



## Press Release

Card games have been a very popular form of entertainment in India from many years and different types of card games are played across India with family and friends. They have been a source of meaningful engagement whatever be the age or background. Previously the game was limited by geography and insisted on physical presence. Now thanks to modern technology these limitations have been overcome, quite like other services including banking, insurance, advertising, entertainment where online is the buzzword thanks to its convenience, efficiency and cost effectiveness. Smart phones, affordable internet, high connectivity and rapid adaptation have given a big fillip to the online world and games are no different. Tencent, a Chinese Internet gaming company has surpassed Facebook with a \$500 billion valuation. A young and smart phone savvy India enhances the possibilities and potential.

Enthused by this several new games are being launched every month. Keeping the playing rules unchanged means the online version retains the flavor of thrill and skill. A historical record of past games and usage of certified and tested software makes the experience more reliable. Transacting through established and recognized banking channels makes it safe.

Estimated at Rs 1,000 cr the online skill gaming industry is tripling every other year. 80% of industry revenues are being generated through online rummy games. The industry generates about Rs. 150 Cr direct tax (in the form of GST and Income tax) to the Indian Government. The figure may not be large but is growing, besides it is a fresh source of revenue for the government which derived no benefit from the offline version largely played at informal household settings. There are a few rummy operators operating and many new entrants are foraying into the sector. RummyCircle, Ace2three, Jungle Rummy are the popular brands in this segment.

Extremely popular in its off-line avatar, Rummy is fast gaining acceptability in its online version. Like most other spheres of life where technology adoption is gaining prominence, this transition becomes a natural progression. However, creating awareness of the possibility and overseeing its smooth functioning becomes imperative.

Recognizing this, online rummy businesses, who have thus far individually operated in a self-regulated manner, have chosen to come together and benefit from each other's experience to build a common self-regulatory platform. The Rummy Federation is such an initiative by the online Rummy industry to collate their individual learnings and proactively adopt state-of-the-art practices from countries where the industry is regulated. The Rummy Federation aspires to be the gold standard of self-regulation for the online rummy industry and be an example for other online businesses. The Rummy Federation shall engage with experts in various fields including, technology, payments, gaming regulation, law and other ITES industries and will function as a neutral self-regulatory body to ensure that the guidelines and recommendations for the online rummy operators are forward looking and of very high standards.

The Rummy Federation will work towards providing a safe, responsible, and reliable playing environment to online rummy players across India. The goal of The Rummy Federation will not only be to prescribe operating standards; it will also carry out an audit process with the assistance of independent auditors to ensure that online rummy operators are compliant with the standards approved by The Rummy Federation. These standards will be in the areas of system integrity, responsible play, data protection, fair play practices and other operational procedures. The Rummy Federation will also act as the unified voice to represent the online rummy industry before all stakeholders and policymakers.

The launch of The Rummy Federation on Friday, 15th December is a first step and promises to be a precursor of an exciting journey for the online rummy industry. The launch event highlighted the key opportunities and challenges of the sector and how the Federation intends to work towards serving this sector and all its stakeholders.

The event was graced by Mr. Parag P Tripathi, Senior Advocate, Supreme Court of India, who delivered the keynote address at the launch of the event, Mr. Pragyaan Sharma, Advocate, Supreme Court of India, Mr. Vaibhav Kakkhar, Partner, Luthra and Luthra Law Offices, Mr. Mario Galea, Senior Consultant, Random Consulting, Malta, the CEOs of online rummy companies including Ace2three, Jungle Rummy, Rummycircle and Classic Rummy. The event was also attended by other online gaming entrepreneurs, legal experts, online advertising and payment partners.



Mr. Chetan Sharma, Senior Journalist and Mr. Vidushpat Singhania, Advocate and Managing Partner, Krida Legal, moderated the industry and legal sessions respectively.

Mr. Mario Galea, who is a pioneer in setting up regulatory frameworks both in Europe and the US, presented his views on the gaming regulations and practices in regulated markets, and spoke about several aspects of self-regulation and how it can work in the Indian context.

Mr. Pragyaan Sharma and Mr. Vaibhav Kakkar discussed the legal position applicable to games of skill in India and how these are protected as permitted legal activities. They also expressed that skill games industry is a permitted sector for foreign direct investment under the automatic route as per the extant FDI policy in India.

The online rummy operators gave an overview about the prospects of the online rummy industry which is expected to grow at 60 to 70% annually. They also mentioned that rummy websites are safe and secure and their systems are properly tested to ensure fair-play. The online rummy operators also talked about how, in addition to rummy being affirmed as a game of skill by the Supreme Court and several High Courts of India, there are studies that have statistically shown rummy to be a game that requires substantial skill.