



## **Broadband India Forum lauds and welcomes the Draft Online Gaming Rules**

1<sup>st</sup> February, 2023

New Delhi

Broadband India Forum (BIF), the leading independent Think-Tank and Policy Forum for Digital Communications in the country lauds the Ministry of Electronics and Information Technology's ("MEITY") for coming out with Draft Online Gaming Rules and holding public consultations on this important subject which has tremendous long term potential to generate huge revenues for the national exchequer, lead to a surge in demand for 5G, increase in broadband traffic & penetration, while inculcating a renewed sense of responsibility with accountability amongst gaming intermediaries towards their users.

There are certain areas which may require some more consideration, which include the definition of online gaming more clearly dealing with present modes of consideration and deposits in online gaming, KYC provisions to be balanced, need for duly empowered oversight body so that self-regulatory bodies/organisations (SRO) are accountable, provision for code of conduct for SRO and clarity that proposed rules do not apply to app stores and marketplace platforms who are themselves not engaged in online gaming.

Industry estimates suggest that there are around 20,000 games from Indian companies on the Google Play Store across different categories. Given the size and scale of the industry, it is recommended that online games are clearly defined more particularly in respect of elements of consideration, which may be in the form of service fee/commission charged by gaming intermediary for provisioning or facilitating or organising the online gaming service to the users in addition to the deposits towards prize pools.

To ensure prevention of hosting/publishing and advertising of unauthorized/ offshore betting and gambling platforms, Rules provide a safeguard to only host/publish and advertise registered games with SRB. This is a positive step as it will ensure the



distribution of gaming applications majorly through 'app stores' will safeguard user's interests, privacy, safety from malware and bad actors compared to side loading or other dubious or unsafe channels.

Stringent mandate for doing full KYC Verification for first time users or those who are just signing up/creating temporary accounts, merely to have a look and feel of the platform or access any free-to-play games, appears to be too excessive and should perhaps be substituted by a staggered/tiered approach towards KYC and be made mandatory only for users completing/carrying out financial transactions beyond a certain threshold and that too at the time of withdrawals. As most of the Online Gaming Intermediaries are start-ups which are in the early/middle stages of growth, they should be permitted a phased implementation programme with a sufficient timeframe of 24 months to ensure full compliance.

BIF strongly believes that it is imperative for these Rules to provide for an oversight and appellate mechanism for disputes that may arise between online gaming intermediaries and the self-regulatory bodies. This appellate mechanism can also serve as the third-tier for dispute resolution for the users, thereby further strengthening the consumer protection framework within the Rules. Creation of an oversight body is crucial to ensure openness, transparency and accountability in the online gaming ecosystem.

The draft Rules provide for creation of multiple self-regulatory bodies. To ensure that there is uniformity in the processes and due-diligence requirements adopted by these self-regulatory bodies, it may be important for the Central Government to prescribe a Code of Conduct that provides general guidelines on the governance and administration for the self-regulatory bodies. Such a Code of Conduct will also deter online gaming intermediaries from engaging in "forum shopping" by ensuring that all self-regulatory bodies adhere to a common set of guiding principles.

BIF also requests that rules should help in a fair and transparent registration process with SROs, safeguarding innovation of the online gaming intermediaries until the games are launched.



**Mr. T.V. Ramachandran, President, Broadband India Forum,** “The Draft Online Gaming Rules provide a great fillip to the promotion of online skill-based gaming which is expected to be one of the biggest drivers of demand for broadband and help realise the Vision of Hon’ble PM to help India tap the multi-trillion-dollar opportunity and lead the international gaming sector.”

### **About Broadband India Forum**

Broadband India Forum (BIF) functions as an independent policy forum and knowledge-based think-tank that works to develop and enhance the entire broadband ecosystem in a holistic, technology-neutral, and service-neutral manner. BIF has established itself as a thought leader and a credible and effective voice, to help propel the nation to achieve the country’s ambitious vision of creating a Digital India. To achieve this, BIF works to promote the rapid development of policies, so as to facilitate affordable and high-speed ubiquitous broadband throughout the country.