ESPORTS AS A PROFESSION: WHY INDIA'S PROG ACT 2025 RECOGNISED COMPETITIVE GAMING WITHOUT BUILDING THE LEGAL INFRASTRUCTURE TO SUPPORT IT

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ABSTRACT

The Promotion and Regulation of Online Gaming Act, 2025 ("PROG Act") and the Promotion and Regulation of Online Gaming Rules, 2026 ("2026 Rules") accomplished something that two decades of fragmented state gambling legislation, private member bills, and informal industry self-governance had not: they conferred statutory recognition on esports as a legitimate competitive sport and cleanly severed it from "online money gaming," which the Act prohibits. This article accepts that achievement on its own terms. Its argument is narrower and, it is submitted, more urgent: recognition is not infrastructure. The legislative architecture tells esports practitioners what they *are* — a recognised sport — without resolving the three questions that determine whether a person can actually build a livelihood from that recognition: whether a professional player is an employee or an independent contractor; who owns the intellectual property a player generates; and how a player's earnings are taxed and banked. None of these is answered by the new framework, and at least one — the financial-treatment question — has been made materially worse by the 2026 Rules' registration-verification regime. The article maps each gap against existing Indian statutes, contrasts the position with the French and Korean models, and argues that all three deficiencies can be cured *without new primary legislation*: a clarification under the labour codes, a clarification of first ownership and performer's rights under the Copyright Act, and a coordinated CBDT–RBI circular on the financial treatment of esports income. Recognition created the category; these three interventions would give the category content.

1. Introduction

For most of its commercial history in India, competitive video gaming occupied a legal space defined entirely by what it was *not*. It was not gambling, its advocates insisted, because it was a game of skill; it was not a recognised sport, because no statute said so; and it was not a regulated profession, because no labour, tax, or intellectual-property regime had been written with it in mind. Players, teams, and tournament organisers operated in the interstices of the Public Gambling Act, 1867, a patchwork of state online-gaming legislation, and contract law of general application.[1] A private member's bill in 2019 to give the sector statutory shape went nowhere.[2]

That changed in August 2025. Within a single week, Parliament enacted two statutes that, read together, brought esports inside the formal legal order for the first time. The National Sports Governance Act, 2025 ("NSGA") created a statutory framework for recognising and governing national sports bodies.[3] The PROG Act, assented to on 22 August 2025, prohibited online money games outright while separately directing the Central Government to recognise, promote, and develop esports as a competitive sport.[4] Eight months later, the 2026 Rules operationalised the scheme, establishing the Online Gaming Authority of India ("OGAI") and a registration architecture for esports titles.[5]

The reception within the sector was, understandably, celebratory. After years of being lumped together with real-money gaming in public and regulatory discourse, esports had been given its own statutory identity and decisively distinguished from the activity — wagering — that had attracted the State's hostility. This article does not dispute that this was a genuine legislative achievement, and Part II sets out precisely what was achieved. But it argues that the celebration has obscured a structural problem. The legislation recognised esports as a *sport*; it

[1] On the pre-2025 patchwork, see *The Legal Matrix of Professional Esports Player Contracts in Indian Gaming Industry*, IP & Legal Filings, 26 February 2025, https://www.ipandlegalfilings.com/the-legal-matrix-of-professional-esports-player-contracts-in-indian-gaming-industry/ (noting the absence of esports-specific legislation and the role of the Public Gambling Act, 1867 and state online-gaming rules). On the skill/chance exemption under the Public Gambling Act, 1867, s. 12, see *ibid.*

[2] The Sports (Online Gaming and Prevention of Fraud) Bill, 2019, a private member's bill, did not result in legislation: *ibid.*

[3] National Sports Governance Act, 2025 (Act No. 25 of 2025); received Presidential assent on 18 August 2025. India Code.

[4] Promotion and Regulation of Online Gaming Act, 2025 (cited as Act No. 32 of 2025); passed by Lok Sabha on 20 August 2025 and Rajya Sabha on 21 August 2025; Presidential assent 22 August 2025.

[5] Promotion and Regulation of Online Gaming Rules, 2026, notified by MeitY on 22 April 2026, in force from 1 May 2026. DSK Legal, *Promotion and Regulation of Online Gaming Rules, 2026*, via Mondaq, 6 May 2026.

did not address esports as a *profession*. The distinction matters because the people the recognition is meant to benefit — the players — do not experience recognition in the abstract. They experience it through their contracts, through ownership of what they create, and through how they are paid. On each of those three fronts, the new framework is silent, and silence in a regulated field is not neutrality; it is the persistence of pre-existing legal regimes that were never designed for this activity and that produce perverse results when applied to it.

The argument proceeds in seven further parts. Part II describes the recognition the Act conferred. Part III frames the central distinction between recognition and infrastructure. Parts IV, V, and VI address, respectively, the employment-status gap, the intellectual-property gap, and the financial-treatment gap, the last of which has been aggravated rather than resolved by the 2026 Rules. Part VII addresses the position of minor players, which the demographics of Indian esports make impossible to ignore. Part VIII sets out three targeted, sub-legislative interventions that would convert recognition into working infrastructure. Part IX concludes.

2. The Achievement: What the PROG Act and the 2026 Rules Actually Did

The PROG Act's defining structural move is a bifurcation. It prohibits "online money games" — defined, irrespective of whether the game is one of skill or chance, as games in which a user pays money or other stakes in expectation of monetary or other enrichment — and attaches serious criminal liability to offering, advertising, or facilitating financial transactions for them.[6] Against that prohibition it sets a promotional regime for two protected categories: "online social games" and "e-sports."[7]

The statutory definition of e-sports is cumulative and deliberately demanding. An e-sport is an online game that (i) is played as part of multi-sports events, (ii) is recognised under the NSGA, (iii) has an outcome determined solely by physical dexterity, mental agility, strategic thinking, or similar skills, and (iv) involves organised competitive events conducted in a multiplayer format and governed by pre-defined rules. It may involve registration fees and prize money, but it must not involve the placing of bets or stakes or any expectation of winning out of such stakes.[8] The fourth limb, read with the prohibition on stakes, is what severs esports from money

[6] *The Promotion and Regulation of Online Gaming Bill, 2025*.
[7] *Ibid.*
[8] *Ibid.*

gaming: prize money paid *to* winners out of an organiser's pool is permitted; money staked *by* players in expectation of return is not.

For promotion, the Act empowers the Central Government to create a mechanism for the registration of e-sports, to specify guidelines for conducting events, to establish training academies, and to incentivise e-sports technology platforms, with the Ministry of Youth Affairs and Sports designated to prepare tournament guidelines and standards.[9] The Act also empowers the Government to constitute an Authority with power to determine whether a game is an online money game and to recognise, categorise, and register online games.[10]

The 2026 Rules, notified on 22 April 2026 and in force from 1 May 2026, gave that Authority a name and an architecture.[11] The OGAI is constituted as a digital-first attached office of MeitY, chaired by an Additional Secretary of MeitY with ex officio members drawn from the Ministries of Home Affairs, Finance, Information & Broadcasting, Youth Affairs & Sports, and Law & Justice.[12] Registration with the OGAI is required where a game is intended to be offered as an e-sport, with each game of each service provider requiring a separate registration and certificates valid for up to ten years.[13] The Rules also introduced a battery of user-safety obligations — age verification, parental controls, time limits, grievance redressal — and a financial-transaction control to which Part VI returns.[14]

The achievement, then, is real and should not be understated. Esports now has a statutory definition, a categorical separation from gambling, a dedicated regulator, a registration pathway, and a nominated promotional ministry. For a sector that a year earlier had none of these, this is a transformation.

3. Recognition Is Not Infrastructure

The difficulty is that the entire edifice described above is oriented outward — towards platforms, towards the public, and towards the suppression of money gaming. It regulates the *offering* of esports as a service. It says almost nothing about the *practice* of esports as a

[9] *supra* note 6
[10] *Ibid.*
[11] DSK Legal via Mondaq, *supra* note 5.
[12] *Ibid.*
[13] *Ibid.*
[14] *Ibid.*

livelihood.

Consider what the framework determines and what it leaves open. It determines whether a title may be offered as an esport (OGAI registration), whether the offering platform has met its user-safety obligations, and whether the activity is lawful at all (the money-gaming line). It does not determine the legal status of the person at the centre of the activity. When a twenty-year-old signs with a Bengaluru-based esports organisation to compete in a registered title, the PROG Act and the 2026 Rules tell us the title is a recognised sport and the platform is a registered service provider. They do not tell us whether that player is an employee entitled to the protections of the labour codes or a contractor outside them; whether the highlight reel of her championship run belongs to her, to her team, or to the game's publisher; or whether the ₹15 lakh she wins is taxed as professional income at slab rates with deductions or as a "winning" at a flat 30% with none. These are not peripheral questions of administration. They are the questions that decide whether recognition translates into a viable career.

This is the sense in which recognition is not infrastructure. A sport becomes a profession not when the State names it, but when the ordinary legal scaffolding of working life — employment protection, ownership of one's output, predictable taxation, access to banking — is extended to it in a form that fits. The NSGA, for its part, does not fill the gap. Its provisions govern the internal life of *federations*: the constitution of committees, representation of women and athletes on executive bodies, timely elections, a safe-sport policy, and grievance redressal at the level of national sports bodies.[15] It is, in substance, a governance statute for sporting administration, not an employment or commercial code for athletes. Indeed, commentators have noted that the NSGA does not even prescribe substantive criteria for recognising a national sports federation, an omission that is acute for esports, which has no single universally recognised international federation and several competing Indian claimants — the Esports Federation of India, the Skillhub Online Games Federation, and the Federation of Electronic Sports Associations India among them.[16] The result is a recognition bottleneck examined further below: esports recognition under the PROG Act is gated on NSGA recognition, which is in turn gated on machinery the NSGA does not yet supply.

[15] National Sports Governance Act, 2025, *supra* note 3; S&R Associates, *The National Sports Governance Act, 2025: Regulatory Developments and New Opportunities*

[16] Law School Policy Review (Aman Gupta), *supra* note 8 (the NSGA is silent on substantive recognition criteria, unlike the National Sports Development Code, 2011.

4. The Employment-Status Problem

The first and most consequential gap concerns the legal characterisation of the player–organisation relationship. In the absence of any esports-specific statute, that relationship is governed by general contract law, and the commercial incentives push hard in one direction. If a player is an employee, the organisation is exposed to the full apparatus of Indian employment regulation — wage legislation, provident fund and employees' state insurance contributions, leave entitlements, and the protections of the labour codes. To avoid that exposure, organisations overwhelmingly structure player relationships as independent-contractor or freelance engagements, notwithstanding that the substance of the relationship — exclusivity, control over training and conduct, mandated participation, codes of conduct enforced by fines — often resembles employment far more than independent contracting.[17]

No Indian court or tribunal appears to have authoritatively classified a professional esports player as either an employee or an independent contractor, and no reported provident-fund or employees'-state-insurance determination has treated an esports organisation as an employer. The classification therefore remains untested, which means it is also unpredictable: a player labelled a contractor today could be reclassified as an employee by a court applying the traditional control-and-integration tests, with retrospective consequences for both sides. That uncertainty is itself a harm. It deters organisations from offering genuine employment benefits (lest they concede employee status) while leaving players without the security that either a clear employment relationship or a properly bargained services contract would provide.

The labour codes enacted in recent years make the gap more conspicuous rather than less. The Code on Social Security, 2020 introduced statutory categories of "gig worker" and "platform worker" — persons earning outside the traditional employer–employee relationship, including through online platforms — and empowered the Government to extend social-security schemes to them.[18] On 21 November 2025, the four labour codes were brought into force, with the stated ambition of bringing gig and platform workers within social-security coverage.[19] Esports players are an almost paradigmatic instance of skilled workers who sit between employment and self-employment, yet nothing in the codes, or in any notification under them, expressly

[17] IP & Legal Filings, *supra* note 1.
[18] Code on Social Security, 2020 (Act No. 36 of 2020); PRS Legislative Research, *The Code on Social Security, 2020*, https://prsindia.org/billtrack/the-code-on-social-security-2020 (definitions of "gig worker" and "platform worker"; power to extend social-security schemes).
[19] KPMG, *India – Government of India Announces Implementation of Four Labour Codes*.

brings esports players within the gig- or platform-worker definitions, and nothing in the PROG framework cross-refers to them. The categories that might house esports players exist; the act of placing them there has not been done.

The concrete stakes are easiest to see by comparison. France, the first jurisdiction to legislate specifically for esports labour, addressed precisely this question. Article 102 of Law No. 2016-1321 of 7 October 2016 ("Law for a Digital Republic") provides that a contract by which an approved association or company secures, for remuneration, the participation of a player in competitive video gaming is a fixed-term employment contract, with a minimum term of twelve months and a maximum of five years.[20] The French legislature thus made a deliberate choice — to treat professional players as employees on protective fixed terms — rather than leaving the matter to the default incentives of the market. (It is worth noting candidly that the French contract is reported to be under-used in practice, players and clubs often preferring services arrangements, which underscores that a clarification must be workable as well as protective.)[21] South Korea, the other mature jurisdiction, achieved a comparable result institutionally rather than by statute: the Korea e-Sports Association emerged as a government-supported governing body and was recognised by the Korean Sport & Olympic Committee, embedding players within an organised structure that mediates their professional relationships.[22]

The cost of *not* resolving the question is illustrated by the leading foreign dispute. In *FaZe Clan v. Tenney* ("Tfue"), filed in the Los Angeles County Superior Court in May 2019, a professional player alleged that his "gamer agreement" was oppressive and that the organisation had taken up to 80% of his earnings in breach of California's Talent Agencies Act; the organisation counter-sued; and the matter ultimately settled in 2020 on undisclosed terms.[23] The dispute turned on exactly the characterisation question Indian law leaves open — what kind of relationship a player–organisation agreement creates, and which protective statutes attach to it. India has imported the commercial form of these agreements without importing, or building, the legal framework that in the United States and France gives players a place to stand when

[20] Law No. 2016-1321 of 7 October 2016 for a Digital Republic (France), Article 102. Bird & Bird, *France is "stepping up its game" with the adoption of new esports regulatory rules* (2017),
[21] Bird & Bird, *Esports: Legal and Contractual Framework in France* (2026),
[22] On the Korea e-Sports Association (KESPA) and its recognition by the Korean Sport & Olympic Committee, see Law School Policy Review, *supra* note 8.
[23] *FaZe Clan, Inc. v. Tenney* (Tfue), Los Angeles County Superior Court.

the relationship breaks down.

5. The Intellectual-Property Problem

The second gap concerns ownership of what players create. Modern professional esports is not only competition; it is content. A player's economic value increasingly lies as much in streamed gameplay, highlight footage, social-media presence, and personal brand as in tournament results. The legal question of who owns that output is, under Indian law, genuinely unsettled, and the unsettlement runs along two distinct fault lines in the Copyright Act, 1957.

The first is Section 17, which determines first ownership. Where a work is made in the course of employment under a contract of service, the employer is, in the absence of agreement to the contrary, the first owner of the copyright.[24] This rule, designed for the salaried author, maps awkwardly onto esports. If a player is an employee — the very question Part IV shows to be unresolved — then content she creates "in the course of" that employment may vest in the organisation by default. If she is a contractor, Section 17's employment limb does not apply, and ownership turns on the terms of the contract. The ownership of a player's content thus depends on an antecedent classification that Indian law has not made, so that the IP question cannot even be stably answered until the labour question is. The two gaps are not independent; the first compounds the second.

The second fault line is Section 38, the performer's right. A "performer" who "appears or engages in any performance" enjoys a special right in that performance, subsisting for fifty years, and the associated moral rights cannot be wholly bought out by contract.[25] Whether a professional esports player is a "performer" and whether competitive gameplay is a "performance" within the meaning of the Act has not been judicially determined in India. The question is not fanciful: a player's on-screen conduct in a broadcast tournament is, functionally, a performance before an audience, and if Section 38 applies, it would give players a statutory, partly inalienable interest in the footage of their play — an interest that organisations' standard "image rights" and "revenue sharing" clauses presently assume away.[26] If Section 38 does *not* apply, players have no such floor, and ownership is whatever the contract says it is.

[24] Copyright Act, 1957, s. 17.
[25] Copyright Act, 1957, s. 38.
[26] IP & Legal Filings, *supra* note 1.

Sitting above both questions is the game publisher. Unlike traditional sport, where no one owns "football," the underlying audiovisual work in esports — the game itself — is owned by its publisher, who licenses its use for tournaments and can set the terms on which competitions are organised.[27] The result is a three-cornered contest over the same stream of footage: the publisher, who owns the game; the organisation, which claims content created by "its" players; and the player, who actually generated the performance and the brand. Indian law currently offers no clear ordering of these claims. There is no reported Indian decision squarely allocating ownership of esports gameplay footage or streaming content as between player, team, and publisher, and the interaction between platform terms of service (Twitch, YouTube) and team ownership claims over player streams has not been litigated here. In a content-driven industry, leaving the ownership of the content undefined is not a technicality; it is the central commercial question left unanswered.

6. The Financial-Treatment Problem

The third gap is the one the 2026 Rules have actively worsened, and it has two limbs: taxation and banking.

On taxation, the difficulty is that the Income-tax Act now contains a provision that may sweep in the very earnings the PROG Act was meant to dignify. Section 115BBJ, inserted by the Finance Act, 2023 and effective from assessment year 2024–25, charges income by way of "net winnings from any online game" to tax at a flat rate of 30%, with no deduction, exemption, or set-off permitted; Section 194BA imposes a corresponding 30% tax deduction at source on net winnings, with no threshold, the mechanics of which were fleshed out by CBDT Notification No. 28/2023 dated 22 May 2023 inserting Rule 133 of the Income-tax Rules.[28] On its face, Section 115BBJ applies to "any online game," skill-based or not. The question this raises for esports is acute: is a professional player's tournament prize money a "winning from an online game," taxable flat at 30% with no deductions, or is it business or professional income, taxable at slab rates with the player entitled to deduct the substantial costs of her profession — equipment, coaching, travel, bootcamp expenses?

The two characterisations produce radically different outcomes for a working professional, and the law does not clearly choose between them. There is a respectable argument, reflected in

[27] *supra* note 8.
[28] Income-tax Act, 1961, s. 115BBJ.

commentary on the Finance Bill, that winnings earned by a person who participates in tournaments as a regular vocation are properly assessed as business or professional income, with books of account and ordinary deductions, rather than as "winnings" under the flat-rate regime.[29] But the literal breadth of Section 115BBJ — "any online game" — and the absence of any carve-out for recognised esports leave the matter open, and no CBDT circular has clarified the treatment of esports prize money in the wake of the PROG Act's recognition. The incongruity is stark: the State has recognised esports as a sport, but its tax code may still treat the esports professional's income as if it were a lottery win, denying her the deductions available to every other self-employed professional in the country.

The Goods and Services Tax position reinforces the point that recognition has not been carried through into fiscal treatment. The 28% GST levied on the full face value of amounts deposited in online money gaming is, by its own logic, directed at staked play and not at esports, which involves no stake; but the boundary is defined by reference to the prohibited category rather than by any positive fiscal recognition of esports as sport.[30]

The cross-border dimension adds a further layer. Indian players who win prize money at international tournaments must contend with the Foreign Exchange Management Act, 1999. The remittance abroad of prize money or sponsorship in connection with sport, by entities other than recognised sports bodies, requires prior Reserve Bank approval above a prescribed threshold reported to be USD 100,000, and inward remittances of foreign winnings must be routed and documented through authorised-dealer banks.[31] No RBI guidance addresses the position of the individual esports professional repatriating international winnings, and the ambiguity — is she remitting "sports" income, professional income, or a "winning"? — tracks the same unresolved characterisation that bedevils the domestic tax analysis.

It is the banking limb, however, that the 2026 Rules have made tangibly worse. The Rules require financial intermediaries, including banks and payment facilitators, to verify the registration status of esports and online social games before enabling related financial transactions, pursuant to directions to be issued by the OGAI under Section 8(3) of the Act; and for games determined to be online money games, the Authority may direct banks to

[29] iPleaders, *supra* note 31.
[30] IP & Legal Filings, *Gameskraft and the GST Dispute: Skill vs. Chance in Online Gaming*, 30 June 2025.
[31] Foreign Exchange Management Act, 1999.

suspend, restrict, or block transactions.[32] The intention — to choke off payments to prohibited money-gaming operators — is legitimate. But the mechanism creates a structural risk for legitimate esports payments during the transition. Because an esports title cannot be registered with the OGAI until it is recognised under the NSGA, and because, as Part III noted, the NSGA supplies no substantive esports-recognition criteria and faces competing federation claimants, there will be an interval — potentially a long one — in which titles that are plainly esports in substance lack the registration that triggers clean bank verification. In that interval, a verification regime designed to block illegal gambling payments may equally impede legitimate prize-money disbursements to players, simply because the registration that would clear them has not yet been obtainable. The article does not assert that named individual accounts have been frozen — that specific claim could not be verified — but the structural exposure is created by the text of the Rules themselves and is the predictable consequence of building payment-verification on top of a recognition pathway that is not yet functional.

7. Minor Players

Any treatment of esports labour and contracting in India must confront a demographic fact that distinguishes the sector from almost every other regulated profession: a substantial proportion of its professional and semi-professional participants are minors. Reported industry estimates place the typical age of Indian esports players in the range of roughly fourteen to twenty, with a significant cohort below the age of eighteen.[33] This is not an incidental feature; it is structural to a discipline in which peak competitive performance often comes early.

Indian contract law makes this a serious problem. Under Section 11 of the Indian Contract Act, 1872, a minor is not competent to contract, and an agreement with a minor is void *ab initio*.[34] A standard esports player contract signed by a fifteen-year-old is therefore not a binding contract at all: the organisation cannot enforce its exclusivity, training, conduct, or revenue-sharing terms against the player, and the player cannot enforce the organisation's payment and protection obligations against it. The relationship that the sector runs on is, for its youngest participants, legally hollow. Indian law has developed limited, equity-flavoured doctrines around minors' contracts and contains no general regime — comparable to the protective frameworks some jurisdictions provide for minor athletes and child performers in

[32] DSK Legal via Mondaq, *supra* note 5
[33] IP & Legal Filings, *supra* note 1
[34] Indian Contract Act, 1872, s. 11 (following *Mohori Bibee v. Dharmodas Ghose* (1903) ILR 30 Cal 539 (PC).

entertainment — for validating, supervising, or court-approving contracts with minor sportspersons.[35]

The new statutes do not solve this. The PROG Act and 2026 Rules address minors as *users* to be protected through age verification and parental controls, not as *professionals* whose contracts require a validating mechanism.[36] The NSGA's safe-sport policy obliges national sports bodies to protect minor athletes in the conduct of their activities, which is valuable, but it speaks to safeguarding within events and operations, not to the contractual capacity of a minor to bind herself to an organisation or to be paid and protected under an enforceable agreement.[37] The consequence is that the sector's youngest and often most valuable participants compete under arrangements that the law treats as void, exposed to exploitation with no enforceable counter-entitlement. Recognition of esports as a sport has, if anything, raised the stakes of this unresolved incapacity by drawing more young people into formalised professional structures that the law will not enforce in their favour.

8. What Targeted Fixes Look Like

The central practical claim of this article is that none of the three gaps requires fresh primary legislation. Each can be closed by an instrument the relevant authority is already empowered to issue, and each fix is modest in form even where its effect is significant.

First, a labour clarification. The Ministry of Labour and Employment, exercising its existing power under the Code on Social Security, 2020 to notify categories of platform and gig workers and to extend schemes to them, should issue a notification expressly addressing professional esports players. The clarification need not impose the French solution of mandatory employee status; what it must do is end the present indeterminacy by specifying how the player–organisation relationship is to be characterised and which protections attach. The most workable approach, consistent with the realities the French experience exposes, would be to bring esports players expressly within the platform/gig-worker framework for the purpose of baseline social-security coverage, while leaving parties free to contract for fuller employment where they choose — and to make clear that the substance-over-form tests apply so that

[35] IP & Legal Filings, *supra* note 1.
[36] DSK Legal via Mondaq, *supra* note 5
[37] *supra* note 15

organisations cannot use the "freelance" label to defeat genuine employment.[38] This converts an untested classification into a known one, which is most of what the sector needs.

Second, a copyright clarification. The two unresolved questions of Part V — whether Section 17's employment rule vests player content in organisations, and whether Section 38's performer's right applies to competitive gameplay — can be addressed by the Government and the Copyright Office through clarificatory guidance, and, where the performer's-right question requires it, through a narrowly targeted amendment to the definition of "performer" or "performance" or an official clarification that competitive gameplay falls within them.[39] At a minimum, the position that a professional esports player is a "performer" whose broadcast gameplay is a "performance" would give players a statutory ownership floor that contracts must respect rather than assume away, and would supply the default rule against which player, team, and publisher claims could be ordered. Clarification, not reinvention, is what is called for: the Copyright Act already contains the relevant concepts; what is missing is an authoritative statement that they apply here.

Third, a CBDT–RBI circular on financial treatment. The single most cost-effective intervention available is a clarificatory circular. The Central Board of Direct Taxes can, by circular, clarify that prize money earned by a professional esports player in a recognised, OGAI-registered esport is assessable as business or professional income — with the ordinary deductions and slab treatment that implies — and is not a "winning from an online game" within Section 115BBJ, aligning the tax treatment with the sport recognition the PROG Act has already conferred.[40] In parallel, the Reserve Bank can issue guidance treating the international tournament earnings of recognised esports professionals as ordinary professional income for the purpose of inward remittance and current-account treatment, removing the FEMA ambiguity.[41] And the OGAI, in framing the verification directions contemplated by the 2026 Rules, can build in a transitional safe harbour so that the verification regime does not impede prize-money payments to players competing in titles that are esports in substance but awaiting formal registration — for instance, by recognising a provisional status pending NSGA recognition.[42] These instruments are within existing powers; none requires Parliament.

[38] Code on Social Security, 2020, *supra* note 19
[39] Copyright Act, 1957, ss. 17 and 38, *supra* notes 25–26.
[40] Income-tax Act, 1961, ss. 115BBJ and 194BA, *supra* note 31.
[41] Foreign Exchange Management Act, 1999, *supra* note 35.
[42] Promotion and Regulation of Online Gaming Rules, 2026, *supra* notes 5 and 36 (verification directions to be

The common feature of all three fixes is that they take the recognition the legislature has already granted and follow it through into the ordinary legal regimes — labour, intellectual property, and finance — that govern working life. They are acts of completion, not of new construction.

9. Conclusion

It might be objected that none of this is urgent — that markets adapt, that standard-form contracts will mature, and that the OGAI and the National Sports Board will fill the gaps through delegated rule-making in due course. That objection underestimates both the cost of delay and the limits of the rule-making power. The cost of delay is borne disproportionately by the youngest and least powerful participants, for whom an unenforceable contract or a frozen payment is not an abstraction but a career interrupted; uncertainty of this kind compounds, because investment, sponsorship, and player mobility all price in legal risk. And the limits matter because the three gaps identified here lie largely outside the OGAI's and the Board's competence: neither body can rewrite the Income-tax Act's characterisation of "winnings," resolve the performer's-right question under the Copyright Act, or determine a player's status under the labour codes. Those are questions for the tax administration, the Copyright Office, and the labour ministry respectively. Leaving them to a gaming regulator and a sports-governance board is to hope that the right answers emerge from the wrong institutions. The interventions proposed here place each question with the authority actually empowered to answer it. The PROG Act and the 2026 Rules did something that genuinely deserved to be done, and did it well: they gave esports a statutory identity and freed it from the gravitational pull of gambling regulation. But a statutory identity is a beginning, not a destination. The recognition tells a young Indian competitor that what she does is a sport. It does not yet tell her whether she is an employee, what she owns, or how she will be taxed and paid — and on the last of these, the new registration-verification regime has introduced a fresh risk where there was previously only ambiguity. These are not exotic questions requiring a new code; they are the everyday legal furniture of any profession, and they can be supplied through a labour notification, a copyright clarification, and a CBDT–RBI circular. The recommendation for a transitional safe harbour or provisional status pending NSGA recognition is the author's. within powers that already exist. Until they are, India will have recognised esports as a sport while continuing to treat its practitioners as legal anomalies. Recognition built the category. The

issued by the OGAI under s. 8(3)).

infrastructure that would let people actually live inside it remains to be built — and, encouragingly, it can be built without another Act of Parliament.