

Amendments proposed to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021

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The Ministry of Electronic and Information Technology has proposed certain amendments to the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code), Rules, 2021 ("IT Rules, 2021"). The proposed amendments seek to introduce the following:

- (a) Online game means a game offered on the internet and is accessible by a user through a computer source if he/she deposits with the expectation of earning winnings.
- (b) Online gaming intermediary means a platform to play online games that allows user interaction to be offered
- (c) Self-Regulatory Body is a body duly approved by Ministry under Rule 4B and will ensure registration of online games.

By way of the proposed Rule 3(1)(ma), an intermediary would be obligated to certify and verify that the online games which it proposes to host/publish/advertise on its platform are registered with the self-regulatory body and shall ensure that registration of the online game is reflected on its website and application.

Further, the incorporation of Rule 4A as proposed would protect the interest of the users as the online gaming intermediaries will have to carry out additional due diligence and compliances while discharging their duties which are as under:

- (a) A demonstrable and visible mark of registration of all online games registered with the self-regulatory body is to be reflected on the platform of online gaming intermediaries.
- (b) The users of the platform are to be informed about the risks of financial loss and addiction associated with the online game, measures taken for the protection of deposit made by a user and the policy formulated towards the withdrawal or refund of the deposit made with the expectation of earning winnings.
- (c) The users availing the service of the online gaming intermediaries are to be identified and verified at the commencement of an account-based relationship.

- (d) Appointment of a Chief Compliance Officer for ensuring compliance with the Act and rules and who shall be responsible for proceedings initiated on account of non-assurance of due diligence conducted by online gaming intermediary.
- (e) Appointment of nodal contact person for 24x7 coordination with law enforcement agencies.
- (f) To provide a physical contact address in India published on the website or mobile-based application for the purpose of receiving any communication addressed to an online gaming intermediary.
- (g) Implementation of an appropriate mechanism for registration of complaints and grievances by the user for non-compliance with IT Rules, 2021.

SKV Comment: The proposed amendments, if incorporated and notified by the Ministry would ensure the protection and safety of the users as every online gaming intermediary would be required to undertake additional due diligence and protective steps before hosting/advertising an online game on their platform.

The appointment of the Chief Compliance Officer and implementation of an appropriate mechanism for the registration of complaints by users would strengthen the grievance redressal framework in as much as it would ensure a representation on behalf of online gaming intermediaries towards the proceedings initiated by users for non-compliance of the IT Rules, 2021.