

Lok Sabha approves amendments to GST laws pertaining to online gaming

1. Online gaming and online money gaming distinguished:

- **Online gaming** is defined as offering of a game on the internet or an electronic network and includes online money gaming.
- **Online money gaming** is defined as online gaming in which players pay or deposit money or money's worth (including virtual digital assets), in the expectation of winning money or money's worth, in any event whether or not its outcome is based on skill or chance.
- **Virtual digital asset** definition borrowed from income tax.

2. GST position from a date to be notified:

Type of gaming	Classification	Examples	GST change	Remarks
Online gaming excluding online money gaming	OIDAR (digital service)	Casual games like ludo, chess, carrom, any other online games with no winnings (money or money's worth)	No Change - 18% on service fee of the gaming operator	

Type of gaming	Classification	Examples	GST change	Remarks
Online money gaming	Goods (specified actionable claim)	Fantasy sports, poker, rummy with winnings	New position from an effective date to be notified - on the bets or stakes deposit in money or money's worth	<ul style="list-style-type: none"> Proposed 28% yet to be notified Valuation mechanism (reuse of winnings to play games to be excluded from valuation) as per the GST Council recommendation yet to be notified

3. Parity between domestic and foreign gaming operator:

- The amended law brings parity between domestic vis-à-vis foreign gaming operator as far as both, online gaming excluding online money gaming as well as online money gaming is concerned.
- New registration mandate introduced whereby, a foreign gaming operator (online money gaming) or its agent in India, will be required to obtain a single registration under the Simplified Registration Scheme and undertake GST obligations in India.

4. Action against non-compliance by foreign online money gaming operators:

- Provision for blocking of access by the public to any information generated, transmitted, received, or hosted in any computer resource used for supply of online money gaming by such supplier in case of failure to comply with provisions of registration and payment of tax in such manner as specified in the Information Technology Act, 2000.