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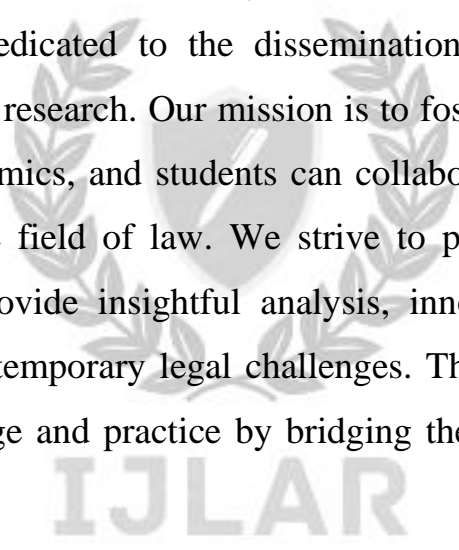
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Introduction

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Preface

The Indian Journal of Legal Affairs and Research is a testament to our unwavering commitment to excellence in legal scholarship. This volume presents a curated selection of articles that reflect the diverse and dynamic nature of legal studies today. Our contributors, ranging from esteemed legal scholars to emerging academics, bring forward a rich tapestry of insights that address critical legal issues and offer novel contributions to the field. We are grateful to our editorial board, reviewers, and authors for their dedication and hard work, which have made this publication possible. It is our hope that this journal will serve as a valuable resource for researchers, practitioners, and policymakers, and will inspire further inquiry and debate within the legal community.

Description

The Indian Journal of Legal Affairs and Research is an academic journal that publishes peer-reviewed articles on a wide range of legal topics. Each issue is designed to provide a platform for legal scholars, practitioners, and students to share their research findings, theoretical explorations, and practical insights. Our journal covers various branches of law, including but not limited to constitutional law, international law, criminal law, commercial law, human rights, and environmental law. We are dedicated to ensuring that the articles published in our journal adhere to the highest standards of academic rigor and contribute meaningfully to the understanding and development of legal theories and practices.

ONLINE GAMING IN INDIA: A COMPARATIVE STUDY OF UNITED STATES AND UK

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ABSTRACT

The rapid growth of digital technology and internet accessibility has transformed online gaming into a major entertainment and commercial sector across the world. In India, the expansion of online gaming platforms has created significant legal and regulatory challenges relating to gambling, consumer protection, platform accountability, and cross-border digital operations. The absence of a uniform legal framework has further contributed to uncertainty regarding the distinction between games of skill and games of chance, resulting in varying regulatory approaches across different States. This study examines the legal regulation of online gaming in India through a comparative assessment with the United States and the United Kingdom. It analyses how India's regulatory position has evolved from legacy gambling control under the Public Gambling Act, 1867 to a compliance-driven platform governance approach shaped by the Information Technology Act, 2000 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (as amended), alongside consumer protection controls under the Consumer Protection Act, 2019 and the 2022 guidelines on misleading advertisements and endorsements. The research evaluates constitutional limitations arising from Article 246 read with Entry 34 of List II (State List), which contributes to divergent State approaches despite the borderless nature of online gaming. The comparative framework highlights the US model combining State licensing with federal payment and interstate transmission controls (UIGEA; Wire Act) and the UK's unified licensing regime under the Gambling Act 2005 and the Gambling (Licensing and Advertising) Act 2014. The study concludes with recommendations to strengthen regulatory clarity, enforceability, and user protection in India.

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1 INTRODUCTION

Online gaming in India has moved from a leisure activity into a major digital economy sector that blends entertainment, payments, advertising, data processing, and platform governance. The legal difficulty is that “gaming” is not regulated by one single, modern central statute; instead, regulation emerges from a combination of legacy gambling law, constitutional allocation of legislative power, and technology-law compliance for online intermediaries. In India, “betting and gambling” is primarily a State subject under Entry 34 of List II (State List) in the Seventh Schedule, which results in fragmented State-level approaches while online platforms operate across borders and States through the internet.²

At the Central level, online gaming platforms also function as “intermediaries” in the digital ecosystem and are therefore shaped by the Information Technology Act, 2000, especially the statutory framework on intermediary responsibility and rule-making powers, alongside the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (as updated), which incorporate compliance obligations relevant to online gaming intermediaries, including due diligence and grievance-handling structures. This technology-law layer operates alongside consumer-facing regulation under the Consumer Protection Act, 2019 and its rules on misleading advertisements, which are practically significant because gaming products are marketed aggressively and often involve financial inducement through rewards, deposits, or prize-linked mechanisms.³

A comparative study with the United States and the United Kingdom is valuable because both jurisdictions show mature compliance architectures for remote/online gambling and wagering—through licensing, enforcement, payment controls, and consumer protection—while still reflecting different constitutional structures. The UK’s Gambling Act 2005 provides a unified

² “Regulating India’s Online Gaming Industry,” *Drishti IAS* available at: <https://www.drishtias.com/daily-updates/daily-news-editorials/regulating-india-s-online-gaming-industry> (last visited April 28, 2026).

³ Muskan Sharma, “Due Process in the Digital Space: A Closer Look at the IT Rules 2025 Amendment,” 2025 available at: <https://www.cyberpeace.org/resources/blogs/due-process-in-the-digital-space-a-closer-look-at-the-it-rules-2025-amendment> (last visited April 28, 2026).

statutory base for licensing and the protection-oriented objectives of gambling regulation, while the US combines federal controls (including restrictions linked to interstate communications and payment systems) with State-driven legalization and licensing. These models help evaluate what kind of regulatory design India should adopt for legality, platform accountability, and user protection without relying on case-law development as the primary driver.

1.1 Meaning, Nature and Scope of Online Gaming

Online gaming refers to games played through internet-enabled devices where participation, interaction, scoring, or outcomes are processed digitally and may include multiplayer formats, esports, fantasy contests, casual games, and games involving deposits or winnings. Its “nature” is platform-based: operators provide software access, matchmaking, wallets/payment flows, player communications, and moderation, which places them within digital intermediary governance. In India, the baseline gambling control historically stems from the Public Gambling Act, 1867 (notably its provisions defining and penalizing “common gaming-house” and gambling-related conduct), while the online layer is addressed through information-technology regulation, where the IT Act, 2000 empowers rule-making (Section 87) and the IT Rules, 2021 (as updated) prescribe due diligence duties for intermediaries. The scope of online gaming regulation therefore spans (i) State gambling prohibitions/regulation (because “betting and gambling” is in the State List—Entry 34), (ii) central digital platform compliance under the IT framework, and (iii) consumer-facing duties such as fair advertising and grievance redress.⁴

1.2 Growth of Online Gaming in India and Global Markets

India’s online gaming ecosystem has expanded rapidly due to smartphone penetration, low-cost data, real-time payments, and creator-led marketing, with the industry reporting strong year-on-year revenue growth and projections of continued expansion through the decade. Market studies frequently note that real-money formats contribute a substantial share of revenues, and taxation and compliance changes have become key determinants of growth patterns. Globally, the games market remains one of the largest digital consumer industries, with published forecasts estimating worldwide revenues near the high hundreds of billions of US dollars and continued growth driven

⁴ Indrajeet Sharma, “TDS on Online Gaming in India: Explore Section 194BA” *TaxBuddy.com*, 2024 available at: <https://www.taxbuddy.com/blog/tds-on-online-gaming-in-india-explore-section-194ba> (last visited April 28, 2026).

by consoles, PC, and mobile segments. This scale makes comparative regulation necessary because platform operators, payment processors, app stores, and advertising networks often operate transnationally, meaning domestic legal choices directly affect cross-border compliance, market entry, and enforcement feasibility.

1.3 Need for Legal Regulation of Online Gaming

Legal regulation is required because online gaming raises public-interest risks that traditional gambling laws were not designed to address: cross-State access, instant micro-transactions, intensive advertising, underage exposure, fraud/impersonation, and addiction-linked harms, alongside financial integrity concerns such as money laundering typologies and opaque reward structures. India's constitutional structure (Article 246 read with Entry 34 of List II) creates a regulatory mismatch where States legislate betting/gambling but online operations are borderless and heavily dependent on central technology governance. As a result, core safeguards increasingly sit within the IT regulatory framework for intermediaries (IT Act, 2000 and IT Rules, 2021 as updated), while consumer-facing protections arise under the Consumer Protection Act, 2019 and the Rules on misleading advertisements (important for "risk-free" or "guaranteed winning" claims). Comparatively, the UK's Gambling Act 2005 establishes licensing objectives and a consolidated regulator-led approach for remote gambling, and the US uses federal tools such as the Wire Act (18 U.S.C. §1084) and payment restrictions under UIGEA (31 U.S.C. §5361 et seq.) alongside State licensing—illustrating enforceable models for payments, licensing, and player protection that India can adapt to its own constitutional distribution of powers.⁵

1.4 Objectives of the Study

1. To examine the present legal and regulatory position of online gaming in India under State gambling laws and central technology-law compliance.
2. To study the core regulatory architecture for online gaming in the United States and identify federal–State regulatory interactions.
3. To analyse the UK licensing-based model for remote/online gambling and its consumer protection mechanisms.

⁵ Soumya Awasthi, "Online Gaming Regulation in India: A Preliminary Review" *OBSERVER RESEARCH FOUNDATION (ORF)*, 1 September 2025.

4. To compare compliance tools across India, the US, and the UK (licensing, payment controls, advertising norms, and platform accountability).

1.5 Research Questions

1. How do Indian laws allocate regulatory power over betting/gambling, and what challenges arise for online gaming across States?
2. Which central IT-law duties most directly shape online gaming intermediaries in India, and how effective are they for user protection?
3. How do US federal controls and State licensing models regulate online gambling/wagering and related payment flows?
4. How does the UK's statutory licensing model regulate remote gambling, advertising, and responsible gambling obligations?

1.6 Research Methodology

This study adopts a doctrinal (library-based) methodology focused on the analysis of primary legal materials and authoritative regulatory sources. It examines Indian central statutes and rules relevant to online platforms (IT Act, 2000 and IT Rules, 2021 as updated), the constitutional allocation of legislative competence (Entry 34, List II; Article 246), and the foundational gambling statute (Public Gambling Act, 1867), along with consumer protection law where directly relevant. For the comparative component, it analyses key statutory frameworks in the United States (UIGEA; Wire Act provisions) and the United Kingdom (Gambling Act 2005; 2014 amendments affecting remote operators), and then synthesizes similarities, differences, and reform options aligned with the chapter scheme.

2. EVOLUTION OF ONLINE GAMING LAWS IN INDIA

2.1 Historical Development of Gaming Laws in India

Gaming regulation in India emerged as a public morality and policing issue, reflected in the Public Gambling Act, 1867, which targeted public gambling and the keeping of “common gaming-houses,” relying on search, seizure, and penal provisions (including Sections 3, 4, and 6) suited to place-based gambling rather than platform-based activity. Over time, States enacted their own gambling statutes or adaptations, because the constitutional scheme places “betting and gambling”

within State legislative competence, contributing to a patchwork of approaches when online games became accessible across State borders.⁶

2.2 Distinction Between Games of Skill and Games of Chance

A central regulatory dividing line in India has been the policy distinction between skill-dominant activities and chance-dominant gambling, because many State laws historically criminalized “gaming”/gambling in broad terms while exempting certain formats (commonly “games of mere skill” in several State enactments). In the online environment, this distinction becomes practically significant for platform compliance because the IT Rules framework now introduces governance for “online gaming intermediaries” and “online real money games,” including conditions for allowing access only to “permissible online real money games,” coupled with duties to inform users and implement due diligence (notably Rule 3 and the added Rule 3A structure in the updated rules). This regulatory design attempts to move from outcome-based policing to ex ante platform gating through compliance and verification.

2.3 Constitutional Position of Betting, Gambling and Gaming

The principal anchor is the Seventh Schedule, List II (State List), Entry 34: “Betting and gambling,” read with Article 246 which distributes legislative competence between Parliament and State Legislatures. This placement explains why States retain primary authority to permit, prohibit, license, or otherwise regulate gambling-like activity, while Parliament’s role becomes more prominent where the subject matter overlaps with Union competencies such as telecommunications, cyber regulation, and cross-border digital commerce governance through central laws like the IT Act, 2000. The constitutional structure therefore creates an inherent tension for online gaming: State competence is territorial, but online platforms operate in a borderless, networked manner.⁷

⁶ Author Name, “Poker, Policy, and Prosecution: Decoding the Law One Card at a Time [PART – 4]” *Your Website Name*, 2025 available at: <https://www.lexworks.co.in/posts/poker-policy-and-prosecution-decoding-the-law-one-card-at-a-> (last visited April 28, 2026).

⁷ “Government Strengthens Regulations for Online Gaming to Ensure Transparency and User Safety,” *Press Information Bureau* available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2115414> (last visited April 28, 2026).

2.4 Role of Central and State Governments in Regulation

In practice, States remain decisive on whether and how real-money gaming is permitted within their territories, whereas the Central Government shapes platform conduct through digital intermediary regulation and sector-wide compliance architecture. Under the IT Act, 2000, intermediary governance and delegated rule-making operate alongside the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (as updated), which impose due diligence and user-facing obligations on intermediaries, and now specifically regulate “online gaming intermediaries” through mechanisms like “permissible online real money games” and self-regulatory body verification mark requirements (notably Rule 3 and Rule 3A features). This division results in concurrent, sometimes overlapping regulation: State legality decisions plus central platform-governance duties.

3 REGULATORY FRAMEWORK GOVERNING ONLINE GAMING IN INDIA

India’s current framework for online gaming is best understood as a compliance stack:

(i) legacy gambling principles and State statutes; (ii) central digital governance through the IT Act, 2000 and intermediary rules; (iii) consumer protection and advertising control under the Consumer Protection Act, 2019; and (iv) taxation and financial integrity rules, especially GST reforms addressing online gaming. This structure is not a single “gaming code,” but it is increasingly rule-based for platforms, emphasizing user due diligence, grievance redressal, and restrictions on unlawful content/services delivered through intermediaries.

3.1 Statutory Framework Applicable to Online Gaming Platforms

Online gaming platforms may be exposed to State gambling prohibitions (via Entry 34 State List) and, where applicable, to the continued influence of the Public Gambling Act, 1867 model that criminalizes running and visiting common gaming houses (Sections 3 and 4) and creates evidentiary presumptions (Section 6) for gaming instruments—although these were drafted for physical premises. Because online platforms function digitally rather than as premises, contemporary governance relies more heavily on the IT Rules’ category of “online gaming intermediary” and “online real money game,” which seeks to control access through “permissible”

game criteria and structured verification under Rule 3A (as reflected in the consolidated updated rules document).⁸

3.2 Information Technology Law and Digital Platform Liability

The IT Act, 2000 supplies the foundational legal architecture for intermediary operations, and the Intermediary Rules translate that framework into concrete due diligence duties, including user notice, complaint handling, and governance obligations that are especially significant for online gaming intermediaries. The updated rules introduce targeted obligations such as allowing only “permissible online real money games,” displaying a verification mark from a designated online gaming self-regulatory body, and implementing safeguards linked to user protection and transparency (Rule 3 read with Rule 3A in the updated consolidated rules). The framework also contemplates staged applicability and operational timelines for online game-related obligations (for example, transitional applicability provisions reflected in later consolidated notifications).

3.3 Consumer Protection, Advertising and User Safety Standards

Consumer-facing regulation matters because online gaming platforms are marketed at scale and may use inducements, “free” claims, or influencer endorsements that can distort risk perception. The Consumer Protection Act, 2019 defines “misleading advertisement” under Section 2(28), and the Central Consumer Protection Authority’s Guidelines for Prevention of Misleading Advertisements and Endorsements, 2022 provide standards on what constitutes misleading claims, endorsements, and “free” or bait advertising practices—compliance that is directly relevant to real-money gaming promotions. This consumer law layer complements IT-based platform governance by focusing on market conduct, transparency, and fairness to users as consumers.⁹

3.4 Taxation, Financial Compliance and Platform Accountability

Taxation reforms have become a primary regulatory lever in India’s online gaming sector, especially under GST where amendments and valuation rules aim to clarify taxability and

⁸ “Government Strengthens Regulations for Online Gaming to Ensure Transparency and User Safety,” *Press Information Bureau* available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2115414>

⁹ “APAC Pay TV & OCC Advertising Rules: Asia Video Industry Association,” *available at*: <https://avia.org/advertising-rules/> (last visited April 28, 2026).

computation for online gaming and “online money gaming.” The post-2023 changes are commonly discussed as introducing statutory definitions in the CGST Act (including Section 2(80A) “online gaming” and Section 2(80B) “online money gaming”) and treating certain activities as “specified actionable claims,” alongside valuation mechanisms inserted into the CGST Rules (notably Rule 31B) for determining value of supply in online gaming. These provisions, combined with payment and identity verification expectations in the broader financial compliance environment (e.g., regulated entities applying RBI KYC Directions for account-based relationships), push platforms toward stronger transaction traceability and documentation.

4 LEGAL REGULATION OF ONLINE GAMING IN THE UNITED STATES

The United States regulates online gaming through a federal–State blend where federal law primarily addresses interstate transmission and payment systems connected to unlawful internet gambling, while States decide whether to legalize and license online gambling products within their borders. This structure produces a compliance environment driven by (i) State legalization and licensing statutes and regulators, and (ii) federal guardrails that target interstate communications and financial transaction acceptance connected to “unlawful Internet gambling.”

4.1 Federal Structure and Distribution of Regulatory Powers

At the federal level, a key control is the Wire Act provision, 18 U.S.C. §1084, which criminalizes certain interstate or foreign transmission of bets/wagers or wagering information by persons engaged in the business of betting or wagering, creating a federal constraint where cross-border communication facilities are used for wagering activity. A second pillar is UIGEA, particularly 31 U.S.C. §5363, which prohibits persons engaged in betting or wagering businesses from knowingly accepting specified payment instruments in connection with another person’s participation in “unlawful Internet gambling,” and is operationalized through obligations on payment systems to block restricted transactions. Together, these establish federal influence through communications

and payments even while States shape product legality.¹⁰

4.2 State-Level Approaches to Online Gaming Regulation

State governments in the US decide whether online casinos, poker, sports wagering, or internet lottery products are legal, and typically implement legality through licensing statutes, designated regulators, and detailed compliance rules on technology, geolocation, and player eligibility. This State-centric model results in market segmentation: an operator may be legal in one State but unlawful in another, requiring strict geofencing, localized licensing, and product-by-product approvals. Federal payment restrictions under UIGEA (31 U.S.C. §5363) reinforce State boundaries by discouraging payment flows connected to unlawful internet gambling, thereby indirectly supporting State enforcement and consumer protection.

4.3 Licensing, Compliance and Enforcement Mechanisms

Licensing is the operational heart of US online gaming where legal: States commonly require operator licenses, technology/vendor certifications, internal control systems, and audit-ready reporting. Enforcement is supported by the interplay of State penalties for unlicensed operation and federal constraints that reduce the ability of unlawful operators to access mainstream payment rails under UIGEA (31 U.S.C. §5363), while the Wire Act (18 U.S.C. §1084) continues to matter where interstate transmission of wagering information is implicated. This multi-layer enforcement design makes compliance largely measurable through licensing status, approved technology stacks, and payment-blocking controls.¹¹

4.4 Player Protection, Responsible Gaming and Revenue Controls

Player protection in the US is primarily State-implemented through licensing conditions such as age verification, responsible gaming measures, and integrity monitoring, while federal law shapes the ecosystem by discouraging payment acceptance tied to unlawful gambling activity (31 U.S.C. §5363). Revenue controls are achieved through State taxation or fee structures embedded in

¹⁰ Office of the Law Revision Counsel, “18 U.S. Code § 1084 - Transmission of wagering information; penalties” *LII / Legal Information Institute available at*: <https://www.law.cornell.edu/uscode/text/18/1084> (last visited April 28, 2026).

¹¹ “eRegulations - Browse Regulations of Connecticut State Agencies,” *available at*: https://eregulations.ct.gov/eRegsPortal/Browse/RCSA/Title_12Subtitle_12-865_HTML/ (last visited April 28, 2026).

licensing frameworks, with regulators leveraging audit powers, compliance reporting, and technology requirements to minimize fraud and protect consumers. This demonstrates a practical model where the legality question is answered locally (State law), but system-wide risks are reduced through federal payment and communication constraints.

5 LEGAL REGULATION OF ONLINE GAMING IN THE UNITED KINGDOM

The United Kingdom offers a consolidated, statute-led model in which most gambling (including remote/online gambling) is governed under a single primary act with licensing objectives, a central specialist regulator, and detailed licence conditions. The UK approach is structurally different from India's State-fragmentation and the US federal-State patchwork, because it places remote gambling within a unified legal and supervisory framework that integrates licensing, enforcement, and social responsibility controls.

5.1 Statutory Basis of Online Gaming Regulation in the UK

The Gambling Act 2005 is the principal statute regulating gambling in Great Britain and includes express treatment of "remote gambling," defined as gambling where persons participate using "remote communication" (see the Act's remote gambling definition provisions). The Act also embeds licensing objectives (Section 1, as explained in the official explanatory notes), which frame regulation around crime prevention, fairness, and protection of children and vulnerable persons. This statutory clarity provides a stable baseline for regulating online operators, products, and advertising, reducing interpretive uncertainty.¹²

5.2 Licensing Regime and Supervisory Authorities

The UK Gambling Commission is the principal regulator and administers operating licences, compliance assessment, and enforcement under the Gambling Act 2005, supported by published guidance describing how licence applications are assessed and what evidence is considered. Licensing is not merely permissive; it is a continuous compliance relationship where operators

¹² Simon Planzer, "Proportionality Review in EU Gambling Law" *Studies in European Economic Law and Regulation* 123–251 (Springer International Publishing, Cham, 2013).

must meet regulatory expectations and may face enforcement action for breaches. This regulator-led licensing architecture creates predictable entry controls and ongoing oversight for online gaming businesses.

5.3 Advertising Standards, Fair Play and Consumer Protection

The UK has tightened remote gambling market access through a “point of consumption” approach, requiring remote operators who transact with British consumers to hold a UK licence; this shift is associated with the Gambling (Licensing and Advertising) Act 2014, which amended the 2005 Act’s approach to remote operators. Regulatory guidance highlights that remote operators selling into the British market—whether based domestically or abroad—must be licensed, and advertising by unlicensed operators is unlawful. This aligns advertising legality with licensing status, thereby making consumer protection enforceable at the market-entry stage.

5.4 Social Responsibility, Age Verification and Compliance Duties

UK regulation links licensing to social responsibility, including protections for children and vulnerable persons, and requires robust consumer safeguards as part of the licensing objectives and regulatory practice. The licensing objectives under the Gambling Act 2005 (Section 1, as explained in official materials) support strict expectations around preventing underage participation and ensuring fairness, while the Commission’s compliance framework operationalizes these duties through licence conditions and enforcement strategies. For online gaming, this translates into measurable compliance obligations such as verification processes and responsible gambling controls embedded into licence requirements.

6 COMPARATIVE ANALYSIS OF INDIA, THE UNITED STATES AND THE UNITED KINGDOM

India is characterized by a split between State gambling competence (Entry 34, List II) and central platform governance through IT law, the US is characterized by State legalization backed by federal communications/payment constraints (18 U.S.C. §1084; 31 U.S.C. §5363), and the UK is characterized by a unified licensing statute and regulator (Gambling Act 2005; UK Gambling Commission). These structures influence not only legality but also enforceability: who licenses,

who monitors, and how consumer harm is prevented in a digital-first environment.¹³

6.1 Comparative Study of Regulatory Structures and Legislative Models

India's model is layered and indirect—State laws determine permissibility while central IT rules impose platform duties—whereas the US uses State-by-State licensing with federal constraints on interstate wagering communications and payment acceptance for unlawful internet gambling, and the UK uses a single consolidated act with clearly stated licensing objectives and centralized regulatory oversight. Structurally, the UK model tends to maximize uniformity and reduce regulatory arbitrage, the US model maximizes State autonomy with compliance engineered through geofencing and payment controls, and India currently sits between them, using IT-rule-based governance to standardize some safeguards even as State legality diverges.

6.2 Comparative Approach to Licensing and Market Entry Controls

Licensing is explicit and central in the UK, especially after the 2014 reforms requiring remote operators serving British consumers to hold a UK licence (“point of consumption”), making market access contingent on regulator approval. In the US, licensing is primarily State-driven, requiring separate approvals in each legal State, while federal law (UIGEA) strengthens enforcement by limiting payment acceptance for unlawful internet gambling (31 U.S.C. §5363). India's market-entry control is emerging through the IT Rules' concept of “permissible online real money games” and verification by designated self-regulatory bodies, which functions as a compliance gate even where State legality differs—though it does not fully replace formal licensing in the UK sense.¹⁴

6.3 Comparative Standards of Consumer Protection and Platform Responsibility

The UK's consumer protection is strongly tied to licensing objectives and regulator enforcement, including fairness and protection of children/vulnerable persons as statutory aims, with Commission guidance translating these aims into operational compliance expectations. The US relies on State-imposed player protection requirements through licensing, while federal law targets

¹³ Amit Raj, “A Legal Analysis of State Gambling Laws in India,” 4 *Legal Research & Analysis* 6–12 (2026).

¹⁴ “Gambling (Licensing and Advertising) Bill - Hansard,” *UK Parliament available at: [https://hansard.parliament.uk/lords/2014-03-04/debates/14030473000570/Gambling\(LicensingAndAdvertising\)Bill](https://hansard.parliament.uk/lords/2014-03-04/debates/14030473000570/Gambling(LicensingAndAdvertising)Bill)* (last visited April 28, 2026).

systemic risk by restricting payment processing tied to unlawful internet gambling (31 U.S.C. §5363). India combines consumer law—where “misleading advertisement” is defined in Section 2(28) of the Consumer Protection Act, 2019 and elaborated in the 2022 CCPA advertising guidelines—with IT-rule-based intermediary due diligence for online gaming, distributing consumer protection across multiple legal instruments rather than a single licensing statute.

6.4 Lessons for India from the United States and the United Kingdom

From the US, India can draw the regulatory lesson that payment-system controls and enforceable financial compliance standards can materially reduce illegal market activity, illustrated by UIGEA’s prohibition on knowingly accepting specified payment instruments for unlawful internet gambling (31 U.S.C. §5363). From the UK, India can draw the lesson that a clear, unified licensing objective framework and centralized supervisory oversight can enhance uniformity and consumer protection, as reflected in the Gambling Act 2005 licensing objectives and the post-2014 “point of consumption” licensing approach for remote operators. For India, these lessons can be adapted through (i) clearer national standards for permissible real-money formats under IT Rules Rule 3A mechanisms, (ii) stronger consumer advertising discipline under the Consumer Protection Act/CCPA guidelines, and (iii) tax and valuation clarity under GST rules such as Rule 31B to reduce disputes and improve compliance.

6.5 Case Laws

State of Bombay v. R.M.D. Chamarbaugwala¹⁵ Supreme Court treated gambling as *res extra commercium*, holding it is not protected as “trade/business” under Article 19(1)(g) and does not attract freedom of trade under Article 301.

R.M.D. Chamarbaugwala v. Union of India¹⁶ Court reiterated that restrictions on gambling-related competitions are not tested as ordinary business restrictions under Article 19(6) because gambling is outside Article 19(1)(g) protection.

Dr. K.R. Lakshmanan v. State of Tamil Nadu¹⁷ Horse racing was held a “game of skill,” and betting thereon was outside “gaming” due to statutory skill carve-outs under Section 11, Madras Gaming

¹⁵ State of Bombay v. R.M.D. Chamarbaugwala, AIR 1957 SC 699; 1957 SCR 874

¹⁶ R.M.D. Chamarbaugwala v. Union of India, AIR 1957 SC 628; 1957 SCR 930

¹⁷ Dr. K.R. Lakshmanan v. State of Tamil Nadu, (1996) 2 SCC 226

Act, 1930 and Section 49, Chennai City Police Act, 1888.

*Shri Varun Gumber v. Union Territory of Chandigarh*¹⁸ Fantasy sports were treated as predominantly skill-based, considered outside the prohibitory sweep of the Public Gambling Act, 1867 framework relied upon by the petitioner.

*Gurdeep Singh Sachar v. Union of India*¹⁹, Court accepted the “skill” character of fantasy sports and addressed indirect-tax framing under the GST law context (as argued in the petition).

*Junglee Games India Pvt. Ltd. v. State of Tamil Nadu*²⁰ Court examined State competence over betting/gambling under Entry 34, List II and limits on prohibitory measures impacting online games.

7. CONCLUSION AND RECOMMENDATIONS

7.1 Conclusion

Online gaming regulation in India has evolved from a place-based, policing-oriented gambling statute (Public Gambling Act, 1867—especially Sections 3, 4, and 6) to a contemporary, platform-governance approach driven by the IT Act, 2000 ecosystem and the Intermediary Rules that now specifically address online gaming intermediaries and “permissible online real money games” through Rule 3 and Rule 3A mechanisms. Yet, because “betting and gambling” remains within State competence (Seventh Schedule, List II, Entry 34), India continues to experience fragmented legality positions and uneven enforcement capacity across States. The comparative review shows that the US and UK models achieve enforceability through clearer market-entry gates—State licensing plus federal payment controls in the US (18 U.S.C. §1084; 31 U.S.C. §5363), and unified licensing with strong regulatory oversight in the UK (Gambling Act 2005; Gambling (Licensing and Advertising) Act 2014)—suggesting that India’s next phase must prioritize clarity, enforceability, and user protection across State borders without abandoning constitutional limits.

7.2 Recommendations

India should move toward a clearer and more enforceable national compliance baseline for online gaming by strengthening the operational effectiveness of the IT Rules’ online gaming framework

¹⁸ *Shri Varun Gumber v. Union Territory of Chandigarh*, CWP No. 7559 of 2017

¹⁹ *Gurdeep Singh Sachar v. Union of India*, Criminal PIL (Stamp) No. 22 of 2019

²⁰ *Junglee Games India Pvt. Ltd. v. State of Tamil Nadu*, W.P. Nos. 18022 of 2020

(Rule 3/Rule 3A), including transparent criteria for “permissible online real money games,” robust verification-mark governance, and measurable due diligence duties (user notice, grievance handling, and risk disclosures) anchored in the intermediary framework. Consumer-facing safeguards should be tightened through strict application of the Consumer Protection Act, 2019 definition of “misleading advertisement” (Section 2(28)) and the CCPA’s 2022 advertising guidelines, with special scrutiny of “free” claims and endorsements in real-money gaming promotions. Finally, fiscal and compliance certainty should be supported through clear GST valuation rules (e.g., Rule 31B mechanisms) and coordinated financial integrity expectations aligned with regulated KYC standards for account-based relationships, so that legality decisions at the State level are complemented by uniform, auditable safeguards and reduced scope for regulatory arbitrage.



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