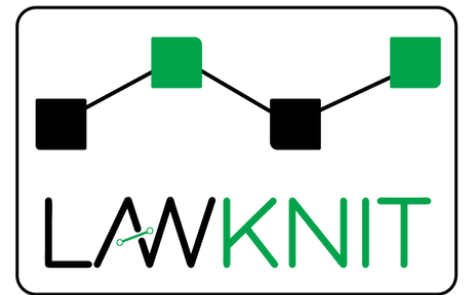


LK ANALYSIS

CCPA ADVISORY ON ONLINE GAMING ADVERTISEMENT

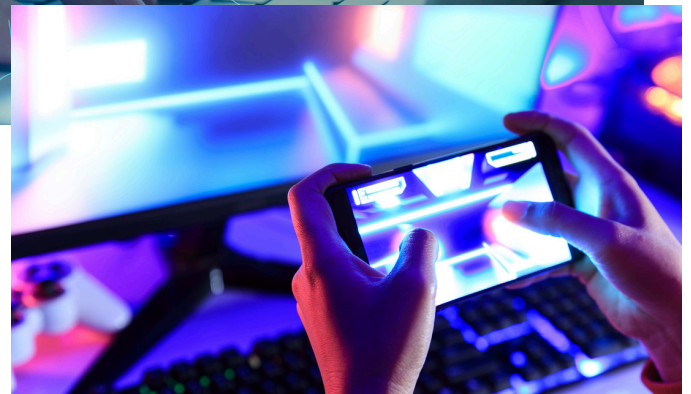


March 11, 2024



Executive Summary

1. Celebrities and influencers should refrain themselves from promoting the illegal betting and gambling.
2. Advertisements should be in compliance with the following:
 - Advisories issued by the Ministry of Information and Broadcasting, for the advertisement of betting and gambling.
 - Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.
 - Other regulations concerned with the advertisement of online gaming activities.



CCPA Advisory

- Central Consumer Protection Authority (“CCPA”) has issued the advisory for restraining the advertisement of the illegal gambling/wagering and betting.
- It focuses on the strict adherence of the various guidelines issued for the regulation of the advertisement of the gaming activities through the virtual medium.
- It becomes important for marketing agencies, influencers etc. to understand Indian online gaming regime.

Indian Online Gaming

Online game is any type of game which can be accessed using the computer or the internet. For the purpose of advertisement, it can be classified into the following three categories:

- **Skill based online games:** Outcome of which is not dependent on chance fall under this category. There is no restriction on the advertisement of such games.
- **Online games involving Gambling/Betting/ Wagering:** Online games, outcome of which depends on the chance and not of skills, falls under the ambit of online gambling/betting/wagering activities. The permissibility of the advertisement of such online games depends on the laws of a particular State.
- **State government - based regime for the online gambling:** The blanket ban on the online gambling/wagering activities has been imposed by the State government of Tamil Nadu, Telangana, Karnataka, Andhra Pradesh and Kerala and such other states, whereas Sikkim and Nagaland government provides that the online gambling can be operated and promoted after obtaining the license from the State Government.

Due diligences for the marketing agencies and influencers

Advertisement should provide -

- That it is under the adult category 'A1'. Advertisement should not be capable of suggesting any impression that the child below the age of 18 years can also play this game.
- Disclosure of beneficial interest of the influencer/celebrity.
- A disclaimer - Game involves the financial risk and habit forming, in case the static advertisement should occupy not less than 20% of the space and in audio - visual form must be placed at the end of the video. It should be addressed in similar language in which advertisement was made.
- Terms and conditions in the disclaimer, if it provides for bonus amount.





LawKNIT Analysis

An advertisement should not be/cannot be:

- Made for offshore gambling platform, location of whose servers and the operation are from the place outside the territory of India.
- Made directly or indirectly, for instance, not by publishing any news or publication of logo, brand name layout of such online gaming platform or visual presentation that is suggesting such platform as the sponsor of any event, for any prohibited gambling activities.
- Promoted as a source of employment and cannot present the user as more successful in comparison to non-user.
- **Note** - The marketing agencies can safeguard itself from the legal actions by entering into an agreement with the online gaming platform under which online gaming platform provides a form of guarantee stating that, “online gaming platform is not carrying out any prohibited activities, has obtained all the necessary licenses and approvals from the appropriate authorities, and is in compliance with money laundering legislation and other applicable laws”.

In case of any queries/clarifications, please feel free to reach out to Mr. Amol Apte at amol.apte@lawknit.co; Ms. Tanvi Muraleedharan at tanvi.muraleedharan@lawknit.co; Ms. Utkarsha Sharma at utkarsha.sharma@lawknit.co

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