

Special Legal Issues Seminar Series

Evolution of Online Gaming Law in India

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Pre-Regulatory Era: The Legal Vacuum

- Before 2021, no central legislation specifically regulated online gaming.
- Platforms operated under a patchwork of archaic statutes not designed for the digital age.

1867	1955	2000	Varied
<p align="center">Public Gambling Act, 1867</p> <p>Central law prohibiting operating/visiting gambling houses. Predates online gaming entirely. Skill-game exception recognized (S.12).</p>	<p align="center">Prize Competitions Act, 1955</p> <p>Regulated prize competitions involving puzzles, crosswords, forecasts of sporting events. Limited applicability to modern online skill games.</p>	<p align="center">Information Technology Act, 2000</p> <p>Primary digital legislation. Defined ‘intermediary’ (S.2(w)) and granted safe-harbour protection (S.79). No dedicated gaming provisions whatsoever.</p>	<p align="center">State-Level Laws</p> <p>States legislated under Entry 34 (Betting & Gambling), List II. Tamil Nadu, Andhra Pradesh, Telangana enacted online gaming restrictions creating a patchwork of conflicting rules.</p>

KEY GAP | The IT Act, 2000 had no provision specifically regulating online games, their categories, permissibility, or intermediary obligations unique to gaming. State-level fragmentation created regulatory arbitrage.

Information Technology Act, 2000

S. 2(w)

Definition of ‘Intermediary’

any person who, on behalf of another person receives, stores or transmits an electronic record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online-market places and cyber cafes.

S. 79

Safe Harbour for Intermediaries

An intermediary is not liable for third-party information hosted or transmitted by it, provided it observes due diligence.

S. 69A

Power to Block Access

The Central Government may direct blocking of any information or website in the interest of sovereignty, integrity, defence, or public order. [MeitY used this provision to direct blocking of offshore gambling and betting websites targeting Indian users. This was the primary enforcement tool before dedicated gaming legislation.]

S. 87(2)

Rule-Making Power

Empowers the Central Government to make rules for the purposes of the Act, including specifying due diligence requirements for intermediaries. This provision served as the legislative basis for the IT Rules 2021 and the gaming-specific amendments of 2023.

Information Technology Rules, 2011/2021

2011

IT (Intermediary Guidelines) Rules, 2011

No gaming-specific provisions.

- › General due diligence for all intermediaries
- › Required publication of terms of service, privacy policy
- › Mandated takedown of unlawful content within 36 hours of notice
- › Required intermediaries to assist law enforcement
- › Superseded in 2021 by IT Rules, 2021
- › Rule 3(2): Prohibited hosting or publishing content relating to: gambling, money laundering, unlawful activities.

2021

IT Rules, 2021

Still no dedicated gaming provisions.

- › Introduced Social Media Intermediary (SMI) & Significant SMI categories
- › Enhanced due diligence: grievance officer, monthly compliance reports
- › Three-tier grievance: Grievance Appellate Committee
- › Code of Ethics for digital media
- › Gaming platforms covered only as general intermediaries
- › Rule 3(1)(b): Intermediaries had to inform users not to host information relating to unlawful activities including: gambling, money laundering, fraudulent activities.

2023

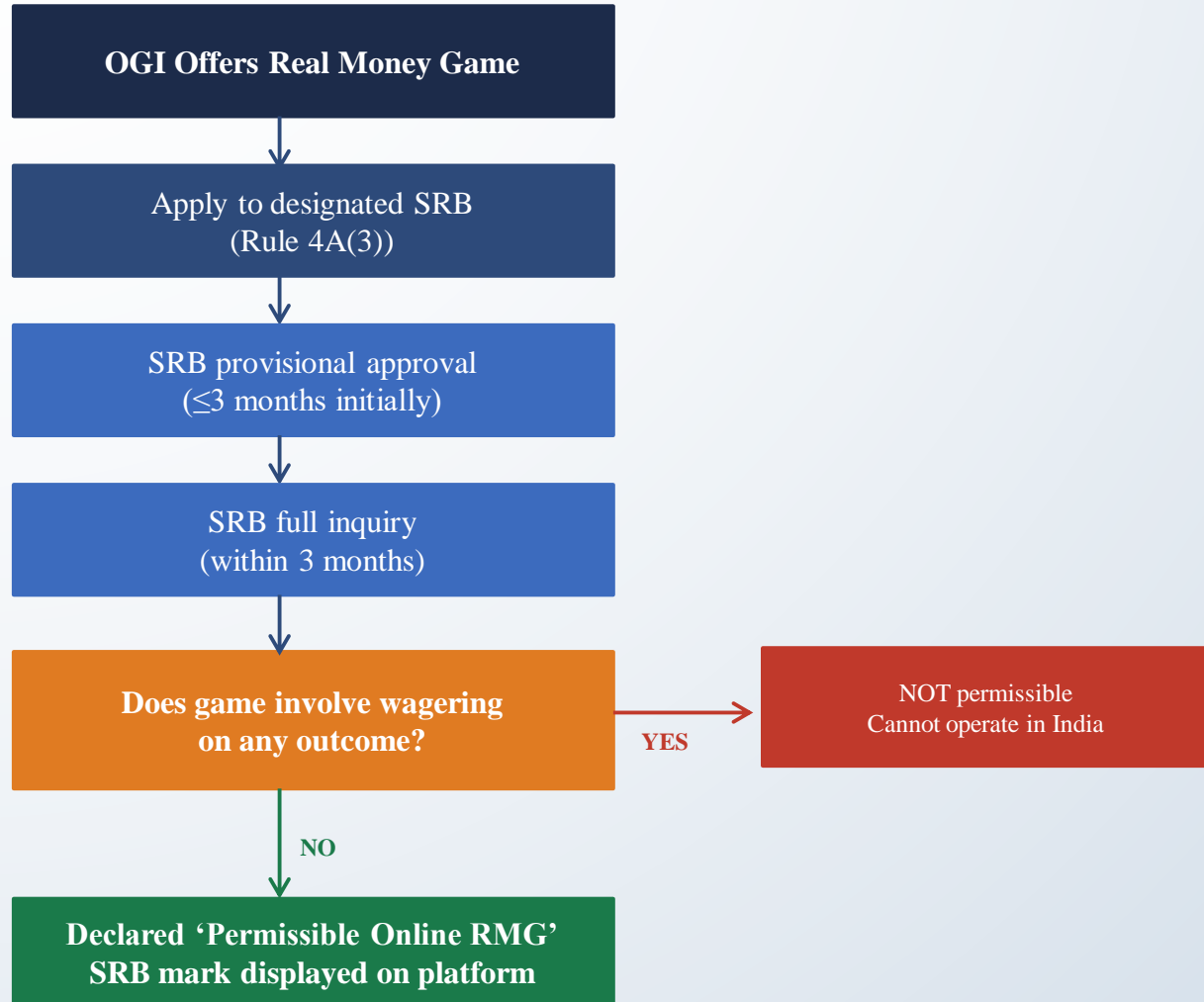
IT Amendment Rules, 2023

FIRST dedicated online gaming framework.

- › ‘Online Gaming Intermediary’ (OGI): new category under IT Act
- › ‘Online Real Money Game’ (ORMG): deposit with expectation of winnings
- › Self-Regulatory Bodies (SRBs) designated by MeitY (Rule 4A)
- › SRBs verify RMGs as ‘permissible’: must not involve wagering
- › OGI offering RMGs: appoint CCO, KYC users, display SRB mark
- › Grievance resolution: acknowledge 24 hrs, resolve 15 days
- › Intermediaries to block non-permissible games (S.69A IT Act)

ORMG Permissibility Process

Process applicable to Online Real Money Games (ORMGs) under Rule 4A, IT (Intermediary Guidelines & DMEC) Amendment Rules, 2023



SRB Designation Criteria (Rule 4A(2))

- › Must be a Section 8 (not-for-profit) company under Companies Act, 2013
- › Board composition must be free from conflict of interest with members
- › Governing documents (MoA/AoA) must require arm's-length functioning
- › Must have sufficient financial capacity to perform regulatory functions
- › Members must have track record of responsible gaming promotion

Key OGI Obligations for Permissible RMGs

- › Appoint Chief Compliance Officer, Nodal Contact Person & Resident Grievance Officer (all India-resident)
- › Maintain physical contact address in India
- › KYC verification of users before accepting deposits
- › Display SRB verification mark on every permissible RMG
- › Disclose withdrawal/refund policy, winnings distribution, and fee structure
- › Prohibit credit/financing by OGI or third parties to users for RMGs
- › Notify users of policy changes within 24 hours of change taking effect

PROG Act, 2025

Promotion and Regulation of Online Gaming Act, 2025 | India's First Standalone Central Law on Online Gaming

Notified

2 October 2025
by MeitY

Rules Notified

22 April 2026
PROG Rules, 2026

Effective Date

1 May 2026
(Act & Rules both)

Regulator

Online Gaming
Authority of India (OGAI)

Why a Standalone Law?

- › The IT Act framework (via IT Rules 2023) treated gaming platforms merely as ‘intermediaries’ under a general digital law. It could not directly prohibit specific game types or create a domain-specific regulator with financial oversight powers.
- › The SRB framework under IT Rules 2023 was self-regulatory. It could not categorically prohibit online money games or create binding criminal penalties for operators.
- › Fragmented state-level laws (Entry 34, List II) created regulatory arbitrage. A central law under Entry 31 (Posts & Telegraphs, etc.) and Entry 97 (residuary) was required for uniformity.
- › The PROG Act resolves these gaps: it outright prohibits ‘Online Money Games’, creates the OGAI as a statutory regulator with financial oversight powers, and establishes criminal penalties.

Three Categories of Online Games [PROG Act, 2025]

The Act classifies all online games into three exhaustive categories. Classification determines the applicable regulatory regime.

OSG Online Social Games

PERMITTED

A non-wager online game, playable via a one-time access payment or a subscription fee, offered for entertainment purposes.

- › Does not involve betting or wagering in any form
- › Monetisation via one-time access fee or subscription
- › Registration with OGAI not mandatory unless Central Government notifies
- › Central Government may mandate registration based on: risk to users (incl. children), scale of participation, financial transactions, country of origin
- › Examples: casual mobile games, puzzle apps, strategy games (no real-money stakes)

ESP E-Sports

PERMITTED (with mandatory registration)

A skill-based online multi-player game which does not involve betting or wagers, played as part of multi-sport events.

- › Must be skill-based and multi-player
- › Strictly no betting or wagering component
- › Played as part of multi-sport events
- › Recognised under the National Sports Governance Act, 2025
- › Participation fees may be charged
- › Prizes may be awarded
- › Mandatory registration with OGAI
- › OGAI must register within 90 days of complete application

OMG Online Money Games

ABSOLUTELY PROHIBITED

An online game played for fees, money, or stakes with the prospect of monetary or other rewards, whether based on skill and/or chance.

- › Covers any game with real monetary stakes and prospect of monetary reward
- › Applies irrespective of whether game is skill-based OR chance-based
- › OGAI to identify such games and publish an official list
- › Financial intermediaries must REFUSE transactions for identified money games
- › Absolutely prohibited under the Act
- › Criminal penalties apply for operators, financial facilitators, and advertisers

Online Gaming Authority of India (OGAI)

Composition

Chairperson

Additional Secretary, MeitY OR an officer not below the rank of Joint Secretary, nominated by the Secretary, MeitY

Ex Officio Member

Joint Secretary level [Ministry of Home Affairs]

Ex Officio Member

Joint Secretary level [Ministry of Information & Broadcasting]

Ex Officio Member

Joint Secretary level [Ministry of Youth Affairs & Sports]

Ex Officio Member

Joint Secretary level [Department of Financial Services]

Ex Officio Member

Joint Secretary level [Department of Legal Affairs]

Mode of Operation

Functions as an attached office of MeitY. Operates as a digital office.

Functions of the OGAI (PROG Act, 2025)

Classification

- › Identifies online money games and publishes an official list
- › Maintains records of all games that are determined or registered

Registration & Finance

- › Registers eligible online games (e-sports: mandatory within 90 days)
- › Regulates financial aspects: deposits, transactions, fund authorisation, payment routing, settlement
- › Verifies determination orders and registration certificates

Data & Technology

- › Imposes data-related obligations including retention of traffic data, metadata, and other operational information

Standards & Enforcement

- › Issues binding directions on online gaming, advertising, and financial transactions
- › Frames guidelines and issues fair-play, cybersecurity, and safety standards
- › Coordinates with regulators, law enforcement, and financial institutions

Advisory Role

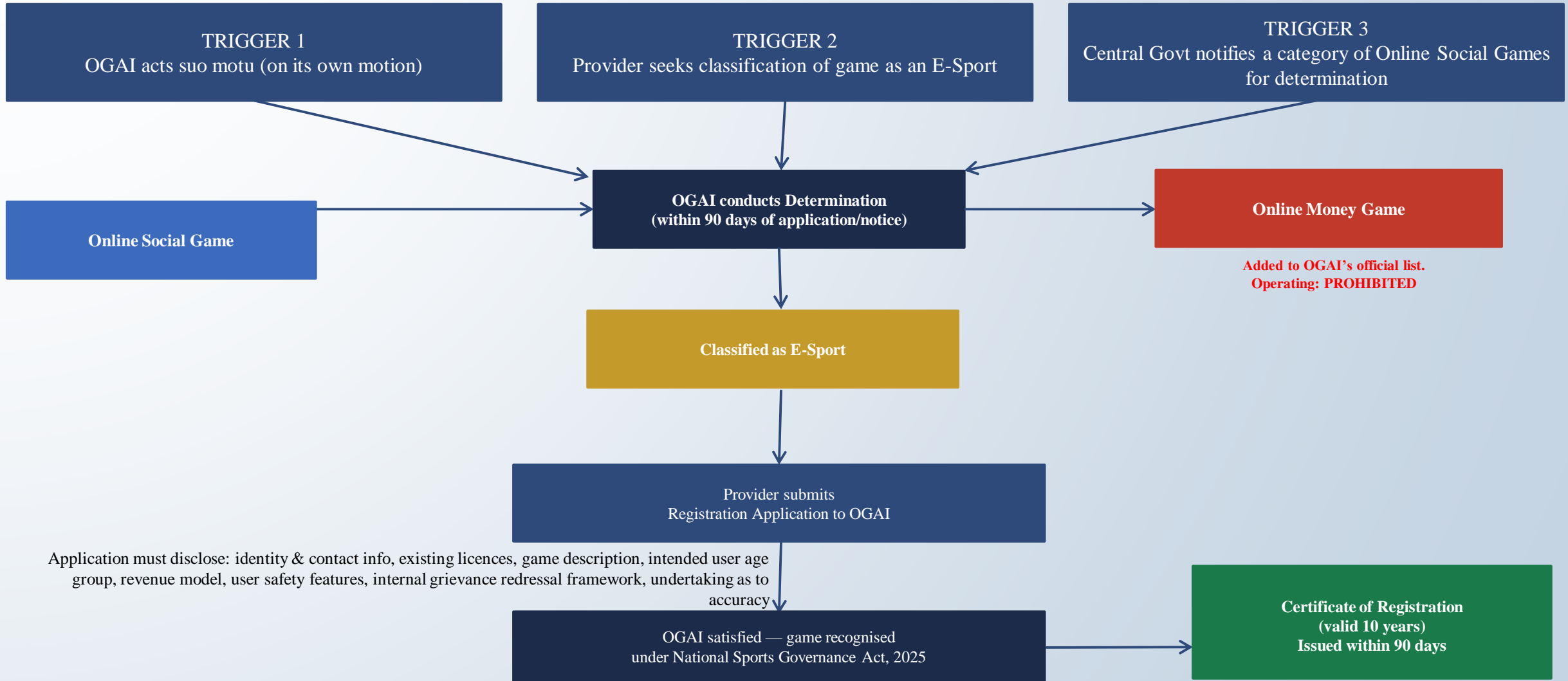
- › Assists the Central Government through advisories on online gaming policy

Grievance Appellate

- › Second tier of grievance redressal (30-day resolution mandate)
- › Power to issue corrective or remedial directions to online game service providers

Game Determination & Registration Process

Note: Determination is NOT mandatory in all cases. It is only triggered in three specific situations under the PROG Rules, 2026.



Registration & Compliance Framework

Online Game Service Providers

- › Prominently display determination and registration status on the platform
- › Prohibited from misrepresenting any game as 'determined' or 'registered' without OGAI approval
- › Designate and publish a point of contact for regulatory communications
- › Comply with India-based data retention requirements (traffic data, metadata, operational information)
- › Establish an internal grievance redressal mechanism
- › Resolve user grievances within 30 days through written or digital means
- › Registration certificate valid for 10 years unless surrendered, suspended, or cancelled

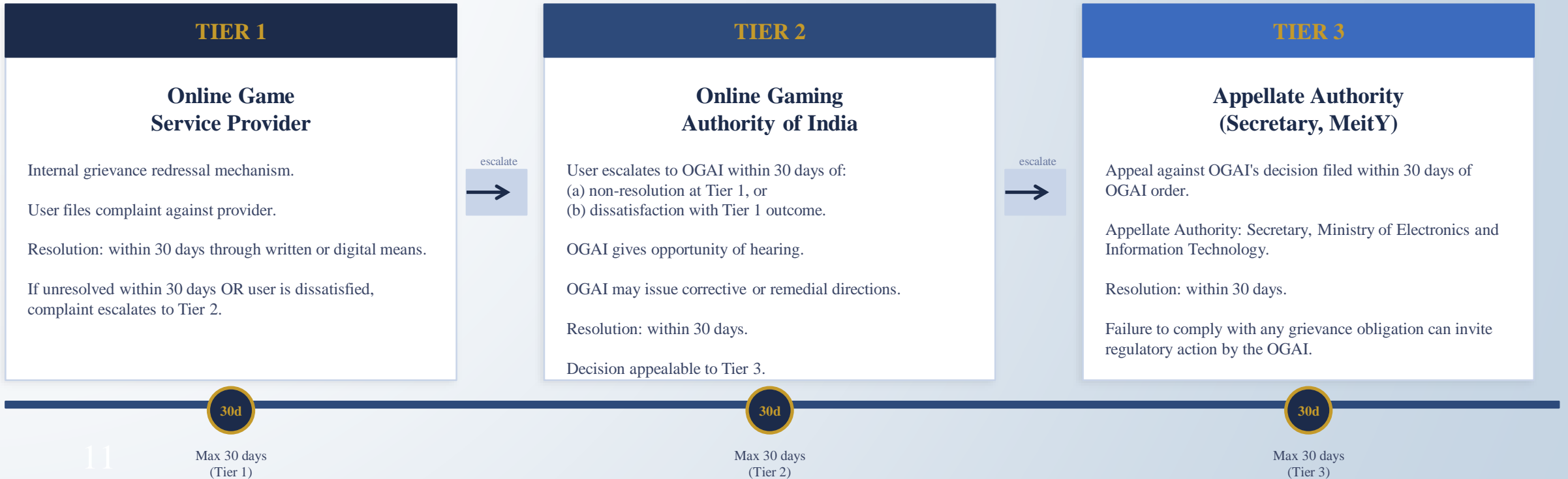
Financial Intermediaries (Banks, Payment Gateways, etc.)

- › Must verify determination orders or registration certificates BEFORE enabling payments for any online game
- › Must comply with OGAI directions to suspend or restrict transactions in respect of identified online money games
- › This creates a payment-layer enforcement mechanism — financial intermediaries are a critical compliance checkpoint
- › Failure to comply with directions constitutes a regulatory violation enforceable by the OGAI

Obligations on Application (for Determination / Registration)

- › Identity and contact information of applicant; details of existing licences or authorisations
- › Game description and category; intended user age group
- › Revenue model; user safety features; internal grievance redressal framework
- › Undertaking as to accuracy of all information furnished
- › Any additional information as may be sought by the OGAI for determination or registration

Grievance Redressal Process



Consequences of Non-Compliance: Failure to comply with grievance redressal obligations at any tier can invite regulatory action by the OGAI, including corrective and remedial directions, and may be factored into enforcement proceedings under the PROG Act, 2025.

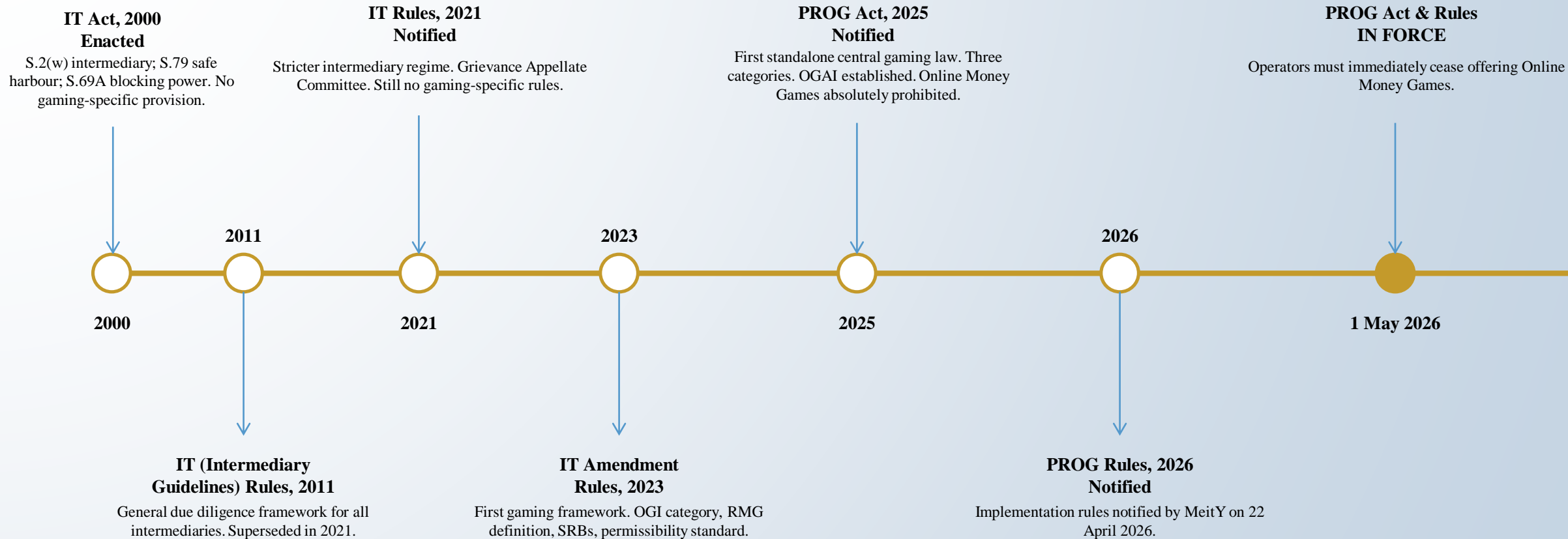
Penalties Under the PROG Act, 2025

Proceedings may be initiated on receipt of a complaint or on a suo motu basis by the OGAI. Factors considered include: user harm, unfair gain, recurrence, gravity and duration of violation, and mitigating steps taken.

Offence	Imprisonment	Fine	Or Both
Offering Online Money Gaming illegally (First Offence)	Up to 3 years	Up to ₹1 Crore	✓
Making prohibited advertisements for online gaming (First Offence)	Up to 2 years	Up to ₹50 Lakh	✓
Engaging in prohibited financial transactions or authorising funds (First Offence)	Up to 3 years	Up to ₹1 Crore	✓
Repeat illegal online gaming or fund transactions (Repeat Offence)	3 to 5 years	₹1 Crore to ₹2 Crore	✓
Repeat prohibited advertisements (Repeat Offence)	2 to 3 years	₹50 Lakh to ₹1 Crore	✓

NOTE: Criminal liability extends to operators of platforms offering money games, financial intermediaries enabling prohibited transactions, and persons responsible for prohibited advertisements. The PROG Act creates independent offences for each category of actor.

Regulatory Timeline



Conclusion

01

Absolute Prohibition on Online Money Games: Effective 1 May 2026

Any game played for fees or stakes with prospect of monetary reward is categorically prohibited. Operators must have ceased offering such games by 1 May 2026. Criminal penalties (up to 3 years; up to ₹1 crore) apply immediately to operators, financial facilitators, and advertisers.

02

E-Sports Operators Must Register with OGAI: Mandatory Obligation

All e-sport offerings require mandatory registration with the OGAI. Applications must disclose identity, game description, revenue model, user safety features, and grievance framework. OGAI must process applications within 90 days. No e-sport may be offered pending registration.

03

Financial Intermediaries: New Verification Obligations

Banks, payment gateways, and all financial intermediaries facilitating transactions for online games must verify OGAI determination orders or registration certificates before enabling payments. This makes the payment layer a primary enforcement vector.

04

Online Social Games: Monitor Central Government Notifications

Registration is not currently mandatory for online social games. However, the Central Government may notify specific categories for mandatory registration, having regard to risk to users (including children), scale of participation, financial transactions, and country of origin.

05

Three-Tier Grievance Mechanism: 30-Day Windows at Each Stage

Platforms must establish internal grievance mechanisms resolving complaints within 30 days. Users may escalate to OGAI (30 days) and then to the Appellate Authority — Secretary, MeitY (30 days). Non-compliance invites regulatory action.

THANK YOU!
Questions?

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