



Comments on the **Promotion And Regulation Of Online Gaming Rules, 2025**

SUBMITTED TO:



इलेक्ट्रॉनिक्स एवं
सूचना प्रौद्योगिकी मंत्रालय
MINISTRY OF
**ELECTRONICS AND
INFORMATION TECHNOLOGY**

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INTRODUCTION

This note is in continuation of the call for comments by the Ministry of Electronics and Information Technology (MeitY) on the Draft Rules framed in furtherance of the Promotion and Regulation of Online Gaming Act, 2025 (“PROG Act”). Our comments herein are in continuation of our previously made comments on the PROG Act, taking into account its proposed operationalisation through the Draft Rules. As this submission builds upon our earlier comments on the Act, certain observations may not be solely applicable to the Draft Rules but also pertain to the potential interpretation and implementation of the Act when read together with the Rules.

We commend the Government of India and MeitY for introducing the Promotion and Regulation of Online Gaming Act, 2025 and its Draft Rules. This is a progressive and timely step toward establishing a comprehensive framework that promotes responsible innovation, ensures user protection, and regulates one of the fastest-growing sectors in India’s digital economy.

The framework lays a strong foundation for balancing industry development with consumer safeguards. However, as online gaming continues to evolve, it is essential that India’s approach remains forward-looking and responsive to emerging challenges. Global experience has shown that issues such as player safety, monetisation ethics, data governance, and cross-border gaming require continuous regulatory clarity and coordination.

This document highlights areas where the current provisions under the Act and Draft Rules may be open to differing interpretations or operational ambiguity, and identifies opportunities for India to align with international best practices.

Our intention is to contribute constructively to the consultative process by identifying potential gaps and offering practical suggestions for improvement. These comments are guided by the objective of ensuring that India remains at the forefront of protecting, promoting, and regulating online gaming in a manner that supports innovation, strengthens user trust, and advances the broader public interest.

COMMENTS ON THE PROG RULES 2025

I. Game Moderation and Player Safety

Relevant Rule(s): Part III, Rule 10; Part VII, Rule 23

Our reading of the Promotion and Regulation of Online Gaming Act, 2025 and its Draft Rules suggests that while the preamble recognises the need to protect users from “adverse social and psychological impacts” and to safeguard their privacy, the operative provisions do not appear to provide explicit safeguards against harms such as harassment, discrimination, doxing, hate speech, or gender-based abuse. This presents a potential gap in the framework, particularly when read alongside the increasing evidence of such harms in global online gaming ecosystems.

To truly protect gamers and promote online gaming, the Draft Rules should embed digital safety, inclusion, and accountability by aligning online gaming regulations with global standards.

Online gaming has evolved into one of the world’s largest and most dynamic digital ecosystems. Yet, as participation has grown, so too have the risks associated with unregulated digital interactions. These include harassment, hate speech, discrimination, radicalisation, and privacy violations, amongst others. These harms form recognisable global patterns that demonstrate the need for structured digital safety frameworks. Examples include targeted harassment and doxing as seen in Gamergate, where female game developers, journalists, and players faced large-scale online abuse and offline threats; “swatting,” which involves false emergency reports intended to provoke armed police responses; exploitation and grooming risks that have exposed minors to predatory behaviour and explicit content; and the use of gaming and streaming platforms by extremist groups to normalise hate ideologies and recruit youth audiences.

Global policy responses have increasingly converged around platform accountability and user protection. The United Kingdom’s Online Safety Act (2023), for instance, introduces a statutory duty of care requiring digital platforms to proactively assess and mitigate risks of user harm. The European Union’s Digital Services Act mandates systemic risk assessments, content moderation obligations, and independent audits for large online platforms. Australia’s Online Safety Act (2021) empowers the eSafety Commissioner to issue removal notices and enforce safety-by-design standards. New Zealand’s Harmful Digital Communications Act (2015) provides direct takedown and prosecution pathways for harassment and digital abuse. Canada’s proposed Online Harms Act (2024) similarly moves toward codified platform-level safety obligations.

While a lot of these concerns could be covered under the Information Technology Act, 2000, the Intermediary Guidelines and Digital Media Ethics Code Rules, 2021, the Digital

Personal Data Protection Act, 2023, and certain provisions of the Indian Penal Code, the relationship between these frameworks and the PROG Act and its Draft Rules remains unclear.

It would be consistent with the legislative intent of the Act and its Draft Rules to include clarificatory provisions that empower the Authority to issue directions or codes of practice for user safety. These could include expectations for gaming service providers to adopt community safety and inclusion standards, implement effective in-game moderation and reporting systems, conduct user education on online safety, and publish transparent annual reports on grievance redressal and content moderation outcomes.

It may also be useful to consider a broader digital safety framework that ensures user safety, dignity, and privacy across all digital platforms, including gaming, social media, and emerging virtual environments. Such a framework could establish a duty of care for digital service providers to anticipate, mitigate, and report online harms, define safety-by-design standards, mandate transparency and accountability through safety audits and public disclosures, and empower regulators to penalise companies that fail to uphold these obligations.

II. Gambling-like Mechanics

Relevant Rule(s): Part IV, Rule 13

Our reading of the Promotion and Regulation of Online Gaming Act, 2025 and its Draft Rules indicates that while the framework provides parameters for determining whether an online game constitutes an “online money game,” it does not explicitly address digital monetisation models that replicate gambling-like mechanics through non-cash or randomised mechanisms such as loot boxes or gacha systems.

The Rules could be strengthened by addressing gambling-like features that do not have direct monetary returns such as loot boxes and gacha systems to protect young players and ensure transparency.

The business model of video games has evolved from one-time purchases to microtransactions, where players pay small amounts repeatedly for additional digital content. These payments can be for cosmetic items or randomised rewards known as loot boxes or gacha mechanics. Loot boxes function as digital lucky draws in which players spend real money, or in-game currency purchased with money, to receive a random item or reward of varying rarity. Some games, particularly those appealing to children and young players, present these mechanics through bright visuals, suspenseful animations, and sound effects designed to create the excitement of gambling. In some cases, loot-box openings have even been depicted as virtual slot-machine spins.

While the rewards from these purchases are usually not directly encashable, they can influence gameplay performance or confer social advantages. Their design often

encourages repetitive spending through psychological triggers such as the fear of missing out and the illusion of control.

Under Part IV, Rule 13, the Authority is required to consider whether a game involves any element of money or other stakes, including purchases made at any point of time during game play and whether such payments amount to stakes or wagers. However, the Draft Rules do not expressly clarify how these provisions apply to digital randomised reward systems, which may not involve direct monetary payout but nevertheless mimic the structure and behavioural impact of gambling. This creates a potential interpretive gap, particularly when these mechanics are accessible to and marketed towards children.

Globally, regulators have begun recognising this risk through legislation, enforcement, and policy guidance. Belgium concluded in 2018 that paid loot boxes in games such as FIFA 18, Overwatch, and CS:GO qualified as “games of chance” under Belgian gambling law because they involved payment for an unknown outcome that could influence gameplay. Brazil moved in 2025 to ban the sale of loot boxes to players under 18 as part of a broader child-safety law. The United Kingdom, while stopping short of regulation under its Gambling Act, required major publishers to adopt stronger self-regulation, including disclosure of reward odds, age-gating, and clear labelling of randomised-reward mechanics.

Across these jurisdictions, when real money is exchanged for randomised digital rewards, governments are increasingly demanding transparency, accountability, and consumer protection comparable to gambling oversight.

This risk could be addressed by clarifying whether loot-box mechanics, gacha systems, or similar randomised purchases fall within the digital regulatory framework of the Draft Rules. The Authority may also consider, under its powers in Part IV, Rule 13(1)(e), issuing interpretive guidance to define such systems as “other relevant factors” for determining whether a game involves stakes or enrichment. Further, specific provisions could be introduced to require disclosures of reward probabilities, age-gating for randomised purchase systems, and restrictions on targeting minors.

III. Regulating In-Game Economies and Revenue Mechanisms

Relevant Rule(s): Part IV, Rules 12 and 13

While Part IV of the Draft Rules provides a framework for the classification and registration of online games, certain definitional and interpretive gaps may allow gaming companies to structure products in ways that could avoid regulation while maintaining the same economic effects as regulated games. To address this, the

The Draft Rules should clarify “enrichment” and mandate disclosure of in-game economies, ad-sharing, and engagement-based monetisation that mimic financial returns.

Draft Rules, in Rule 12(3)(e), have asked for service providers to declare their revenue models for the Authority to make a determination of their status.

While this is a good move, we would recommend that this expands beyond direct revenue models to revenue mechanisms and in-game economies. For instance, while a certain game may generate revenues from advertisements, they could also share these revenues with users as incentives for longer playtime or engagement (without any payment to access the game), such arrangements could effectively link player participation to financial returns.

Additionally, the Draft Rules and Act could also regulate any third parties benefitting from game economies. For instance, skins for Counterstrike: Global Offensive became tradable on third-party markets for real money, effectively turning cosmetic rewards into speculative assets. Without clear guidance, similar monetisable virtual items could circulate in Indian gaming platforms while escaping regulation.

IV. Tracking Repeat Offences

Relevant Rule(s): Part VI, Rule 21

While both the Act and Part VI of the Draft Rules establish penalties for violations and extend liability to every person responsible for the conduct of business at the time of the offence and note admissions of non-compliance, they do not specify mechanisms for tracking or recording such offences.

A central register could enhance accountability by tracking repeat violations across companies and individuals and prevent them from evading penalties.

Repeat violations by the same individuals or entities could occur in identifiable patterns, particularly where financial or operational incentives outweigh the perceived risk of penalty. Without a system to record and monitor such patterns, enforcement can become fragmented and reactive, treating recurring misconduct as isolated incidents.

At present, there is no provision requiring the maintenance of a register of individuals or entities held liable under the Rules, nor any system for tracking repeat offences. Establishing such a record could allow the Authority to maintain institutional memory across enforcement actions and strengthen oversight.

The Authority could therefore consider establishing a confidential but mandatory Register of Liable Persons and Entities, maintained under Part VI, Rule 21. This register could include details of companies and responsible officers penalised under the Act or Rules, track repeat offenders, and be made available to relevant enforcement authorities.

V. Liability on Advertisements

Relevant Rule(s): Part IV, Rule 13(4)

Part IV, Rule 13(4) prohibits any person from advertising, promoting, or facilitating unregistered or illegal online money games. However, neither the Act nor the Draft Rules explicitly delineates liability within the broader digital advertising ecosystem, particularly with respect to intermediaries such as programmatic ad networks, automated exchanges, or cross-platform distributors.

The Draft Rules should distinguish between responsible developers and negligent ad networks in gaming advertisements.

In practice, many developers rely on third-party ad networks to manage and place online advertisements. These networks operate through automated systems that may serve ads across multiple jurisdictions without the direct control or prior review of the game developer or publisher. This raises uncertainty as to whether liability extends to such intermediaries, and how responsibility should be apportioned when unauthorised or non-compliant advertisements are disseminated through automated mechanisms.

To ensure proportional and effective enforcement, the Draft Rules could clarify that liability should be determined according to control and intent. Developers and publishers who can demonstrate that they have exercised due diligence should be afforded a defence against strict liability for inadvertent violations. Conversely, ad networks and intermediaries that knowingly or negligently distribute advertisements for illegal online money games could be expressly recognised as liable entities.

VI. User Liability

While the Act prohibits the offering and facilitation of online money games, the Draft Rules do not clearly outline the standard of liability for users who knowingly engage with such platforms from within India.

The intent of the framework appears to focus primarily on curbing illegal operators and intermediaries that profit from unregistered or harmful gaming activities. However, the absence of explicit guidance on user accountability creates uncertainty. It is unclear whether users who intentionally access or play offshore or unregistered online money games can be penalised, and if so, under what conditions or evidentiary standards.

The Draft Rules should clarify whether users playing foreign or VPN-accessed online money games in India face liability and if so, under which framework.

This ambiguity becomes particularly relevant in scenarios where users access offshore platforms via virtual private networks or play games downloaded abroad but used within India. While penalising operators is necessary for deterrence, imposing liability on users without procedural safeguards or clarity on applicable legal standards could result in inconsistent or disproportionate enforcement.

To address this, the Draft Rules could clarify the scope and hierarchy of applicable laws. Specifically, they could indicate whether user participation offences are governed solely under the PROG Act or whether liability may also arise under other statutes where financial transactions are involved. Such cross-referencing could provide interpretive clarity, ensure proportional enforcement, and guide users, platforms, and enforcement authorities on the appropriate legal regime.

VII. Circumvention through Non-wager Models

While the framework distinguishes between “online money games” and “e-sports”, it does not fully clarify how games that involve prize pools without user buy-ins will be treated.

For instance, a “sports league” for poker could be organised without direct monetary stakes or player wagers, with revenues generated instead through advertising, sponsorships, or ticket sales, and prize pools structured similar to traditional e-sport models. While such events may not technically qualify as real-money gaming, they could retain the same underlying gambling mechanics and may normalise wagering behaviour among participants and spectators. Over time, this could create an unwarranted affinity towards gambling-based versions of these games, particularly when presented as legitimate skill-based competitions under the “e-sports” label.

Though unlikely, clarifying how non-wager e-sports models for gambling-linked games are regulated could prevent normalisation of gambling behaviour.

Although the likelihood of such circumvention may be limited, even a low probability warrants regulatory attention. Without clear interpretive boundaries, traditional gambling games could mimic the economic and behavioural characteristics of e-sports while formally remaining compliant with the Rules.

To address this, the Rules could provide further clarity on how e-sport classifications apply to games historically associated with gambling mechanics. Specifically, the framework could adopt a functional test that evaluates the economic structure and behavioural impact of a game, including its sources of revenue and incentive systems, rather than relying solely on the absence of direct stakes or wagers.

ABOUT EIGHT GOALS ONE FOUNDATION

Eight Goals One Foundation (8one) was founded to support the eight goals that we have identified as crucial in our mission for humanity. These eight goals drive us towards achieving a world that is fair, equitable, and just. They include Well-being, Gender Equality, Peace, Environment, Hygiene, Nutrition, Education, and Employment. We actively seek and build panoptic collaborations across demographics and geographies to create synergies for meaningful dialogue and action. Our team members are present across New Delhi, Gujarat, Uttar Pradesh, Maharashtra, Karnataka, Kerala, and Madhya Pradesh; and within India, our projects have covered all 37 States and Union Territories.

We are currently participants in the UN Global Compact. Over the years, we have partnered with several local, national, and international organisations to further achieve our vision and mission. Such associations include UNESCO, Games for Change, Confederation of Indian Industry (CII), Women's Indian Chamber of Commerce and Industry (WICCI), Centre for Equity and Inclusion (CEQUIN), Ecocivilisation, Global Mental Health Task Force, and Social Systems Lab, among others.

In the gaming sector, 8one has partnered with UNESCO on a global initiative called 'Transforming MEN'talities in and through Video Games'. This project aims to ensure that video games are created ethical by design, used ethically, and leveraged by the gaming community as tools and spaces for the promotion of gender equality. It engages all stakeholders in gaming – from the industry and governments to the gamers and the gaming communities created by them – to promote gender equality and human rights. As part of this, 8one and UNESCO published a report titled 'The Gender Equality Quest in Video Games', which was launched at the United Nations Headquarters in New York City.

8one was one of the first members of the Global Mental Health Task Force and participated in their submissions to the United Nations on leveraging video games for positive mental health outcomes, and has also worked closely with Games for Change across various initiatives in India and abroad. 8one has also been represented at various forums organised by UNESCO, UNESCO MGIEP, IIT Kanpur, the Massachusetts Institute of Technology, and Rohini Nilekani Philanthropies, amongst others.



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