



CYBER LAW

Promotion and Regulation of Online Gaming in 2025: A Landmark in Digital Policy

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Introduction

The Promotion and Regulation of Online Gaming Bill, 2025, passed by Parliament on 21st August 2025, marks as a landmark development in India's digital legal framework. The legislation aims to curb the social and economic harm caused by predatory online money games while simultaneously promoting e-sports and safe online recreational games. It reflects the Government's intent to strike a balance between innovation and responsibility, ensuring that digital progress benefits society without exposing individuals to exploitation.

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Background of the Bill

The exponential growth of online gaming platforms has been accompanied by serious social risks. According to Government estimates, nearly 45 crore individuals have been adversely affected by money-based games, with financial losses exceeding ₹20,000 crore. Cases of addiction, indebtedness, and even suicides linked to online gaming have highlighted the urgent need for regulation. The World Health Organization has classified gaming disorder as a medical condition, drawing attention to the dangers of compulsive play. At the same time, certain platforms have been misused for money laundering, fraud, and terror financing, raising concerns of national security. Against this backdrop, the Bill provides a comprehensive framework to address these risks while acknowledging the immense economic and creative potential of India's gaming sector.

Key Provisions of the Bill

The Bill has been made applicable across India and extends to offshore platforms that operate within the country. It formally recognises e-sports as legitimate competitive sports, empowering the Ministry of Youth Affairs and Sports to frame guidelines for tournaments, set up training academies, and promote e-sports as part of the broader sporting ecosystem. Similarly, the Bill encourages social and educational games by granting the Central Government powers to register, recognise, and promote safe and age-appropriate platforms that focus on education, skills, and cultural values.

The most critical provision of the legislation is the complete prohibition of online money games, regardless of whether they are based on skill, chance, or a combination of both. Advertising and promotion of such games are strictly barred, and financial institutions are prohibited from processing transactions linked to them. To ensure effective oversight, the Bill provides for the establishment of a national regulatory authority with powers to categorise and register permissible games, issue compliance guidelines, and address public grievances.

The enforcement mechanism is backed by stringent penalties. Offering or enabling online money games can attract imprisonment of up to three years along with a fine of up to one crore rupees. Advertising such games is punishable with up to two years of imprisonment and a fine of fifty lakh rupees. Repeat offences invite harsher punishment, including imprisonment of up to five years and a fine of two crore rupees. Offences are cognisable and non-bailable. The Bill also imposes corporate liability on companies and their officers, although independent and non-executive directors are protected if they can establish that they exercised due diligence. Enforcement officers are granted powers of search, seizure, and even arrest without warrant in specific cases, with investigations to be conducted under the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023.

Complementary Legal Frameworks

The legislation does not operate in isolation but aligns with existing statutory frameworks. The Information Technology Act, 2000, along with the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, provides the Government with authority to block illegal websites and apps. Between 2022 and June 2025, more than 1,500 betting and gambling platforms were blocked.

The Bharatiya Nyaya Sanhita, 2023, further strengthens the framework, with Sections 111 and 112 prescribing penalties for unlawful betting and gambling. From a fiscal standpoint, the GST regime applies equally to digital platforms, requiring offshore gaming entities to register under the Simplified Registration Scheme. The Consumer Protection Act, 2019, prohibits misleading and surrogate advertising, with the Central Consumer Protection Authority empowered to penalise violators. Additionally, ministries such as Information and Broadcasting have issued advisories in 2022, 2023, and 2024 warning against the promotion of online betting platforms, while the Ministry of Education has issued guidelines to parents and schools on safe gaming practices for children.

Implications for Society and Industry

The enactment of this Bill carries wide-ranging implications. For families and individuals, it promises protection from the lure of exploitative gaming platforms that have previously caused immense financial and emotional distress. For the economy, it provides a structured pathway for the growth of e-sports and social gaming, positioning India as a hub for innovation, digital creativity, and employment generation in the sector. The Bill also provides clarity to stakeholders by introducing a clear regulatory framework, thereby reducing legal ambiguities and ensuring responsible gaming practices. On the global stage, India's balanced approach enhances its reputation as a leader in responsible digital governance, setting a model for other jurisdictions facing similar challenges.

Conclusion

The Promotion and Regulation of Online Gaming Bill, 2025 is not merely a prohibition of online money games but a forward-looking framework that balances the risks of digital exploitation with the opportunities of constructive digital engagement. By carving out space for e-sports and educational games while firmly banning exploitative money-based platforms, the legislation ensures that technology is a tool of empowerment rather than harm. In the author's view, the Bill is a progressive step that reflects both social sensitivity and policy foresight. While challenges of enforcement, jurisdiction over offshore operators, and evolving gaming technologies may test its effectiveness, the legislation sets a strong foundation for responsible innovation. Continuous regulatory adaptation and industry cooperation will be essential to ensure that India achieves the dual goals of protecting citizens and encouraging a thriving digital gaming ecosystem.

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