



BACKGROUNDERS
Press Information Bureau
Government of India

Promotion and Regulation of Online Gaming Bill, 2025

Protecting middle class and youth; promoting e-sports, online social games

August 21, 2025

Introduction

The Promotion and Regulation of Online Gaming Bill, 2025, passed by the Parliament on 21st August 2025, marks a landmark move to shield citizens from the menace of online money games while promoting and regulating other kinds of online games. This legislation is designed to curb addiction, financial ruin and social distress caused by predatory gaming platforms that thrive on misleading promises of quick wealth. It reflects the Government's resolve to safeguard families while guiding the digital economy towards safe and constructive growth.



The seriousness of the issue is recognised globally. The World Health Organization classifies gaming disorder as a health condition in its International Classification of Diseases, describing it as a pattern of play marked by loss of control, neglect of other daily activities, and persistence despite harmful consequences. This highlights why decisive action is necessary in India as well.

Online money gaming platforms have caused widespread harm. Families have lost their savings. Young people have fallen into addiction. In some heartbreaking cases, financial distress linked to these games has even led to suicides. The Government has recognised these dangers and responded with strong legislation.

At the same time, the Bill takes a balanced approach. It recognizes the online gaming sector as one of the most dynamic segments of the digital and creative economy, with significant opportunities for innovation, cognitive development, employment generation, technological advancement and global competitiveness. It encourages e-sports, which are organised competitive video games, and promotes safe online social and educational games. It clearly separates constructive digital recreation from betting, gambling and fantasy money games that exploit users with false promises of profit.

By doing so, the Bill ensures that India can embrace the benefits of digital innovation while protecting its people from the darker side of online gaming.

Understanding the Online Gaming Sector

The online gaming sector has grown rapidly in recent years and now stands as a major component of the digital economy. It is broadly divided into three distinct segments, each with its own features and implications for society.

- **Esports:** This refers to competitive digital sports where teams or individuals participate in organised tournaments. Success in esports requires strategy, coordination, and advanced decision-making skills.
- **Online Social Games:** These are casual games that form part of everyday recreation. They are primarily skill-based and designed for entertainment, learning, or social interaction. Such games are generally considered safe and do not cause negative social consequences.
- **Online Money Games:** This segment involves games where financial stakes are involved, whether based on chance, skill, or a combination of both. These platforms have raised serious concerns due to reports of addiction, financial losses, money laundering, and even cases of suicide linked to heavy monetary losses.

Why the Bill Was Needed

The rapid spread of online money games has created serious risks for individuals, families and the nation. While digital technology has brought many benefits, these games have exploited loopholes in the law and caused deep social harm. Speaking in the Rajya Sabha, Union Minister for Electronics and Information Technology, Shri Ashwini Vaishnaw said that according to an estimate, 45 crore people are negatively affected by online money games and faced a loss of more than Rs. 20,000 crores because of it. The Government has acted to close these gaps and protect citizens.

At the same time the online gaming sector is one of the most dynamic and fast-growing segments of the digital and creative economy. India is emerging as a major game making hub with rapidly developing capabilities. The sector offers immense opportunities for innovation, employment generation and global competitiveness. However, there is a lack of coherent and enabling legal framework that can promote structured growth of the sector and allow responsible gaming practices to evolve. Urgent policy intervention was therefore required for the sector.

Further, many gaming platforms operate from offshore jurisdictions. Regulating these platforms presents challenges in terms of extra-territorial jurisdiction and inter-state inconsistencies. It was therefore expedient for the Ministry of Electronics & Information Technology to legislate over the sector in terms of Allocation of Business Rules.



Promotion and Regulation of Online Gaming Bill, 2025

Protecting People, Securing India

-  **Prevents Addiction**
-  **Protects Families**
-  **Stops Financial Fraud**
-  **Strengthens National Security**

Source: Ministry of Electronics & IT

The key reasons are:

- **Addiction and Financial Ruin:** Online money games encourage compulsive playing. Many players lose their entire savings chasing the illusion of quick profits. Families have been pushed into debt and distress.
- **Mental Health and Suicides:** The stress of heavy financial loss has led to cases of depression and even suicide. The Bill seeks to prevent such tragedies by banning these exploitative platforms.
- **Fraud and Money Laundering;** Several platforms have been misused for illegal activities. Money laundering, which means moving illegal earnings through legal channels to hide their source, has been a major concern.

- **Threat to National Security:** Investigations have shown that some gaming platforms were being used for terror financing and illegal messaging, which compromise the country's security.
- **Closing Legal Loopholes:** Gambling and betting are already restricted under Indian laws such as the Bharatiya Nyaya Sanhita, 2023, and by various state legislations. But the online domain remained largely unregulated. The Bill ensures that the same standards apply in both physical and digital spaces.
- **Encouraging Healthy Alternatives:** The Bill also makes space for positive digital engagement. E-sports will be promoted as a legitimate sport, while social and educational games that build skills and cultural values will receive government support.

Key Provisions of the Bill

The Bill lays down a comprehensive framework to promote safe digital recreation while prohibiting harmful practices linked to online money games. Its main provisions are as follows:

Applicability

The legislation will apply to the whole of India and also to online money gaming service offered within the territory of India or operated from outside the territory of India.

Promotion and Recognition of E-Sports

E-sports have been recognised as a legitimate competitive sport in India. The Ministry of Youth Affairs and Sports will prepare guidelines and standards for tournaments. Training academies, research centres and technology platforms will be set up to advance the sector. Incentive schemes and awareness programmes will also be launched to integrate e-sports into broader sports policies.

Promotion of Social and Educational Games

The Central Government has been given powers to recognise and register social games that are safe and age-appropriate. These games may focus on education, culture, or skills. Dedicated platforms will be developed to distribute such content. Awareness campaigns will highlight the positive role of these games in building digital literacy and encouraging healthy recreation.

Prohibition of Harmful Online Money Games

The Bill imposes a complete ban on online money games. This applies to games of chance, games of skill, and those that combine both. Advertising and promotion of such games is strictly prohibited. Financial transactions related to these platforms cannot be processed by banks or payment systems. Authorities will also be empowered to block access to unlawful platforms under the Information Technology Act, 2000.

Establishment of an Online Gaming Authority

A national-level regulatory authority will be established, or an existing one may be designated for oversight. Its functions will include categorising and registering online games, deciding whether a game

qualifies as a money game, and addressing public grievances. The Authority will issue guidelines, codes of practice and directions to ensure compliance.

Offences and Penalties

Strict punishments have been introduced. Offering or facilitating online money games can lead to imprisonment of up to three years and a fine of up to one crore rupees. Financial transactions linked to these games are also punishable with similar penalties. Advertising such games can attract a jail term of up to two years and a fine of up to fifty lakh rupees.

Repeat offenders face harsher punishments, including imprisonment of up to five years and fines of up to two crore rupees. Offences under key provisions will be cognisable and non-bailable, which means police can arrest without a warrant and bail is not a right.

Corporate and Institutional Liability

Companies and their officers will be held accountable for offences. However, independent directors and non-executive directors, who are not involved in day-to-day decisions, will not be punished if they can show that they acted with due diligence.

Powers of Investigation and Enforcement

The Central Government may authorise officers to investigate, search and seize both digital and physical property linked to offences. In certain cases, officers will have the power to enter premises and make arrests without a warrant. Investigations will follow the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, which governs criminal procedure in India.

Rule-Making Powers

The Central Government to have the authority to frame rules for the promotion of e-sports and social games, the recognition and registration of online games, and the functioning of the Online Gaming Authority. It may also make rules on any other matter required under this law.

How the Bill Benefits Society

The Promotion and Regulation of Online Gaming Bill, 2025 is expected to deliver wide-ranging benefits for society and the economy. Its main positive impacts are:

- **Boost to the Creative Economy:** The Bill supports India's position as a hub for digital creativity. By encouraging e-sports and safe online games, it will expand opportunities for exports, create new jobs and promote innovation in the gaming sector. This will strengthen India's role in the global digital economy.
- **Empowering Youth:** Young people will gain new opportunities to participate in safe and constructive activities. E-sports and skill-based digital games will help them build confidence, discipline and teamwork. These avenues will also open career pathways for talented players.
- **A Safer Digital Environment:** Families will be protected from predatory money gaming practices. These platforms often lure users with false promises of easy financial gains, which

lead to addiction and distress. By removing such threats, the Bill creates a healthier and safer digital space.

- **Strengthening Global Leadership:** India will emerge as a global leader in responsible gaming and digital policy. The Bill demonstrates how a nation can balance innovation with social protection. This positions India as a model for other countries that are facing similar challenges from online money games.

Other Notable Initiatives to Counter the Risks of Online Gaming

The Government has introduced several measures to protect citizens from the dangers of online gaming. These include addiction, financial fraud, money laundering and cybercrime.



**PLAY TO LEARN. PLAY TO WIN.
NOT TO GAMBLE!**

The Promotion and Regulation of Online Gaming Bill,
2025 includes:

-  A dedicated framework for e-sports **by Ministry of Youth Affairs & Sports.**
-  Support for online social games that promote learning, culture & skills **(with MeitY & MIB).**

Source: Ministry of Electronics & IT

Key steps are as follows:

Information Technology Act, 2000 and Related Rules

- The IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, amended in April 2023, laid down norms for online gaming platforms.
- Online gaming intermediaries must ensure unlawful or illegal content is not shared on their networks.
- Intermediaries offering money games are required to register with **self-regulatory bodies (SRBs)**, which verify whether a game is permissible.

- Section 69A of the IT Act empowers the Government to block access to illegal websites or links.
- Between 2022 and June 2025, **1,524 betting and gambling websites and mobile apps** were blocked.

Bharatiya Nyaya Sanhita, 2023

- Section 111 penalises unlawful economic activities and cybercrimes.
- Section 112 prescribes punishment for unauthorised betting and gambling. Offenders face a **minimum of one year imprisonment**, extendable up to **seven years**, along with fines.

Integrated Goods and Services Tax Act, 2017 (IGST Act)

- Illegal and offshore gaming platforms are regulated under the IGST Act.
- Online money gaming suppliers must register under the **Simplified Registration Scheme**.
- The **Directorate General of GST Intelligence** is authorised to direct intermediaries to block access to unregistered or non-compliant gaming platforms.
- This ensures digital entities follow the same taxation rules as physical businesses.

Consumer Protection Act, 2019

- Prohibits misleading and surrogate advertisements.
- The **Central Consumer Protection Authority (CCPA)** has powers to investigate, penalise and take criminal action against offenders.
- CCPA has issued advisories to prevent celebrities and influencers from endorsing betting platforms.

Advisories by Ministries

- The **Ministry of Information and Broadcasting (MIB)** issued advisories in 2022, 2023 and 2024 to media platforms, advertisers and influencers.
- These advisories warned against publishing or promoting misleading online betting advertisements.
- The **Ministry of Education** has issued guidelines for parents and teachers on safe gaming habits for children.

Reporting of Cybercrimes

- Citizens can report cybercrime on the **National Cyber Crime Reporting Portal** (cybercrime.gov.in).
- Complaints are forwarded to state or union territory law enforcement agencies.
- The portal has a **separate section for financial frauds**.
- A toll-free helpline, **1930**, is available for quick reporting of online scams and fraud.

Conclusion

The Promotion and Regulation of Online Gaming Bill, 2025, marks a decisive step in India's digital journey. It recognises the dangers of unregulated money gaming and responds with firm safeguards to protect citizens. At the same time, it carves out space for e-sports and educational games that nurture skills and creativity. By balancing innovation with responsibility, the Bill sets the tone for a safer and healthier digital future. It also strengthens India's standing as a nation that can lead in shaping global digital policy. Most importantly, it ensures that technology serves society rather than harms it.

References:

Ministry for Electronics and IT:

- https://sansad.in/getFile/annex/268/AU1498_JmBThA.pdf?source=pqars
- https://x.com/Gol_MeitY/status/1958137761505968307
- https://x.com/Gol_MeitY/status/1958144766635377086

WHO:

- <https://www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder>

SK/SM