategies. Advertisers investing in Connected TV (CTV) and streaming sponsorships should anticipate potential shifts in audience behavior as platforms refine their subscription models in response to the new rules.



Increased Enforcement on Data Brokers and Precise Geolocation Data

Data brokers and third-party data aggregators are facing heightened scrutiny from the FTC and state regulators for allegedly unfair trade practices. Recent enforcement actions signal that companies using precise geolocation data for advertising must (1) verify consumer consent for processing and (2) conduct due diligence up and down the data supply chain. This is particularly relevant for cross-device and cross-platform tracking, which underpins much of programmatic video advertising. You can see two examples [here](#), [here](#), and [here](#).

What This Means for Video Advertising:

Brands and media buyers relying on third-party audience data for video ad targeting should conduct audits of their data partners. Ensuring proper user consent and transparency in data usage will help mitigate risks associated with regulatory enforcement actions.

AI Governance Is a Growing Concern

Following the shift in administration, President Trump signed an [Executive Order](#) to rescind nearly 80 of former President Biden's executive actions, including one requiring artificial intelligence developers that pose risks to national security, public health, or safety to share safety test results with the federal government. President Trump also signed an [Executive Order](#) instructing the Attorney General not to take any action to enforce the [Foreign Adversary Controlled Applications Act](#) for 75 days as the Trump Administration determines an appropriate course of action to take related to TikTok.

The FTC has issued warnings that AI used for marketing and audience segmentation must comply with existing consumer protection laws. Companies must ensure their AI-driven ad targeting and content personalization do not result in discrimination or misleading claims. Furthermore, the Children's Online Privacy Protection Act (COPPA) has also been updated, imposing new requirements for AI-driven ad experiences targeting minors ([here](#)). As it hasn't been published in the Federal Register yet, there's a chance this update to the COPPA rule is paused given Trump's Executive Order on regulations.



What This Means for Video Advertising:

AI-powered content recommendations and dynamic ad insertions must be monitored to ensure they align with evolving compliance requirements. Brands and publishers using AI for ad targeting must verify that their models do not inadvertently collect sensitive data or lead to regulatory risks. If a campaign involves minors, AI-based ad serving and audience profiling will require additional safeguards.

Children's Privacy and Social Media Regulations Expanding

Several states, including California, Arkansas, and Indiana, have passed or are considering new laws that mirror COPPA but extend protections to minors under 18. Additionally, recent enforcement actions against companies like NGL Labs show that regulators are aggressively targeting misleading ad practices on platforms frequented by younger users ([here](#)). AI-generated content moderation is also under scrutiny, requiring brands to ensure that automated ad placements do not expose minors to inappropriate content.

What This Means for Video Advertising:

Video advertisers working with platforms that attract younger audiences must ensure their campaigns comply with state and federal regulations. Automated ad placements using AI will require more stringent oversight to prevent exposure to non-compliant environments.

Looking Ahead

The regulatory environment for video advertising is shifting rapidly. Privacy laws, AI governance, and consumer protection rules are all shaping how brands, agencies, and publishers operate. Staying proactive—whether through compliance audits, updated ad strategies, or closer collaboration with legal teams—will be key to adapting to these changes while ensuring continued audience engagement and revenue growth. The IAB Video Compliance Brief will be released quarterly so you can stay up to date. The next will be in June 2025.