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**THE TIMES OF INDIA**

# Government: Treat online money game companies on par with social media firms

TNN | Jan 3, 2023, 04.59 AM IST



NEW DELHI: The government on Monday suggested that companies that offer online games involving money should be treated on a par with social media firms in terms of regulatory compliances and obligations. It has sought a compulsory registration for the online gaming companies with a self-regulated body while asking that players be identified and verified according to RBI's KYC norms.

The draft of the proposed amendments to 'The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021' also suggests that companies should deploy appropriate measures to safeguard children (currently defined as those under the age of 18 years), including through parental consent and age-gating. TOI was the first to report about the possibility of online gaming industry getting a self-

regulated body in its edition on December 30, 2022.

Minister of state for IT Rajeev Chandrasekhar said that the government will start consultations with the industry and other stakeholders on the draft that looks at creating a governance framework for the online gaming industry which has been growing strongly over the past few years. The rules are expected to be finalised by February this year.

The minister, however, steered clear of the debate around 'games of skill' or 'games of chance' - the latter has been likened to betting or gambling. He, however, added that "any game that allows wagering on its outcome is a no-go".

Chandrasekhar said that the online gaming sector has the potential to grow to a \$200-billion industry, "but grow without wagering".

The draft said that online games of money will need to register with a self-regulated body, which will have a board of directors comprising individuals from the field of online gaming, sports or entertainment; or those representing online game players or from the field of psychology, medicine or consumer education; or a government-nominated person with an experience in the field of public policy or public administration.

Asking companies to identify and verify users on the platform, the draft says, "... the procedure for such identification and verification shall, mutatis mutandis, be the procedure required to be followed by an entity regulated by the RBI under directions issued by it for identification and verification of a customer at the commencement of an account-based relationship".

The broader industry has welcomed the draft. Tanu Banerjee, a partner at Khaitan & Co, said that it paves the way for a centralised regime and authority to regulate online gaming.

Trivikraman Thampy, co-founder of Games24x7, said the measures will boost the "legitimate" domestic online gaming industry, ensuring greater transparency, consumer protection and investor confidence.