

Ratan Samal & Manohar Samal

The online money gaming industry is set to exceed USD 9.1 Billion by the year 2029 in India. Despite mixed views in respect of the industry across the country, there seem to be an increasing number of players in such online money games. Even though this industry shows promise, it is not devoid of regulatory challenges and taxation- related challenges, especially under GST. After the insertion of Rule 31B of the CGST Rules, 2017 as well as a more robust inclusion of online money games under the concept of ‘specified actionable claims’, the entire value, i.e., commission taken by the online money gaming company for operating the platform as well as the prize pool money deposited in the escrow amount became taxable at the rate of 28%. In order to survive and not pass on the GST burden to the players, online money gaming platforms have started to absorb the GST amount by themselves by way of allotting bonuses to the players equivalent to the GST amount. There is an increase