

The Future of Online Gaming is Here

– Online Gaming Rules 2026

29 April 2026

Introduction

India's digital gaming landscape witnessed another critical milestone with the notification of the Promotion and Regulation of Online Gaming Rules, 2026 (Rules) by the Ministry of Electronics and Information Technology (MEITY) on 22 April 2026. These rules have been notified pursuant to the Promotion and Regulation of Online Gaming Act, 2025 (Act), and are set to come into effect from 1 May 2026 onwards.

The Act, enacted by the Parliament in August 2025 replaced (to the extent of a conflict) the state specific gambling legislations, and the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (as amended in 2023), which relied on self-regulatory bodies for "permissible" online real money games. The Act created a uniform nationwide framework which imposes a blanket ban on online real money games (without going into the classification of game of chance or skill), while promoting skill-based e-sports and non-monetary social games. Our analysis of the Act is available [here](#).

The Rules aim to bring a transparent mechanism to determine the nature and validity of an online game, i.e., if the online game is an online money game, or an online social game, or an e-sport. To this end, the Rules set out two linked processes, determination under Part III, which is how the Authority decides whether a game is an online money game, and registration of the game under Part IV, which comes into play where the Government has notified a game for registration or where the game is an e-sport. Notably, the Rules provide the enforcement requirements and procedural mechanisms needed to put the Act's prohibitions and restrictions into practical operation. The Rules also provide greater clarity for online gaming companies, allowing them to restructure their business model as necessary to ensure full compliance with the new regulatory framework.

The central features of the Rules *inter alia* include a) establishment of the Online Gaming Authority of India (Authority), which will act as a digital regulator for the online gaming industry, b) user protection and safety features, c) determination orders, certifications and display requirements, and d) grievance redressal and enforcement.

Online Gaming Authority of India and its Powers

The Authority is intended to operate as a multi-sectoral body with senior representatives from various key ministries, led by a chairperson and supported by a digital office, overseeing the functioning of both individual and collective members. The Authority will be responsible for determining the eligibility of a game as an online game, maintaining and publishing a list of online money games, issuing guidelines and directions to the service providers offering, organising or facilitating any online game, advertisements relating to online games and financial transactions or authorisation of funds for any online game. Further, it will lay down standards concerning user verification, cybersecurity, data retention, deposits, user safety, and fair play.

User Protection and Safety Features

The Rules introduce the definition of “user safety features”, including age verification, parental controls, time limits, and grievance redressal mechanism. While the Rules do not appear to impose a general obligation to implement each such feature across all online games, details relating to user safety features are required to be furnished where an application for determination is made under the Rules.

These features aim to protect the users from, *inter alia*, financial or security related risks which may arise from usage of or participation in an online game. Further, the Rules also require implementation of fair play and integrity in the process. That said, it is imperative to note that there is no prescriptive technical definition that has been provided under the Rules for what a “fair play and integrity monitoring tool” must look like, providing only that such user safety features should have regard for the nature of the games and the risks associated with them.

Determination Order

The Rules introduce a formal determination process for online games. An online game service provider will be required to make an application to the Authority only upon either a *suo motu* direction by the Authority, or a notification by the Central Government requiring a category of online social games to be determined, or an application by the service provider offering such game as an e-sport.

To the extent practicable, the determination of an online game is required to be made within 90 days from the date of receipt of an application from the online game service provider or receipt of a notice from the Authority pursuant to a *suo motu* action. For undertaking this determination, the Authority shall consider and examine factors such as the presence of entry fees or deposits, extent of involvement of bets/wager, the expectation of monetary or other rewards, the structure of the revenue model, and the extent to which in-game assets can be monetised. The determination order issued by the Authority is valid and subsisting (subject to a periodic review at the discretion of the Authority) until there is an update to the online game that can potentially affect payments or authorisation of funds for participating in such online game. Notably, no materiality threshold has been prescribed in this regard. As a result, the trigger appears broad on its face, and any update that can potentially affect payments or the authorisation of funds may impact the continued validity of the determination order.

The determination order is specific to the particular online game and the online game service provider offering it, and does not extend to the same or similar online games offered by other service providers. Accordingly, such determinations are unlikely to operate as practical precedents for the industry (though they may serve as indicative guidance for similar games), and the regulatory assessment is likely to remain a case-by-case exercise.

Certificate of Registration

An online game requires registration in cases where the Central Government notifies specific categories of games as requiring registration or where the online game is offered as an e-sport. While issuing such notification, the Central Government evaluates certain risk factors, including the risk of harm to the users, scale of participation, nature of outcome of the game, the country of origin or the head office of the online game service and such other factors as the Authority deems fit. An e-sport can only be registered if it is recognised under the National Sports Governance Act, 2025. Further, the Rules expressly state that an online money game is not eligible for recognition or registration as an e-sport. This appears to reflect a legislative distinction between the e-sports framework and online money games and may be relevant when considering games that share certain features with e-sports but involve money-based elements.

The registration process is digital and requires disclosure of key information, including game mechanics, revenue model, user safety features, and internal compliance systems. Registration is granted in the form of a digital certificate of registration which remains valid for a period up to 10 (ten) years unless suspended or cancelled earlier. A certificate of registration may be revoked in the event (a) an online game is determined to be an online money game, (b) the online game service provider has failed to comply with directions issued under the Act or National Sports Governance Act, 2025; (c) the online game service provider has made false or incorrect statements in its application for determination or registration; (d) in the case of an e-sport, the expiry or withdrawal of e-sport recognition under the National Sports Governance Act, 2025; (e) failure by the online game service provider to pay any penalties imposed under the Act; or (f) violation by the online game service provider of any other applicable law, including the Act.

Display of Determination or Registration

The Rules require an online game service provider to clearly display the details of any determination or registration granted by the Authority and prohibit the provider from presenting a game as an approved online social game or a registered online game unless that status has in fact been granted. This appears intended to promote transparency, prevent misleading claims, and strengthen user trust and confidence in the regulatory status of online games.

It is also noteworthy that the Rules place obligations on banks, financial institutions, and other persons facilitating financial transactions or authorising funds to verify the determination order or certificate of registration prior to facilitating such financial transactions or authorising such funds.

Data Retention in relation to an Online Game

The Rules require an online social games service provider offering an online game or e-sport to retain traffic data, metadata, and other related information on computer resources located in India for such period and in such manner as may be directed.

Grievance Redressal and Penalty

An online game service provider will be required to maintain a robust grievance redressal mechanism to address all grievances raised by users. An aggrieved user, who is dissatisfied with the resolution of their grievance, can approach the Authority within 30 days from the date on which the online gaming service provider has conveyed their decision. If a user is not satisfied with the decision of the Authority, then the user can approach the appellate authority, as set up pursuant to the Rules, who will dispose of the appeal, as soon as practicable, preferably within 30 days of receipt of the appeal.

The Authority may initiate proceedings based on complaints or on its own motion, and is required to provide notice and an opportunity to be heard. All proceedings shall be conducted in a digital mode, unless physical presence is deemed necessary. On the date fixed, the Authority shall explain the alleged non-compliance to the service provider. Where the service provider admits to the non-compliance, the Authority shall record the admission and may impose a penalty. Where the service provider does not admit to the non-compliance, the Authority may direct the service provider to show cause as to why an inquiry should not be conducted. Having considered the response, the Authority shall determine whether there is sufficient cause to hold an inquiry or whether the matter should be dismissed. Where an inquiry is held, the Authority may also direct that the matter be investigated through authorised officers notified under the Act. Upon completion of the inquiry, the Authority may impose an appropriate penalty, including a monetary penalty, suspend or cancel the certificate of registration, or prohibit the offering of the concerned online games by the service provider. In determining penalties, the Authority considers factors such as the scale of user harm, financial benefit derived, frequency of violations, mitigation strategies deployed, gravity of non-compliance, and number of users affected.

For the purpose of discharging their functions, both the Authority and the appellate authority have been vested with broad powers, including the power to summon and examine any person, and to inspect any data, books, documents, registers, books of account, or other records.

Conclusion and Comments

The Rules mark a significant evolution in India's approach to regulating the ever-dynamic online gaming sector, and it is aligned with the Government of India's intent to curb all forms of online money games. Online game service providers will be required to reassess their business models and implement appropriate operational systems to meet the new standards of user protection. In particular, given the blanket ban on online money games, businesses will need to reassess games that even partially intersect with an online money game, regardless of whether such games may otherwise be characterised as games of skill or chance. Additionally, online marketing campaigns which run dedicated gaming features for user engagement, such as mini games, gamified contests, loyalty-based leaderboards, etc., may also need to be carefully re-evaluated to stay compliant with the Act and the Rules.

While the Rules may increase the cost of compliance for operators in the short term, in the long term, the Rules promise regulatory certainty which has been lacking in the sector and offer protection for legitimate operators. The Rules are also likely to have a broader business impact on platform design, monetisation

models, advertising strategies, commercial partnerships, and market-entry planning, particularly for operators offering hybrid or gamified products.

By combining a classification-based framework with licensing, heightened compliances, and financial controls, the Rules seek to strike a balance between the growth of the industry and the mitigation of potential risks. Despite the higher compliance costs, the Rules, which will be in effect from 1 May 2026, establish a much-needed oversight for the online games and e-sports industry, and mark a significant milestone for maintaining a central gaming framework in India.

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