

2 years' jail, ₹50L fine likely for those advertising online games

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Online social games have been defined as those that don't involve exchange of money, although users may be allowed to pay a subscription or one-time access fee.

Govt has proposed the new law considering unregulated online money gaming platforms pose threats to national and economic security as they use digital wallets and cryptocurrencies for money laundering and illicit money transfer, cross-border data flows without compliance of data protection law, sources said. Moreover, offshore entities are seen to be circumventing tax and legal obligations.

The proposed legislation also assumes significance as online money gaming poses



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serious concerns, including addiction among children and youth, mental health issues, financial losses leading to suicides and lack of uniform regulation across states. Law enforcing agencies face problems in tracking and regulating these platforms, particularly those hosted or operated from outside India.

Sources said the govt pro-

poses penalties of up to two years in jail or with a maximum fine of Rs 50 lakh or both for any entity advertising such games in media. For those offering online money games and banks engaged in transactions face violations of the proposed law will be "cognisable and non-bailable" offences. Every subsequent violation after convic-

tion would attract penalties of at least three years' jail and fine of Rs 10-20 lakh. In the case of advertisers, such penalties would be 2-3 years in jail and fine of Rs 5-10 lakh.

The bill proposes to hold senior executives of the companies liable, if it's established that the offences have been committed with the consent or connivance or due to their neglect.

It also proposes blocking of platforms and money gaming services, if the entities or individuals fail to comply with the law.

According to the proposal, the bill seeks to encourage Indian startups to build culturally relevant content, reduce dependence on foreign platforms and promote self-reliance in the digital gaming ecosystem.