Decoding Online Gaming Ethics

For Prelims: [Internet and Mobile Association of India (IAMAI)](#), [Know-Your-Customer (KYC)](#), [Information Technology Act of 2000](#), [Sections 67, 67A, and 67B of the IT Act](#)

For Mains: The influence of the voluntary code of ethics on the online gaming sector and its legal implication.

Source: IE

Why in News?

Recently, the online gaming industry has voluntarily entered into a **code of ethics.**

- This move signifies an attempt to **self-regulate** and create a more stable environment for the industry.
  - Responsibility for **online gaming** matters has been assigned to the **Ministry of Electronics and Information Technology** by the Government of India.

What is the Code of Ethics Adopted by the Gaming Industry?

- To govern itself and address growing concerns, three prominent lobby groups [Internet and Mobile Association of India (IAMAI)](#)**, E-Gaming Federation (EGF),** and **All India Gaming Federation (AIGF)** have voluntarily **co-signed** a **code of ethics.**
- The code of ethics is entirely voluntary, in nature. Despite its **non-binding nature,** the code aims to foster responsible practices within the industry and is viewed as a step towards self-regulation.
- The code endeavors to safeguard the **interests of consumers** by empowering them to make informed decisions regarding the online games they choose.
- According to the code, **online gaming companies** are required to undertake **know-your-customer (KYC)** procedures in accordance with applicable laws.
- Additionally, companies must disclose on their platforms the **criteria for determining winners, fees charged,** and ensure that deposits are solely utilized for playing games on the platform.
- It also strives to create a **"healthy environment"** for online games in India, focusing on aspects such as **transparency, fairness, and responsible gaming.**

What is Online Gaming?

- **About:**
  - **Online gaming** involves playing games through the **internet,** facilitating player connections and collaborative gameplay irrespective of their physical locations.
  - It is accessible on various devices, including computers, and mobile phones.
- **Difference Between Gambling and Online Gaming:**
  - **Gambling is the practice of placing bets on events** with uncertain outcomes, primarily aimed at winning money or material possessions.
    - Various forms of gambling exist, such as casino games, sports betting, and

lotteries.
- Unlike online gaming, gambling carries the risk of losing money or valuable items.
  - In India, **games of chance** fall under the category of **gambling** and are **generally prohibited,** while games of skill, falling outside the ambit of gambling are **usually exempted.**
    - In **RMD Chamarbaugawala v. Union of India,** the Supreme Court relied on the 'skill test' to decide whether an activity is gambling or not.
    - The court held that competitions that substantially **involve skills** are not **gambling** activities.

How Does the Code Align With Government Regulations on Online Gaming?

- **Public Gambling Act, 1867:**
  - The act primarily addresses physical gambling activities. However, its relevance extends to online gaming, providing a legal framework for regulation.
- **Information Technology Act, 2000:**
  - The **Information Technology Act of 2000** plays a pivotal role in regulating online activities, including gaming. **Section 66** of the **IT Act** deals with computer-related offenses, providing a legal basis for addressing cyber crimes associated with online gaming.
  - **Sections 67, 67A, and 67B of the IT Act** empower authorities to formulate laws related to online gaming, recognizing the need for discretion in regulating activities that involve elements of chance, gambling, and betting.
    - This recognition aligns with the constitutional division of responsibilities, placing gambling and betting within the state's jurisdiction.
- **Self-Regulatory Bodies:**
  - The **Ministry of Electronics and Information Technology** has introduced rules that permit the **establishment of self-regulatory bodies** within the online gaming industry.
- **Inter-Ministerial Task Force Recommendations:**
  - The government's proactive approach is evident in the recommendations put forth by the **inter-ministerial task force**, contributing to the formulation of rules for online gaming.
    - These recommendations reflect a collaborative effort aimed at striking a balance between industry growth and consumer protection.

Way Forward

- **Technology Integration for Compliance:**
  - Invest in technology solutions that facilitate seamless implementation of the code's provisions, such as **robust KYC procedures** and transparent disclosure mechanisms.
  - **Leverage blockchain or other secure technologies** to enhance transparency in winner determination and financial transactions, ensuring a fair and accountable gaming environment.
- **Regular Audits and Reporting:**
  - Establish a system for periodic audits by independent bodies to assess compliance with the code's stipulations.
  - Mandate online gaming companies to publish regular reports on their platforms, detailing the manner of determining winners, platform fees, and the utilization of deposits, promoting transparency and accountability.
- **Consumer Feedback Mechanism:**
  - Implement a robust feedback mechanism that allows players to express concerns and provide input on the industry's adherence to the code.
  - Use consumer feedback to continually improve the code, address emerging issues, and enhance the overall gaming experience.
- **International Best Practices Adoption:**
  - Stay informed about global best practices in online gaming ethics and consider adopting relevant measures that have proven successful in other jurisdictions.
  - Participate in international forums to share insights and learn from the experiences of the global gaming community.

UPSC Civil Services Examination, Previous Year's Question (PYQs)

Q. Which of the following is/are the aim/aims of "Digital India" Plan of the Government of India? (2018)

1. Formation of India's own Internet companies like China did.
2. Establish a policy framework to encourage overseas multinational corporations that collect Big Data to build their large data centres within our national geographical boundaries.
3. Connect many of our villages to the Internet and bring Wi-Fi to many of our schools, public places and major tourist centres.

Select the correct answer using the code given below:

(a) 1 and 2 only
(b) 3 only
(c) 2 and 3 only
(d) 1, 2 and 3

Ans: (b)

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