

E-Gaming Federation to challenge Tamil Nadu's ordinance to ban online gaming

National, October 19, 2022: Taking action against the recent ordinance issued by the Tamil Nadu Government to ban online gaming, the E-gaming Federation (EGF) is set to challenge the ordinance citing that it categorizes rummy and poker as games of chance.

Rummy has been settled as predominantly a game of skill by the Hon'ble Supreme Court and held to be protected under Article 19(1)(g) of the Indian Constitution. Bringing rummy under the ambit of a game of chance is directly in violation of the Supreme Court judgments and the Madras High Court judgment which overturned the law banning online games including rummy and poker.

Reaffirming the preponderance test for distinguishing between games of skill and games of chance, especially in the context of rummy and poker, the Madras High Court held that wherever the better skilled would prevail more than not, is a game of skill, reinforcing that both rummy and poker are games of skill, distinct from gambling or a game of chance. In its detailed judgment in August 2021, the Honourable High Court held that when it comes to card games such as rummy and poker, there is no distinction between skill involved in physical form or in virtual/online form.

In another landmark judgment, the Karnataka High Court overturned the provisions of the Karnataka Police (Amendment) Act, 2021 in February 2022 and stated that games of skill do not metamorphosize into 'betting or gambling' irrespective of whether they are played for stakes or simply because they are played online and are therefore constitutionally protected activities. Moreover, looking into the legality of specific skill-based games, all High Court, and Supreme Court judgments, on different occasions, have ruled in favor of the industry.

For the online skill gaming industry and for the State of Tamil Nadu, the need of the hour is a comprehensive online gaming policy that protects players and ensures that only legitimate online skill-gaming operators offer their services while weeding out the ones who break the law.

Sameer Barde, CEO of EGF said, *"After examining the ordinance, we have decided to file a lawsuit as it categorises Rummy & Poker as games of chance. This is in dissonance with multiple legal judicial pronouncements including the recent judgment by the Madras High Court, which has clearly segregated games of skill and chance. The Supreme Court and several High Courts have reaffirmed the status of skill-based games as legitimate business activity and the state must take cognizance of these judgments in developing an enabling gaming policy that safeguards players than resorting to a ban."*

The Indian gaming market is expected to grow from current \$2.2 billion to \$5 billion in revenue by 2025. Growing at an impressive CAGR of 38%, the sector holds significant potential for overall economic growth and employment opportunities. Moreover, to unleash the potential of the sunrise sector, the central government has set up an inter-ministerial task force (IMTF) and MeITY has held consultations with all stakeholders on regulating the online gaming industry.

About EGF:

The E-Gaming Federation (EGF) is a not-for-profit organization, founded under the Societies Regulation Act to protect consumer interest and self-regulate the Indian e-gaming sector. By developing a standard framework and operational guidelines based on the principles of safe, transparent, fair, and responsible gaming, EGF endeavors to build a unified voice shaping a favourable policy environment for regulated online gaming.

With an objective to bring a positive change in perception regarding the e-gaming industry, EGF endorses 'Responsible Play' to protect players by allowing them to minimize or stop indulging in gameplay beyond their means or for excessive periods. EGF-certified online gaming platforms offer responsible play features to the players that are intended to ensure a fair and safe online gaming experience while protecting players from any adverse consequences of online gaming.

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