

# FAQS ON THE PROMOTION AND REGULATION OF ONLINE GAMING ACT, 2025



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## 1. Has the law already been enacted by the Central Government?

As of August 25, 2025, the Act has been passed by both houses of Parliament and has received Presidential assent. And is notified in the Official Gazette.

## 2. What does the Act regulate?

The Act regulates the online gaming sector, dividing online games into three categories. “**online game**” is any game that is played through an electronic or digital device and is managed and operated as software through the internet or any other technology facilitating electronic communication.

## 3. What are the 3 categories of online games that the Act talks about?

The 3 categories of online games are “**e-sport**”, “**online social game**” and “**online money game**”.

## 4. What are the criteria for an online game to be defined as e-sport?

Section 2(c) of the Act, defines esports as :

- (i) Played as part of multi-sports events.
- (ii) Involves organised competitive events between individuals or teams, conducted in multiplayer formats, governed by pre-defined rules.
- (iii) Duly recognised under the National Sports Governance Act, 2025 and registered with the authority/agency under Section 3 of the Act.
- (iv) Has outcome determined solely on physical dexterity, mental agility, strategic thinking or other similar skills.
- (v) Shall not involve the placing or winning of bets, wagers or any other stakes by any person, whether participant or not.



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## 5. What is an online money game?

Section 2(g) “**online money game**” is an online game which is not e-sport and is either a game of skill or chance or both, played by a user by paying fees, depositing money or other stakes in expectation of winning which entails monetary and other enrichment in return of money or other stakes.

## 6. What is an online social game?

Section 2(i) “**online social game**” is any game that does not involve staking of money or other stakes or participation with the expectation of winning by monetary gain in return for money or other stakes. However, a subscription fee or one-time access fee can be asked from the user, provided that it is not in the nature of a stake or wager. The game should be offered only for entertainment, recreation or skill-development purposes.

## 7. How are in-game tokens/points, etc, regulated by the Act?

Section 2(j) “**other stakes**” is anything recognised as equivalent or convertible to money and includes credits, coins, tokens or objects or any other similar thing, whether real or virtual. It needs to be purchased by paying money directly or indirectly, or as part of or concerning an online game.

## 8. Why does the Act divide games into 3 categories: e-sport, online social and online money game?

The categorisation was introduced to separate games based on their perceived social, financial, psychological and public health harm level. However, the basis for calculating the harm level of each category has not been provided in the Act.

## 9. Can a single game, such as online Chess, be a part of both e-sport and online social game categories?

The Act does not explain whether the mentioned categories of online games can overlap or are rigid, and whether a single game needs to fall within one category or not.



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## 10. What are the functions of the proposed “Authority for Online Gaming” or “Gaming Authority”?

Section 8(2) The primary functions of the authority/agency, which is either to be formed or designated by the Central Government, and it includes:

- (i) On receipt of an application from any person offering an online game or on *Suo Motu*, to determine whether the game is an online money game or not.
- (ii) To recognise, categorise and register online games in such a manner as may be prescribed.
- (iii) To respond to the complaints relating to online games detrimental to the users' interests.

## 11. Why does the Act impose a blanket ban on online money games, whether based on chance, skill, or both?

The Act circumvents earlier judicial precedents that created a distinction between a game of skill and a game of chance. It prohibits any online game that includes a participation to either earn money or enrichment in return for money or other stakes.

## 12. How will the proposed Gaming Authority determine whether an online game is an online money game or not?

The Act defines the definition of an online money game under Section 2(g). It empowers the proposed Gaming Authority to categorise an online game as an online money game or not after making such inquiry as “*it deems necessary*”. However, the nature of such inquiry remains unclear and could be clarified either in subsequent supplementary rules or after the formation or designation of the proposed Gaming Authority.

## 13. Will streamers face liability if they host content related to an online money game?

Section 6 of the Act prohibits the promotion of online money game, directly or indirectly. The live streaming of an online money game may qualify as indirect promotion through electronic communication and, therefore, may not be permitted. Streamers could face liability under Section 9(2) of the Act, which prescribes imprisonment of up to 2 years, a fine of up to INR 50 lakhs, or both.

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## **14. How does the Act address emerging categories of games such as Virtual Reality (VR) games?**

The Act is silent on this category of games, and it remains to be seen whether it will be dealt with under the subsequent supplementary rules.

## **15. What measures does the Act provide to tackle the threat of online money gaming operating through foreign jurisdictions?**

Section 1(2) of the Act explicitly states that the law applies to online money gaming service operated from both Indian as well as foreign jurisdictions.

## **16. If the government bans an online money game I legally bought from a gaming distribution platform, do I, as a gamer, get any refund or compensation for my lost library of games?**

The Act does not provide any timeline for online money games to cease operations. It therefore remains unclear if a gamer's money deposited in an in-game account can be refunded or not. The government or proposed Gaming Authority can provide more clarity on the issue, as could the subsequent supplementary rules.

## **17. What happens to the TDS liability, and whether it will be passed onto the players?**

The Act does not provide any answers with regard to TDS liability among either the online money games or the players. It remains to be seen whether the question will be answered in future through any clarification from the Department of Revenue or the Ministry of Finance.

## **18. What happens to skilled/professional game players after the Act is passed?**

The Act does not distinguish between players based on their skill level. It prohibits online money games in the country, regardless of the skill set of the players involved.

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## 19. What type of offences does the Act recognise, and what penalties are prescribed for each?

| Sr No. | Offence(s) mentioned in the Act                               | Penalties mentioned in the Act   |
|--------|---|--|
|        | Offering an online money game (Section 5)                     | <b>First offence:</b> Imprisonment of up to 3 years, or a fine of up to INR 1 crore, or both (Section 9(1)).<br><b>Each subsequent offence:</b> Imprisonment between 3–5 years, and a fine between INR 1–2 crore (Section 9(4)).         |
|        | Advertising or promoting an online money game (Section 6)     | <b>First offence:</b> Imprisonment of up to 2 years, or a fine of up to INR 50 lakhs, or both (Section 9(2)).<br><b>Each subsequent offence:</b> Imprisonment between 2–3 years, and a fine between INR 50 lakhs–1 crore (Section 9(5)). |
|        | Transfer of funds related to an online money game (Section 7) | <b>First offence:</b> Imprisonment of up to 3 years, or a fine of up to INR 1 crore, or both (Section 9(3)).<br><b>Each subsequent offence:</b> Imprisonment between 3–5 years, and a fine between INR 1–2 crore (Section 9(4)).         |

## 20. When will the ban come into effect? Is there a cooling-off period?

The Act does not provide for any cooling-off period. The ban on online money games would take effect from the date the Act is notified in the Official Gazette.

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## 21. What remedies are available to players and online money games?

- (i) Players may withdraw their deposits from online money games, as the Act in its current form, does not provide any remedy for refunds or a cooling-off period.
- (ii) Once enacted, the Act may also be challenged before the Supreme Court for violating Article 19(1)(g) of the Constitution, which guarantees the fundamental right to practise any profession or carry on any occupation, trade, or business.
- (iii) It remains to be seen whether the ban on online money games can be upheld as a “reasonable restriction” under Article 19(6) of the Constitution.

## 22. What powers to investigate offences are given under the Act?

Section 16(1) of the Act empowers any officer, or class of officers notified under Section 15, to enter premises, whether physical or digital and search or arrest any person “without a warrant” if they are “reasonably suspected” of committing an offence. However, the Act does not clarify what constitutes “reasonable suspicion”, leaving scope for arbitrary action and possible abuse of power.

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The copy of the Act is available here- [https://egazette.gov.in/\(S\(vfvbdnqqj3efljnz00rls2sk\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(vfvbdnqqj3efljnz00rls2sk))/ViewPDF.aspx)

***Disclaimer : These FAQs intend to provide general information only. It is not a substitute for legal advice, readers may consult for any specific legal or factual questions.***

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