



India Regulates the Online Gaming Space

Thought Leadership • May 3, 2023

The MeitY has taken a momentous step, and has regulated, perhaps one of the fastest growing and most widely subscribed arm of the digital economy: **the Online Gaming Sector**.

The Government has not only created a bespoke framework dedicated to online gaming. Rather, it has made amendments to the existing Intermediary Guidelines, 2021 (which were amended in 2022 to tighten the obligations of an intermediary).

These amendments have been notified on 6th April 2023 and are titled the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023.

The Rules are a very welcome move, and it is important to ensure that games and online media is a safe, secure and trusted platform, where those who seek to harm or cheat citizens including children (or even adults for that matter) are held accountable in a manner which is transparent and in accordance with legal frameworks.

This is just the beginning, and a lot will be revealed in the coming weeks. For instance:

- What really are the objective criteria that must be satisfied for an online game involving money, to become legitimate? What matrix will Online Gaming Self-Regulatory Bodies (OGSRB's) use to gauge whether which games qualify. Will different OGSRBs have different norms, or should there be an umbrella of rules which should form the base for all OGSRBs? This cannot be merely on satisfying a criteria for Game or Skill or chance but also on ethics, keeping children safe and societal harm.
- These rules will legitimize those games which don't involve a wager on an outcome. Criteria for determining what is a game of skill and what is a game of chance will have to be made transparent by the OGSRB.
- Different High Courts have taken a different stand on gaming, gambling, and the criteria for a lawful game. What role do these decisions play in these Rules at a Central level? Do we create guidelines de-novo, or choose some decisions over others?
- All stakeholders at the judicial and regulatory level will have to keep updating their understanding and outlook on ethical gaming practices and to create child safe environments for children and others.
- These are more centred on laying down duties for stakeholders in the online gaming space, than overseeing the monetization of online gaming. These guidelines do not address the 'play for rewards' model or touch on different means of revenue generation by OGIs such as the advertisement model, which shields consumers from parting with their money. They also do not address revenue sharing between different types of intermediaries, such as an Online Gaming



Intermediary (OGI) and a social media intermediary. Perhaps these will be the topics of rules to be made by the Online Gaming.

As we continue to examine these Rules, for a summary of the Rules, [click here](#).

