

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
STARRED QUESTION NO. *366
TO BE ANSWERED ON: 26.03.2025

REGULATION AND TRANSPARENCY IN ONLINE GAMING

***366. DR. AMAR SINGH:**
DR. KIRSAN NAMDEO:

Will the Minister of ELECTRONICS & INFORMATION TECHNOLOGY be pleased to state: -

- (a) the steps taken by the Government to regulate financial transactions and user data protection in online gaming platforms along with the definition of online betting;
- (b) whether the Government has issued any guidelines on preventing fraud and addiction in online gaming and if so, the details thereof and if not, the reasons therefor;
- (c) the number of cases of financial malpractice and data breaches reported in the online gaming sector during the last three years; and
- (d) whether there is any law or the Government is planning to introduce any specific law to regulate online betting on games and sports in India and if so, the details thereof?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO. *366 FOR 26.03.2025 REGARDING REGULATION AND TRANSPARENCY IN ONLINE GAMING

(a) to (d): The policies of the Central Government are aimed at ensuring an open, safe, trusted and accountable Internet for its users. To help achieve this aim, the Central Government has taken suitable steps to regulate financial transactions and user data protection for digital platforms, including online gaming platforms.

To bring certainty in the levy of income tax in online gaming sector, Government vide Finance Act, 2023 has introduced income tax at the rate of thirty per cent on the net winnings in the online games with effect from assessment year 2024-25.

In addition, Government has introduced GST at the rate of 28% in online gaming from 1st October, 2023. The supplier of online money gaming shall obtain a single registration under the Simplified Registration Scheme referred to in the Integrated Good and Services Tax Act, 2017 (“IGST Act”).

The suppliers of offshore online money gaming are also being regulated under IGST Act.

The Directorate General of GST Intelligence Headquarters is empowered as appropriate government/agency under the Information Technology Act, 2000 (“IT Act”) and the IGST Act to direct intermediaries to block unregistered online money gaming platforms including offshore online money gaming platforms violating the IGST Act.

“Betting and gambling” is a state subject under entry 34 of the List II (State List) of the Seventh Schedule of the Indian Constitution and state legislations define betting and gambling related offences. Therefore, as per the provisions of article 246 read with article 162 of the Constitution, State Legislatures have power to legislate on matters related to betting and gambling.

Further ‘Police’ and ‘Public Order’ are State subjects as per the Seventh Schedule of the Constitution of India. The States/UTs are primarily responsible for the prevention, detection, investigation and prosecution of crimes including for action on illegal betting and gambling through their Law Enforcement Agencies (LEAs).

Accordingly, State police departments take preventive and penal action as per law in respect of illegal betting and gambling. The Central Government supplements the initiatives of the States/UTs through advisories and financial assistance under various schemes for capacity building of their LEAs.

Section 112(1) of the Bharatiya Nyaya Sanhita, 2023 (“BNS”) which came into effect from July 1, 2024, punishes unauthorised betting and gambling with minimum 1 year of imprisonment that may extend to 7 years and with fine.

With regard to the protection of personal data, under the IT Act, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 has been notified prescribing reasonable security practices and procedures on the sensitive personal data or information.

Further, the Digital Personal Data Protection Act, 2023 has been enacted which provides for the legal framework for data protection and mandates Data Fiduciaries to implement security safeguards as well as robust technical and organisational measures while processing the digital personal data.

Further, the IT Act penalises various offences relating to computer resources, including tampering with computer source documents, dishonestly or fraudulently damaging computer

system, identity theft, cheating by impersonation, cyber terrorism, securing unauthorised access to protected system etc.

Further, the IT Act has provisions to issue blocking orders to intermediaries for blocking access to specific information/ link in the interest of sovereignty and integrity, defence of India, security of the State, friendly relations with foreign States or public order or for preventing to the incitement to the commission of any cognizable offence relating to above following the due process as envisaged in the Information Technology (Procedure and Safeguards for Blocking for Access of Information for Public) Rules, 2009.

MeitY has issued 1410 blocking directions related to online betting/gambling/gaming websites (including mobile applications) between the year 2022- 25 (till February, 2025).

The Ministry of Home Affairs (“MHA”) has established the Indian Cyber Crime Coordination Centre (“I4C”) to provide a framework and eco-system for LEAs to deal with cyber-crimes in a comprehensive and coordinated manner.

MHA has also launched the National Cyber Crime Reporting Portal (<https://cybercrime.gov.in>) to enable the public to report all types of cyber-crimes including cyber financial frauds. Cybercrime incidents reported on this portal are routed to the respective State/UT law enforcement agency for further handling as per the provisions of law. The portal has distinct mechanisms for registering complaints related to financial frauds.

A tollfree Helpline number ‘1930’ has been operationalised to get assistance in lodging online complaints.

National Crime Records Bureau (NCRB) under the MHA compiles and publishes statistical data on crimes in its publication “Crime in India”. NCRB maintains the data provided by various state governments and central law enforcement agencies.

With regard to addiction to online games, the Ministry of Education has issued an advisory for parents & teachers on “Overcoming online gaming downsides” and “Children's safe online gaming”.

In addition, the Ministry of Information and Broadcasting has also issued advisory to all private satellite television channels on ‘Advertisements on Online Games, Fantasy Sports, etc.’, advising all broadcasters that the guidelines issued by the Advertising Standards Council of India (ASCI) be complied with and that the advertisements broadcast on television adhere to the same. The guidelines includes that every gaming advertisement must carry the disclaimer in line with ASCI code in print/static media as well as audio/video forms indicating that this game involves an element of financial risk and may be addictive.
