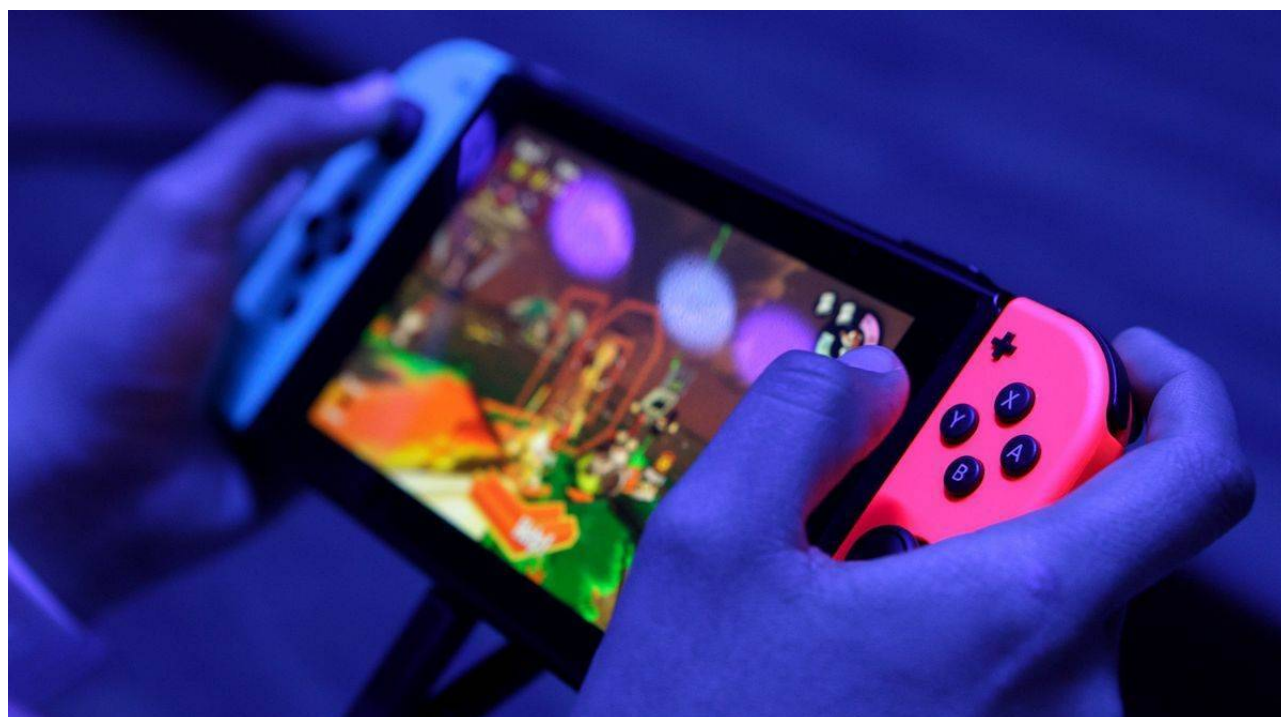


MeitY becomes nodal ministry for online gaming

The online gaming industry has been for a long asking for central-level law to regulate the sector. In May, MeitY set up an inter-ministerial task force to propose rules for regulating online gaming.

By: [ENS Economic Bureau](#)

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The online gaming industry has welcomed the ministry's appointment as the nodal agency. (Photo: Bloomberg)

The Ministry of Electronics and IT (MeitY) will soon publish rules for online gaming platforms and start public consultation on the regulations, Minister of State for Electronics and IT Rajeev Chandrasekhar said Tuesday.

According to an official gazette on Monday, MeitY is now the nodal ministry regulating online gaming.

In a tweet, Chandrasekhar said that the government is “committed to fully encouraging technology innovation — but also to ensure that no illegal content or services are possible”.

Earlier this month, Chandrasekhar had told Parliament that the government was aware of the possible risk and challenges of online gaming, including the risk of “violence abetting video games, addiction to it, and consequential financial loss.”

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In October, the task force recommended the creation of a central regulatory body for the sector, clearly defining what games of skill and chance are and bringing online gaming under the purview of the Prevention of Money Laundering Act, 2002, among other things.

The online gaming industry has welcomed the ministry’s appointment as the nodal agency.

“The appointment of MeitY as the central regulatory authority will provide clarity

and certainty to investors, industry and consumers,” said Joy Bhattacharjya, director general, Federation of Indian Fantasy Sports (FIFS).

“The decision is in line with the government’s initiative to push for the growth of the animation, visual effects, gaming and comics (AVGC) sector and making India a global hub for online gaming. We are sure that the online gaming industry will grow responsibly under MeitY in creating a well-balanced regulatory framework,” he added.

As per a report by VC firm Sequoia and management consulting company BCG, the revenue of the Indian mobile gaming industry is expected to exceed \$1.5 billion in 2022 and is estimated to reach \$5 billion in 2025. The industry grew at a CAGR of 38 per cent between 2017-2020, compared to 8 per cent in China and 10 per cent in the US. It is expected to grow at a CAGR of 15 per cent to reach Rs 153 billion in revenue by 2024.

India’s percentage of new paying users (NPU) in gaming has been the fastest growing in the world for two consecutive years, at 40 per cent in 2020 and 50 per cent in 2021. According to a report by EY and FICCI, transaction-based games’ revenues grew 26 per cent in India, with the number of paying gamers increasing by 17 per cent from 80 million in 2020 to 95 million in 2021.

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