



Stride Legal Gaming Law updates

Online Gaming Bill, 2025: Classifications, Prohibitions, and Implications for Stakeholders

The Promotion and Regulation of Online Gaming Bill, 2025 ('**Gaming Regulation**') has been passed in both houses of Parliament and has received assent from the President of India on August 21, 2025. The Gaming Regulations will soon be notified as an enforceable Act and has already impacted many stakeholders in the gaming and fantasy sport industry. In this newsletter we analyse some key provisions of the Gaming Regulations.

I. Classification of Online Games

The Gaming Regulation has introduced several new terms and has classified online games as follows:

1) E-Sport: The Gaming Regulation has introduced and defined the term 'E-Sport'. Under the Gaming Regulations the term E-Sport means an online game which:

- (i) is played as part of multi-sports events;
- (ii) involves organised competitive events between individuals or teams, conducted in multiplayer formats governed by predefined rules;
- (iii) is duly recognised under the National Sports Governance Act, 2025, and registered with the Authority or agency under section 3;
- (iv) has outcome determined solely by factors such as physical dexterity, mental agility, strategic thinking or other similar skills of users as players;
- (v) may include payment of registration or participation fees solely for the purpose of entering the competition or covering administrative costs and may include performance-based prize money by the player; and

- (vi) shall not involve the placing of bets, wagers or any other stakes by any person, whether or not such person is a participant, including any winning out of such bets, wagers or any other stakes.

It appears that the intention is to include and consider E-sports as an Olympic Sport. However, there is no reference to E-Sports in the National Sports governance Act 2025 and hence it is not clear as to what is meant by the condition that E-Sports should be duly recognised under the National Sports governance Act 2025. It is also not clear as to what the term multi-sports event means. Further it is not clear if this definition of E-Sports and reference to multi-sports events means that E-Sports versions of sports which are not part of multi-sports events (like Olympics, Asian Games etc) will not be considered as E-Sports for the purpose of the Gaming Regulations.

- 2) "**online game**" - The Gaming Regulation defines an Online Game as any game, which is played on an electronic or a digital device and is managed and operated as a software through the internet or any other kind of technology facilitating electronic communication.
- 3) "**online money game**" - The Gaming Regulation has defined an online money game as an online game played by a user by paying fees or by depositing money or other stakes and played in expectation of winning monetary and other enrichment in return of money or other stakes. Crucially this definition clearly states that it is not relevant whether such a game is based on skill, chance, or both, marking a departure from the earlier held position that it was permissible to have monetary and other

benefits linked as returns respect to games which were considered as games of skill. The definition further states that an e-sport will not be considered as an online money game. The Gaming Regulations further define an 'online money gaming service' as a service offered by a person for entering or playing the online money game.

- 4) **"online social game"**- to cater to gaming activity that is carried purely for recreational or self-development, the Gaming Regulation defines an online social game as an online game which:
- (i) does not involve staking of money or other stakes or participation with the expectation of winning by way of monetary gain in return of money or other stakes;
 - (ii) may allow access through payment of a subscription fee or one-time access fee, provided that such payment is not in the nature of a stake or wager;
 - (iii) is offered solely for entertainment, recreation or skill-development purposes; and
 - (iv) is not an online money game or e-sport.

II. Recognition and Registration of E-Sports

Under the Gaming Regulation, the Central Government has been given the powers to constitute a new authority for registering and regulating e-sports and online social games. The Government also has the powers to formulate policies and implement measures for the promotion and development of e-sports and online social games. Such authority will also have the powers whether a particular online game is categorized as an online money game and hence must be prohibited. Such authority shall also be responsible for recognising, categorising, and registering online games.

The powers provided to the Central Government under the Gaming Regulations includes power to formulate guidelines and standards for the organisation and conduct of e-sports events, establishment of training academies, research centres and other institutions dedicated to advancement of e-sports, introduction of

incentive schemes, awareness campaigns and public outreach programmes to encourage innovation and establishment of new enterprises to create e-sport technology platforms and coordination with State Governments and recognised sporting federations for integration of e-sports within broader sporting policy initiatives.

III. Prohibition of Online Money Gaming:

The Gaming Regulations have provided for complete prohibition on online money games. It bans any person offering, aiding, abetting or inducing the offering of such games, and prohibits any advertising. Further banks and financial institutions are prohibited from authorising transactions facilitating online money gaming services.

Any contravention of the provisions pertaining to offering of online money gaming and allowing of transactions related to online gaming services are subject to a fine or imprisonment, or both. Further any contravention of the provisions of making of advertisements are subject to a fine or imprisonment, or both. It has also been stated that offences of offering online gaming services and facilitating financial transactions for such games will be cognizable and non-bailable.

IV. Other Important Provisions:

- 1) The Gaming regulation provides for the authority referred above to have the power to block any online money game using Section 69A of the Information and Technology Act.
- 2) The Central Government also has the power to take steps to recognise, categorise and register online social games with the authority specified above and facilitate the development and availability of online social games for recreational and educational purposes.

V. Consequences

- 1) The biggest consequence of the Gaming Regulations is on agencies and entities who were conducting an organising games online that provided for a monetary return

or benefit i.e. games like fantasy sports, online rummy etc. There have been several judgements by various courts which had allowed the functioning of these games on the reasoning that these games involved an element of skill and were not a game of chance. As stated earlier, that distinction has been removed and there is blanket prohibition on online games that offer monetary stake or rewards. Games that do not involve monetary stake or monetary rewards even if they ask for one time subscription or access fee are not prohibited.

- 2) Interestingly there is no grace period specified under the Gaming Regulations. Hence online money games need to stop immediately. However there is no clarity as to what will be the status of existing deposits and monies that people have credited to such games through wallets etc.
- 3) Since the Gaming Regulation prohibits the advertising of online money games celebrities and influencers can also be punished in the event they are found to endorse or advertise online money games.
- 4) As mentioned earlier several aspects with respect to E-Sports need to be clarified. There is no reference to E-Sports in the National Sports Governance Act, 2025 and hence it is not clear as to what is meant by the condition that E-Sports should be duly recognised under the National Sports Governance Act, 2025. It is also not clear as to what the term multi-sports event means. Further it is not clear if this definition of E-Sports and reference to multi-sports events means that E-Sports versions of sports which are not part of multi-sports events (like Olympics, Asian Games etc) will not be considered as E-Sports for the purpose of the Gaming Regulations.