



Promotion and Regulation of Online Gaming Bill 2025

On August 20, 2025, Shri Ashwini Vaishnaw, Union Minister of Electronics & Information Technology introduced the Promotion and Regulation of Online Gaming Bill, 2025 (the “**Bill**”) in the Lok Sabha (House of the People). The Bill proposes a pan-India framework that simultaneously (i) regulates and promotes e-sports and online social games, and (ii) imposes a blanket prohibition on “online money games” and “online money gaming service”. The Bill was passed by the Lok Sabha on the same day and will now move to the Rajya Sabha for voting and passage.

Upon approval by both Houses of Parliament, the Bill will be presented to the President for assent before it becomes an Act. The Act will come into force only on such date as may be notified by the Central Government in the Official Gazette.

Salient features of the Bill

• Applicability

The Bill extends to the whole of India and explicitly applies to any online money gaming service “*offered within the territory of India or operated from outside the territory of India*”. Platforms hosted offshore but accessible in India will therefore be subject to the prohibitions and penalties set out below.

• Key definitions

“*Online game*” is broadly defined as any game that is managed / operated as a software or any technology and played on any digital device over the internet. Online games are further classified as follows:

- “*E-sport*” is defined as any online game that *inter alia*, is (a) recognised under the National Sports Governance Act, 2025 and registered with the Authority (defined below) or agency recognised under Section 3 of the Bill; and (b) does not involve placing of bets or stakes and winning thereon. Such games can include payment of registration / participation fees for entering the competition, as well as performance-based prize amounts.
- “*Online money game*” includes any online game (whether skill or chance-based) that is played by users by paying fees, deposits or “other stakes”, in expectation of winning monetary or other rewards in return of deposits (“**Online Money Game**”).

E-sports are not categorised as Online Money Games.

- “*Online social game*” are online games that (a) do not involve staking of money or other stakes for participation with the expectation of winning thereon; (b) allow access via subscription or one-time access fee if it is not in the nature of a stake/wager; (c) are offered for entertainment or skill-development purposes. E-sports and Online Money Games are excluded from the ambit of online social games.

“*Online money gaming service*” is defined as a service offered by a person for entering or playing online money games.

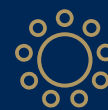
“*Other stakes*” is a key term used in the definition(s) of “e-sport”, “online money game”, and “online social game” and is defined to mean anything recognised as equivalent or convertible to money including credits, coins, token or any other thing, whether real or virtual which is purchased by paying money directly or by indirect means or as part of, or in relation to, an online game.

• Blanket prohibition on Online Money Games

Section 5 imposes a blanket prohibition on online money games. In particular the offering, aiding, abetting, inducement or involvement in the making an online money game or online money gaming service is prohibited. Given the broad wording of the provision, the prohibition would apply to any platform offering an online money game in India, irrespective of whether it is a game of skill or chance.

• Prohibitions on services relating to Online Money Games

- Advertisers, endorsers, brand sponsors, influencers: Under Section 6, advertisements (irrespective of its medium) that “directly or indirectly” promote or induce any person to play an Online Money Game are prohibited.
- Financial institutions and payment solution providers: Under Section 7, banks, financial institutions, payment solution providers or any other entity facilitating settlement of transactions are barred from processing payments towards online money gaming services.



- **Regulation and promotion of e-sports and online social games**

The Central Government intends to take steps towards categorising, registering and recognizing e-sports and online social games with the Authority. Under the Bill, e-sports and online social games are currently not prohibited, although “e-sports” requires registration with the Authority, among other things

- **Establishment of a Regulatory Authority for Online Gaming**

An authority may be notified by the Central Government (or an existing body re-purposed) (“Authority”) to *inter alia*: (a) determine whether an online game qualifies as an Online Money Game (pursuant to an application or on a *suo motu* basis); (b) recognise or register online games; and (c) respond to complaints vis-à-vis online games. Persons offering online games are obligated to comply with the directions, regulations, guidelines or codes of practice issued by the Authority or the Central Government.

- **Penalties**

- Offering “online money gaming service” may trigger a fine of up to INR 1 (one) crore or imprisonment term of up to 3 (three) years, or both.
- Non-compliance with prohibitions vis-à-vis advertising and facilitating payments for “online money gaming services” may trigger: (a) imprisonment for up to 2 (two) years and 3 (three) years respectively, and/or fine of up to INR 50 (fifty) lakhs and INR 1 (one) crores respectively.
- Failure to comply with any direction/order of the Central Government or the Authority may attract penalties up to INR 10 (ten) lakh, suspension/cancellation of registration, or a prohibition from offering the concerned online games.
- Repeated violations are subject to enhanced penalties of imprisonment of up to 5 (five) years and fines of up to INR 2 (two) crore rupees (for violations of Section 5 and 7 of the Bill). For subsequent offences under Section 6 of the Bill, offenders may be charged with fines of up to INR 1 (one) crore along with imprisonment term of up to 3 (three) years.
- Notably, offences under Sections 5 and 7 of the Bill are “cognisable and non-bailable”.

- **Mandatory blocking of violative content/services**

In the event of non-compliance with Sections 5, 6, and 7 of the Bill, any information “generated, transmitted, received or hosted” in relation to online money gaming shall be blocked for public access, notwithstanding anything contained in the Bill or Section 69A of the Information Technology Act, 2000.

- **Investigative powers**

Central Government may notify its officers or those of the State Government or Authority to investigate offences under the Bill. Such officers would *inter alia*, have the right to enter physical/digital premises, and arrest without warrant persons suspected of (a) having committed; (b) committing; or (c) being about to commit, any offence under the Bill.

- **Overriding effect and notification of rules**

The provisions of the Bill will be applied in addition to the provisions of any other law in force, and the Bill’s provisions shall prevail to address any conflict. The Central Government is also empowered to make rules to enforce the Bill’s provisions, including on multiple aspects such as promotion of e-sports and online social gaming, categorisation and registration of online games, etc.

Key takeaways

- Operators currently relying on State-specific enactments to offer their Online Money Game (such as online rummy, online poker, and fantasy sports) are unlikely to be able to continue with their offerings, once the Bill is made into an Act and the same is enforced.
- Entities offering “online social games” and “e-sports” are currently not prohibited as long as their relevant games meet the definition of “online social games” and “e-sports”. “E-sports” in particular need to be registered with the Authority among other things.
- Notably, this Bill is introduced at a time when the industry is awaiting the Supreme Court of India’s decision in *Directorate General of GST Intelligence vs. Gameskraft Technologies Pvt. Ltd., SLP (C) No. 19366-19369/2023*, wherein the court is adjudicating *inter alia* upon: (a) the validity of the retrospective demand of Goods and Service Tax (GST) on deposits made by users of online real money games; and (b) the constitutionality of the GST rate of 28%. The Supreme Court of India has concluded the oral hearings in the matter and has presently reserved the judgment.

Link to the Bill available [here](#)

Link to the Revised List of Business for 20 August 2025 available [here](#)

Please get in touch with the SAM attorney you regularly work with if you would like to discuss any aspect of the Bill in more detail.

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