

ILLEGAL GAMBLING AND BETTING MARKET IN INDIA: THE SCALE AND ENABLERS

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FOREWORD

The digital landscape is evolving rapidly, shaping industries, economies, and even electoral processes. The 2024 super year of elections reinforced how technology, social media, and parallel markets are increasingly intertwined, bringing both opportunities and risks.

As we examine these trends, we recognize that one of the most pressing challenges is the rise of illegal operators in gambling and betting, which raises concerns about financial fraud, consumer protection, and the broader implications for governance. Their ability to exploit digital advertising, payment networks, and offshore jurisdictions highlights the need for a more coordinated enforcement approach.

Our report provides a timely analysis of the illegal gaming ecosystem, mapping its enablers and examining global enforcement strategies. By analyzing their impact on financial integrity and regulatory enforcement, the report highlights the need for a comprehensive approach to tackle this issue.

I appreciate the efforts of the DIF team for engaging stakeholders. I hope the report adds to important discussions, and serves as a valuable resource for policymakers, industry leaders, and stakeholders working towards a stronger digital economy.

Dr. Arvind Gupta

Founder, Digital India Foundation

EXECUTIVE SUMMARY

- Illegal betting and gambling operators have rapidly expanded their footprint in India. In 2023, the Parliamentary Standing Committee on Finance identified online betting sites as a key enabler of money laundering and terror financing.
- Despite repeated government actions, including website blocking and advisories, illegal operators continue to thrive, using advanced digital marketing tactics, seamless payment processing, and mirror websites to evade enforcement.
- The scale of illegal gambling and betting in India is immense, with **1.6 billion visits** recorded in just three months across the four analysed platforms—Parimatch, Stake, 1xBet, and Batery Bet.
- Notably, each operator maintains multiple mirror websites to circumvent regulatory takedowns. For instance, just three Parimatch mirrors alone generated an additional **266 million** visits, suggesting the true scale of the illegal market is significantly higher than anticipated.
- Further, **Google Search trends from February 2021 to December 2024** revealed an exponential rise in searches for Dafabet, 1xBet, Parimatch, 4rabet, and Khelo24Bet, with major spikes observed during Indian Premier League seasons (March - April) in 2021, 2022, 2023, and 2024.
- Illegal operators sustain their operations through a highly sophisticated network of enablers of Digital Advertising and Marketing Channels, Payment Ecosystem, and Software Providers.
- In Digital advertising:
 - a. Social media drove **~42.8 million** visits to the four illegal operators in three months.
 - b. Organic search traffic accounted for **~184 million** visits, driven by high-ranking search results.
 - c. Referral traffic generated **~247.5 million** visits, primarily from adult sites, gambling affiliates and promotions on sports and video streaming platforms.
 - d. **1.098 billion** visits to illegal platforms originated from users directly entering URLs—indicating success of past marketing efforts, referrals etc.
- While major digital platforms prohibit betting and gambling-related promotions, enforcement is highly inconsistent. Advertisements on Facebook Ad Network have grown exponentially in recent years.
- Illegal operators offer a range of payment options, including UPI transactions facilitated through mule accounts, cryptocurrencies, and international wallets like AstroPay.
- Some payment service providers appear to have implemented technical tools to detect high-risk transactions, issuing warnings to users attempting payments on these platforms. However, enforcement remains inconsistent.
- Experience from multiple jurisdictions including Norway, UK, Denmark, Belgium, and the United States shows that blocking alone is ineffective. Countries that combine website blocking with marketing restrictions for illegal betting and gambling, payment blocking, and whitelisting/blocking have achieved greater success.
- Therefore, India must shift from the current fragmented enforcement strategy to a comprehensive ecosystem-based approach that effectively disrupts the key enablers sustaining illegal betting and gambling operations. This includes curbing digital media channels that drive user acquisition for these platforms, tightening financial regulations to block illicit transactions, and enhancing enforcement mechanisms via a whitelist/blocklist to sustain long-term disruption.

BACKGROUND

The year 2024 was significant for global democracy, with elections across 72 countries involving nearly 3.7 billion voters. The increasing influence of digital technologies on electoral processes was a key theme in this super-election year, with three dominant trends shaping campaigns and outcomes: the use of AI and technology, the rise of influencers and social media, and the emergence of parallel digital markets.

While technology helped campaigns reach voters more effectively, it also enabled the spread of misinformation. The Parallel digital market, particularly offshore betting and gambling platforms, have raised serious concerns about unregulated financial flows and electoral integrity. Meanwhile, social media influencers became increasingly important in political discussions, raising questions about authenticity and paid promotions.

Among these, the rise of illegal operators in the gaming ecosystem has emerged as a pressing concern, having increasingly exploited digital advertising, social media, and alternative payment networks to evade detection. These platforms not only facilitate large-scale financial crimes but also create vulnerabilities in election financing by enabling opaque transactions, money laundering, and cross-border fund transfers. The Parliamentary Standing Committee on Finance and enforcement agencies have highlighted the growing risks posed by these networks, underscoring the urgent need for regulatory interventions.

This report builds upon these insights by focusing specifically on the ecosystem of illegal gaming operators and their enablers. It examines how these platforms exploit digital advertising, social media, and payment networks to evade detection, and it reviews global enforcement strategies to disrupt their operations. By mapping the regulatory gaps and policy challenges, this study aims to inform a more comprehensive response to mitigate the risks posed by illegal betting markets and their impact on India's digital economy.

I. INTRODUCTION

In recent years, illegal offshore operators have turned India into a major hub for betting and gambling activities. Recognising the growing threat, the Parliamentary Standing Committee on Finance, in its July 2023 report titled ‘*Cyber Security and Rising Incidence of Cyber/White Collar Crimes*,’ highlighted four major trends shaping the cybercrime landscape:¹

*“The first one is the use of **crypto for money laundering and terror financing**. The second is the **use of mule accounts** with false addresses. That is the second typology. The third typology is the **use of international online betting sites both for the purpose of money laundering and terror financing**. The fourth trend we have seen is the **lending apps and apps for investments** which have been used and which have been caught in the system. So, these four typologies have been primarily reported [sic] as regards the mule account, it is mostly in India. But in the three other instances, the offshore entities are involved. It may be crypto. It may be the online betting sites. There is a clear set of online betting sites which are based out of tax havens.”*

In the same report, the Financial Intelligence Unit (‘**FIU**’) highlighted several key suspected money laundering and terrorist financing trends, typologies, and developments, including those relating to offshore online gambling and betting companies, primarily registered in jurisdictions such as Curaçao, Malta, and Cyprus. An analysis of financial transactions linked to these entities revealed that funds were collected from individuals under false pretenses, funneled to select individuals and entities—mostly based overseas—and subsequently used for cryptocurrency purchases.

While the official statistics remain unavailable, one independent report estimates that deposits in illegal gambling and betting in India exceed USD 100 billion/year.² This figure is projected to grow at a rate of 30% per year, driven by increasing digital adoption, technological advancements, and regulatory uncertainty.³

The government has attempted to curb these activities through website blocking and official advisories. However, these fragmented measures have largely proven ineffective, as illegal operators continue to function with impunity, constantly adapting to evade enforcement.

The vast scale and resilience of these markets underscore that the illegal gambling and betting ecosystem in India operates through a sophisticated network of mechanisms that ensure its reach and functionality. As highlighted by the United Nations Office on Drugs and Crime (‘**UNODC**’), payments technologies such as cryptocurrency, social media and messaging platforms are playing a significant role in the globalisation of illicit activities, including illegal betting.⁴ Social media platforms are mostly used for discussions and promotions of services and initial contacts, while messaging platforms are used for private peer-to-peer communication, invite-only group discussions and real-time betting. The use of cryptocurrencies and

¹ “*Cyber Security and Rising Incidence of Cyber/White Collar Crimes*,” Fifty Ninth Report, Standing Committee on Finance (2022-2023), July 27, 2023, https://sansad.in/getFile/lsscommittee/Finance/17_Finance_59.pdf?source=loksabhadocs.

² “State of Betting & Gambling in India,” Think Change Forum, 2024.

³ *Id.*

⁴ Section 9: Illegal Betting and Sport, “*Global Report on Corruption in Sports*,” United Nations Office on Drugs and Crime (UNODC) (2021), https://www.unodc.org/documents/corruption/Publications/2022/Global_Report_on_Corruption_in_Sport_Chapter_9.pdf.

cryptocurrency mixing services in the context of illegal betting are also an emerging issue since they offer a reliable and almost untraceable international money transfer mechanism.

Similar alarming trends are visible in the Indian ecosystem:

- a. **Use of Mules by Overseas Betting Operators:** According to RBI data (July 2024), mule channels funnel over INR 2,500 crore (~USD 300 million) in illicit funds every month, with law enforcement recovering only 10% of this amount.⁵ A report by *The Ken* exposed the growing trend of ‘mule-as-a-service,’ revealing that overseas betting and gambling platforms are among the biggest beneficiaries.⁶ This suggests that a significant portion of the USD 300 million in illicit funds is being funneled into offshore illegal betting and gambling platforms, enabling them to evade financial regulations and sustain their operations without interruption.
- b. **Tax Evasion:** In the Winter Session of Parliament last year, the government reported that no offshore online gaming platforms had registered with the GST department as required since October 1, 2023.⁷ Furthermore, Directorate General of GST Intelligence’s (‘**DGGI**’) Annual Report 2023-24, *Trends in Tax Evasion*, revealed that 658 offshore entities were identified as unregistered or non-compliant, prompting investigations into their activities.⁸
- c. **Aggressive Advertisements on Digital Media to Lure Users:** According to ASCI’s Half-Yearly Report for 2024-25, illegal betting and gambling advertisements have surged across digital media in new formats.⁹ In response, ASCI flagged 890 such ads to the Ministry of Information and Broadcasting for further action. Among them, 831 Instagram posts featured betting tickers, redirecting users to offshore betting platforms. These tags and tickers frequently appear on fan and community pages, with some page owners reportedly earning between INR 2,000 and INR 3,000 per day for displaying these logos. Additionally, 50 websites and social media pages were found promoting illegal betting apps and platforms, while nine influencer posts were identified endorsing such services.

➤ Reframing the Approach to Combat Illegal Betting and Gambling

In light of the above, this report argues that isolated measures, such as blocking the websites of illegal betting and gambling operators and advisories, are insufficient to address the vast policy challenges posed by this growing market. Instead, a more comprehensive strategy is needed—one that targets the entire ecosystem enabling operations of illegal betting and gambling. This includes cracking down on user acquisition methods through advertising, payment operators that facilitate deposits and withdrawals, and software providers supporting these platforms.

To this end, the report is structured into three key sections,

⁵ “A Rs 2,500 cr scam powered by mule accounts: an illustrated guide,” *The Ken*, October 29, 2024, <https://the-ken.com/story/a-rs-2500-cr-scam-powered-by-mule-accounts-an-illustrated-guide/>.

⁶ *Id.*

⁷ “No offshore gambling companies registered under new GST law so far: Govt in Rajya Sabha,” *Gateway to Gaming*, December 5, 2023, <https://g2g.news/gst-on-online-gaming/no-offshore-gambling-companies-registered-under-new-gst-law-so-far-govt-in-rajya-sabha/>.

⁸ “More than 650 offshore gaming companies evade GST: Report,” *The New Indian Express*, September 16, 2024, <https://www.newindianexpress.com/business/2024/Sep/16/more-than-650-offshore-gaming-companies-evade-gst-report>.

⁹ “Half Yearly Complaints Report 2024-25,” ASCI, November 2024, <https://www.ascionline.in/wp-content/uploads/2024/11/Half-Yearly-Complaints-Report-2024-25.pdf>.

- **Scale and Volume of Illegal Betting and Gambling in India**

The first section utilises analytical tools to assess the scale of illegal betting and gambling operations to understand their digital footprint.

- **Key Enablers Driving Growth**

The second section identifies and analyses the ecosystem enabling the expansion of illegal operators, with a focus on advertising and payment networks. It explores how digital advertising strategies help these platforms acquire users and how financial intermediaries facilitate deposits and withdrawals, sustaining their operations.

- **Global Enforcement Mechanisms**

A scoping review of enforcement strategies employed worldwide to curb illegal betting and gambling. This section evaluates different policy measures, drawing lessons that could inform India's approach.

The report concludes that a comprehensive, ecosystem-based strategy is essential—one that disrupts the entire chain of enablers, from advertising and financial transactions to platform infrastructure and digital presence. It underscores the need for a coordinated policy response, leveraging global best practices to develop a robust enforcement framework in India.

II. AN OVERVIEW OF ILLEGAL BETTING AND GAMBLING MARKETS IN INDIA

2.1 DEFINING ILLEGAL BETTING AND GAMBLING MARKET

Integral to understanding the illegal betting and gambling market is its definition, which, in common with other transnational crimes, is not consistent or universally agreed upon. The various definitions put forth indicate that this is a complex and heterogeneous phenomenon.¹⁰

Defining this market poses intricate challenges due to several methodological complexities. One major hurdle is the illegal betting and gambling market encompasses a wide range of practices, including sports betting, underground lotteries, among others.¹¹ Secondly, there is substantial regional variability due to differences in gambling laws and cultural norms across countries and even within individual countries.¹²

Furthermore, the evolution of technologies, particularly the advent of the internet and online gambling platforms, has significantly altered illegal gambling practices,¹³ necessitating adaptation in estimation methods to remain relevant. This transformation is marked by the unprecedented accessibility and anonymity afforded by online platforms, which have facilitated the proliferation of illicit gambling activities across various demographics and geographical regions.

In 2014, the Council of Europe made an attempt to formalise the definition in the Macolin Convention (i.e., The Convention on the Manipulation of Sports Competitions) by proposing the following definition:¹⁴

“illegal sports betting means any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located”

Interestingly, several studies attempted to expand this definition by incorporating a number of specific activities that constitute the operationalisation of these illegal betting and gambling markets.

Further, in order to bring more clarity to the definition of illegal betting and gambling, UNODC recommended the following categorisations:¹⁵

- a. White market:** Operators licensed to operate in all jurisdictions in which they operate.
- b. Grey market:** Operators licensed in at least one jurisdiction but operate in areas where the betting/gambling product is illegal.
- c. Black market:** Operators not licensed anywhere but operate in multiple jurisdictions.

According to the UNODC, illicit transactions occur in both grey and black markets, with grey market operators often functioning under ambiguous licensing frameworks. Over the past two to three decades, some jurisdictions have introduced licensing systems that allow online betting and gambling operators to obtain permits, which many use to legitimise their cross-border activities.

¹⁰ Julien Chopin, Lucas Tosi Rodriguez, and Stefano Caneppele, “Defining and Estimating the Illegal Gambling Market: A Scoping Review,” *Journal of Economic Criminology* (2024), 100068, <https://doi.org/10.1016/j.jeconc.2024.100068>.

¹¹ *Id.*

¹² Sean Mackey-Simpkin, “Illegal Gambling in Canada,” [Bachelor Thesis, University of Lethbridge], Department of Psychology, University of Lethbridge (2021), <https://opus.uleth.ca/server/api/core/bitstreams/6ebacf39-40a2-4afc-8d76-299a7be02396/content>.

¹³ Sinyong Choi, “An Examination of Interactions of U.S. Players with Offshore Gambling Sites and Online Casino Reviews: Are They Offenders or Victims?,” PhD diss., University of Nevada, Las Vegas (2022), <http://dx.doi.org/10.34917/31813265>.

¹⁴ “Convention on the Manipulation of Sports Competitions,” Council of Europe, <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016801cdd7e>.

¹⁵ Section 9: Illegal Betting and Sport, “Global Report on Corruption in Sports,” United Nations Office on Drugs and Crime (UNODC) (2021), https://www.unodc.org/documents/corruption/Publications/2022/Global_Report_on_Corruption_in_Sport_Chapter_9.pdf.

The UNODC emphasises, “*this situation illustrates why the regulation of internet-based betting & gambling requires a cross-State approach in order to be effective. With so many online operators in multiple jurisdictions, it is increasingly difficult to determine which are legal and which are not, except from the narrow position of whether the operator is licensed in the jurisdiction where the point of sale takes place.*”¹⁶

For the purposes of this report, we consider the illegal online betting and gambling market (hereinafter referred to as “illegal market” or “illegal betting and gambling market”) as any betting or gambling operations that are conducted online in violation of the applicable laws and regulations of a particular jurisdiction. This market encompasses various forms of activities, such as betting, sports wagering, and other games of chance, which are conducted without the proper licenses or permits, or in defiance of established local laws.

This report focuses exclusively on the online illegal betting and gambling market. While illegal activities also occur in physical spaces, their examination falls outside the scope of this study.

2.2 SCALE OF ILLEGAL BETTING AND GAMBLING MARKET IN INDIA

Quantifying this market poses challenges due to several methodological intricacies – the biggest hurdle is the acquisition of reliable data, as illegal activities often circumvent conventional data collection systems.¹⁷ Furthermore, as previously discussed, the illegal betting and gambling market encompasses a diverse range of activities and varies significantly across regions.¹⁸ Despite its complexities, this task is essential considering the multifaceted issues associated with this criminal phenomenon.

To date, the most authoritative report on the subject is the 2021 Global Report on Corruption in Sport by the UNODC, which estimates that the amount wagered on illegal betting markets is between USD 340 billion and USD 1.7 trillion.¹⁹

Due to the limited availability of data in India, we conducted a primary analysis to gain a deeper understanding of the scale and volume of the illegal gambling and betting market.

➤ SCALE AND VOLUME

Methodology: We analysed web traffic²⁰ for four illegal betting and gambling platforms, along with their associated mirror websites, over a three-month period from October to December 2024.²¹

Selected Operators: Parimatch, Stake, 1xBet, and Batery Bet.

SimilarWeb²² provides both global and country-specific traffic data. However, due to certain limitations, we did not have direct access to an India-specific filter. To overcome this, we selected a mirror website for

¹⁶ *Id.*

¹⁷ “Review of Illegal Offshore Wagering: Report to the Ministers for Social Services and the Minister for Communication and the Arts,” Barry O’Farrell, December 18, 2015, https://www.dss.gov.au/system/files/resources/review_of_illegal_offshore_wagering_18_december_2015.pdf.

¹⁸ Sean Mackey-Simpkin, “Illegal Gambling in Canada,” [Bachelor Thesis, University of Lethbridge], Department of Psychology, University of Lethbridge (2021), <https://opus.uleth.ca/server/api/core/bitstreams/6ebacf39-40a2-4afc-8d76-299a7be02396/content>.

¹⁹ Section 9: Illegal Betting and Sport, “Global Report on Corruption in Sports,” United Nations Office on Drugs and Crime (UNODC) (2021), https://www.unodc.org/documents/corruption/Publications/2022/Global_Report_on_Corruption_in_Sport_Chapter_9.pdf.

²⁰ Web traffic refers to the volume of user visits recorded on the respective platform’s websites.

²¹ There are, however, certain limitations: the data analysed in this case study only covers traffic generated via browsers—both desktop and mobile. It does not include traffic from mobile apps. As a result, while mobile-first channels are likely driving sizable traffic to these illegal operators, they fall outside the scope of this analysis. The present analysis is also subject to other limitations, as it does not account for traffic originating from APK downloads, VPN usage, or other alternative access methods.

²² A widely used web analytics tool that provides in-depth insights into website traffic patterns.

each operator. Since these operators frequently use multiple mirror websites to circumvent regulatory restrictions, we applied a two-step approach to select the most relevant mirror site for each operator:

- a. India-Focused Traffic: We selected a mirror website for each operator where at least 97% of the traffic originated from India. This ensured that the site primarily catered to Indian users.
- b. Highest Traffic Mirror: Among the available mirror sites that met the first criterion, we selected the one with the highest overall traffic, ensuring a representative sample of user activity.

While this approach does not capture the full extent of traffic for each operator across all their mirror sites, it provides a reliable estimate of traffic directed to at least one major mirror per operator. Based on this methodology, the selected mirror websites were:

- a. *pari-match-in.com* (Parimatch): 99.86% traffic from India
- b. *stake.bet* (Stake): 97.07%
- c. *1xbetind.in* (1xBet): 99.85%
- d. *battery-bet.in* (Battery Bet): 99.76%

Key findings:

Total Traffic b/w October and December 2024 (in millions)	
Domain	Traffic
pari-match-in.com	1223 M
stake.bet	211.2 M
1xbetind.in	79.28 M
battery-bet.in	118.2 M
Total	1632 M

- Total visits to the analysed illegal platforms ~ **1.6 Billion** in 3 months.
- The actual numbers are likely much higher, as this analysis excludes traffic from APK files, VPN usage, and other alternative access methods.
- High traffic to illegal operators, despite website blocking measures, suggest that this enforcement strategy has been largely ineffective.

➤ **What is the growth trend like since 2021?**

To evaluate the growth trajectory of illegal betting, we analysed Google Search trends for Dafabet, 1xBet, Parimatch, 4rabet, and Khelo24Bet from February 2021 to December 2024. Search trend data serves as a critical indicator of the prevalence, seasonal spikes, and overall popularity of these platforms within the digital ecosystem.

Our analysis revealed a sharp and exponential rise in searches for these betting websites, particularly since October 2023, highlighting a significant surge in user interest and engagement. This trend suggests

increasing market penetration, potentially driven by aggressive marketing strategies, and expanded user outreach.

In addition to this, illegal betting activity peaked during the Indian Premier League ('IPL') season (April '21 April '22, April '23, April '24), reflecting heightened market activity during this period. Understanding these seasonal patterns is crucial for regulators and enforcement agencies, as it enables them to implement timely interventions and preventive measures during high-risk periods. If specific events—such as the IPL or international cricket tournaments—consistently trigger search surges, targeted policy responses and awareness campaigns can be deployed to mitigate the potential risks associated with increased betting activity.

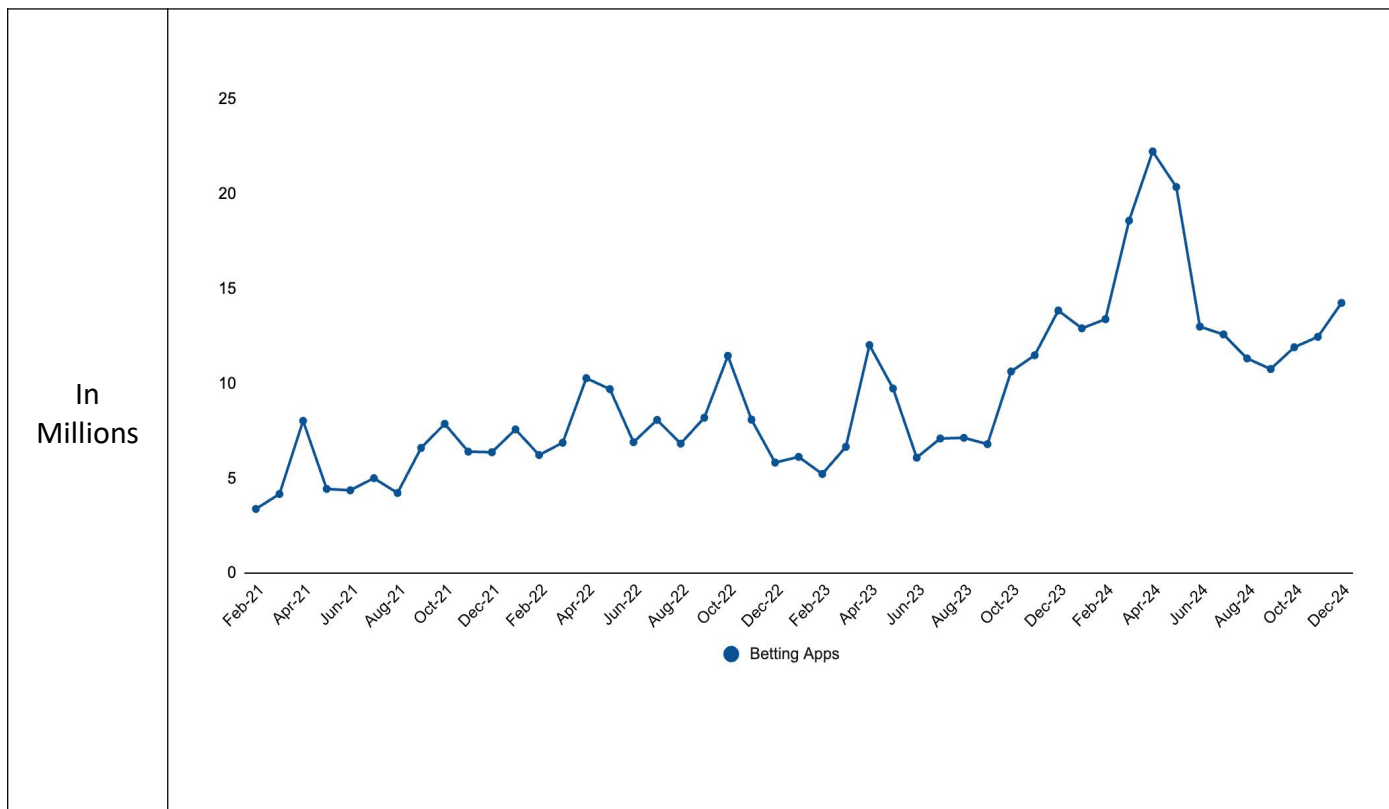


Figure 1: Google Search Trends results for Dafabet, 1xBet, Parimatch, 4rabet, and Khelo24Bet from February 2021 to December 2024 in Millions.

➤ Hidden Scale of Illegal Betting and Gambling: Mirror Websites

The data and analysis above highlight the significant role that multiple digital channels play in driving traffic to illegal betting and gambling operators. However, it is essential to emphasise that the findings presented only account for a single major mirror website of each operator. These operators maintain multiple mirror websites, which operate in parallel, with some becoming more active during specific periods.

To illustrate this, we analysed four mirror websites of Parimatch, including the primary one used in the earlier analysis. As before, we selected mirror websites where **at least 99%** of the traffic originated from India during October - December '24:

- pari-match-in.com*: 99.86% traffic from India with 1.223 Billion traffic
- win.pari-match-in.com*: 99.86% from India with 1.194 Billion traffic
- pari-bet.in*: 99.65% traffic from India with 151 Million traffic

d. *pari-matchin.com*: 99.72% traffic from India with 115 Million traffic

Moreover, during account creation, we discovered that the same login credentials worked across multiple mirror sites. For instance, an account registered on *pari-matchin.com* was also valid on *pari-match-in.com*. This seamless access ensures continuity even if a mirror is taken down, reinforcing user trust and retention.

These findings underscore a crucial reality: illegal gambling and betting operators rely on a vast network of mirror websites, each attracting hundreds of millions of visits each quarter. As a result, the true scale of their operations and footprint in the Indian market is significantly larger than it appears on the surface.

2.3 POTENTIAL REASONS FOR HIGH VOLUME

A study highlights that when black market operators market their products on a relatively level-playing field with legitimate operators, a leakage of 2-3% is almost inevitable.²³ This is largely due to the sheer scale of the black market: globally, there are over 4,000 gambling operators, whereas Britain, despite being the largest licensing jurisdiction by the number of operators, has only 200 active online licensees at the group level. In such a scenario, customers are statistically more likely to encounter an illegal site than a legitimate one.

The only mitigating factors are intangible benefits such as brand reputation and trust, which offer some resistance. However, the effectiveness of these benefits depends on the ease of access to black market sites. If there are no “frictions” or barriers (such as legal enforcement, payment restrictions, or penalties) to discourage users from using black market sites, even the trust and reputation of legitimate operators may not be enough to prevent some users from shifting to illegal options. Essentially, without external deterrents, the inherent advantages of legitimate operators can only provide limited resistance against black market competition.

The illegal betting and gambling operators in India have successfully established a dominant digital presence in the absence of adequate external deterrents. While the exact factors enabling this dominance require further exploration, as we dig deeper in the forthcoming sections, it is likely driven by aggressive digital marketing strategies, seamless payment processing, and an unrestricted user experience.

Although this report does not focus on the product offerings that may be enticing unsuspecting users to these platforms, features such as real-time betting options, high-frequency wagering opportunities, live in-game betting, instant cashouts, and personalized betting recommendations create a highly immersive and engaging environment. This may contribute to a dynamic and addictive experience, encouraging prolonged user activity.

Furthermore, the absence of responsible gambling measures—such as self-exclusion tools and user defined deposit limits—allows users to bet indefinitely, increasing the risk of financial harm and gambling addiction. Additionally, the lack of regulatory barriers, such as Know Your Customer (‘KYC’) verification, makes these platforms even more appealing to users seeking quick, unrestricted access to betting services. This seamless and frictionless experience, coupled with minimal oversight, enables illegal operators to sustain high user retention and engagement.

²³ “Reducing online gambling black markets - an analysis of international practices used to combat online gambling black markets,” Regulus Partners, September 2024, <https://www.entaingroup.com/media/zh2n0i0s/regulus-report-2024-black-market-gambling.pdf>.

III. ILLEGAL MARKETS IN INDIA - WHO ARE THE ENABLERS?

In the light of the above discussion, a critical question arises: ***How do illegal betting and gambling operators attract substantial traffic to their platforms despite existing regulatory restrictions?***

A 2018 report to the European Commission highlighted that the primary challenge in regulating online illegal services stems from the intricate ecosystem of service providers that support them.²⁴ This ecosystem—shaped by rapid advancements in internet technologies and digital business models—encompasses cloud computing, affiliate marketing, targeted advertising, social media, and diverse payment services.

In the Indian ecosystem, a systematic review of government documents analysing the modus operandi of these platforms reveals that illegal gambling and betting platforms exhibit a striking consistency in their core operational strategies, employing well-defined methods for user acquisition, engagement, and financial transactions. Find the review of government documents attached in *Annexure I*.

At the heart of their operations lies the fundamental objective of attracting and retaining users, a goal primarily achieved through extensive, aggressive and often exaggerated advertising campaigns. Both digital and outdoor advertisements play a significant role in promoting these platforms, with digital advertising serving as a preferred medium for reaching potential users through targeted promotions, influencer endorsements and paid advertisements.

Once user interest is generated, these platforms utilise alternative access channels, including APK downloads and mirror site links, shared through communication networks like Telegram, WhatsApp, and Discord to facilitate access. Beyond user acquisition, the long-term sustainability of illegal operations also hinges on a sophisticated payment infrastructure, which ensures seamless deposit and withdrawal processes while evading financial oversight.

To evaluate these dynamics, the following section delves into two critical aspects: digital advertising strategies employed for user acquisition and payment mechanisms that facilitate seamless financial transactions. By applying empirical methodologies to both domains, we aim to derive objective, data-driven insights. This study marks a first of its kind effort in India, shedding light on the underlying digital ecosystem that sustains illegal betting and gambling markets.

Globally, regulators have leveraged similar empirical approaches to examine illicit markets, assess vulnerabilities, and refine enforcement strategies for more effective regulatory interventions.²⁵

²⁴ "Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers," European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

²⁵ "Unlicensed gambling – Using data to identify unlicensed operators and estimate the scale of this market - October 2024," Gambling Commission, UK, October 21, 2024, <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/unlicensed-gambling-using-data-to-identify-unlicensed-operators-and-estimate>; "Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers," European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

DIGITAL ADVERTISING

As digital consumption rises, so does the appeal of online advertising—this holds true across industries, including the illegal gambling and betting market. Marketing is a cornerstone of operations for illegal gambling and betting businesses, playing a pivotal role for maximising user reach and engagement via targeted promotions, influencer endorsements, and paid advertisements across various avenues. Estimates reveal that illegal operators allocate between 20% and 50% of their revenue to marketing, making it one of their most significant expenses.²⁶

3.1 DIGITAL MARKETING IS A DIFFERENTIATOR

Digital advertising differs significantly from traditional formats like print, billboards, and broadcast media.²⁷ It is fundamentally different in its targeted and interactive nature.

First, it leverages user data—including browsing history, metadata from accessed content, search terms, clicked links, and location—to deliver highly personalised ads. Second, real-time bidding makes digital advertising dynamic, allowing ad placements to be continuously optimised based on user engagement. A third key distinction is the global reach of digital advertising intermediaries, many of which operate from foreign jurisdictions, enforcing their own policies that may not align with national regulations. This cross-border complexity creates conflicts of law and regulatory challenges.

It is also important to note that traditional advertising in media such as broadcast, print, and billboards is subject to tighter regulations. However, this is not the case for the online advertising ecosystem. This is not only due to the lack of a comprehensive regulatory framework but also because of the inherent complexities of governing digital advertising. Enforcement remains challenging, primarily due to the difficulty in assigning liability, which stems from the following factors:

- Operation in a 'dark' space, meaning the mechanisms behind ad personalisation and targeting remain largely opaque to the public. The systems that drive these processes are neither fully accessible nor transparently explained.
- Advertising is not always clearly distinguishable from user-generated content. The commercial relationships are frequently opaque.

In light of the above, the current section presents an empirical analysis of the key digital marketing channels driving traffic to four illegal gambling and betting platforms in India. The primary objective is to identify the dominant channels driving user engagement, and examine how these channels facilitate access to illegal websites. This analysis plays a crucial role in establishing proportional accountability within the digital marketing ecosystem by enabling a data-driven approach to regulatory intervention.

3.2 TRAFFIC SOURCES TO ILLEGAL OPERATORS

For this analysis, we employed the same methodology outlined in the earlier section in 'Scale and Volume' under the Overview of Illegal Betting and Gambling Markets in India. It is important to note that online

²⁶ "Reducing online gambling black markets - an analysis of international practices used to combat online gambling black markets," Regulux Partners, September 2024, <https://www.entaingroup.com/media/zh2n0i0s/regulus-report-2024-black-market-gambling.pdf>.

²⁷ "Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers," European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

advertising takes various forms.²⁸ In this study, we focused on four key traffic sources: Social Media, Search (both Organic and Paid), Referral, and Direct Visits.

a. SOCIAL MEDIA

Social media advertising falls into two categories: Advertising offered and placed by the social media companies itself, and advertising placed by users in their posts and presented as user-generated content. In user-generated marketing, individuals (who may be influencers) leverage their personal networks to distribute promotional content, blurring the distinction between organic user content and paid advertising.

However, the current dataset does not distinguish between paid and organic social traffic. As a result, both sponsored content and user-generated content on social media are grouped under the ‘social media’ category. This includes traffic from platforms such as YouTube, Instagram, WhatsApp Web, Twitter/X, Facebook, Reddit, and others.

Key findings:

- Social media drove ~ **42.8 million** visits to the four analysed illegal operators in 3 months.
- This traffic stems from direct paid advertisements such as from Facebook Ad Network, promoted content, influencer marketing and social media engagement campaigns.
- The majority of traffic is coming from mobile devices, highlighting the importance of mobile-first advertising strategies adopted by illegal operators.

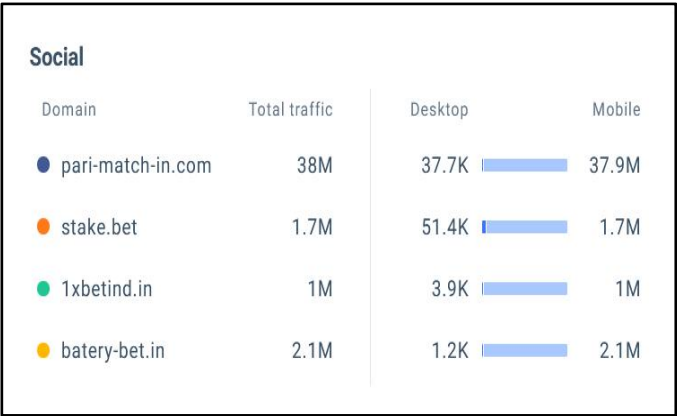


Figure 2: Traffic driven by social media.

b. SEARCH

Search is categorised into two main types: *Organic* and *Paid*. Organic search refers to the process of finding information on the internet by entering a query into a search engine like Google or Bing. It relies on a search engine’s algorithms to discover, rank, and display web pages based on factors such as content

²⁸ “Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers,” European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

As per European Commission report, “Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers,” these can be classified as: (a) Digital Display Marketing – includes banner ads and pop-ups, typically placed through ad exchanges or networks; (b) Search Engine Marketing – comprises keyword-based advertising and organic search optimisation strategies; (c) Social Media Advertising – paid advertisements directly placed by social media platforms, such as banners, pop-ups, sponsored posts, commercial tweets, and pre-roll video ads on video-sharing sites, often facilitated through ad exchanges or networks; For this study, the social media traffic data captures visits originating from social media platforms such as Facebook & Instagram; (d) Affiliate, Influencer, and Brand Ambassador Marketing – promotional content created by third parties endorsing products or services in diverse formats; (e) User-Generated Advertising on Social Media – organic content such as posts, tweets, and video promotions that serve as indirect advertising; and (f) Advertising through websites such as gambling tipsters, comparison sites, information sites (advertorials).

Note: These categories frequently overlap or blur in practice.

relevance to the user’s query; page quality and structure; and authority, based on backlinks from reputable sites. Websites improve their visibility in organic search through search engine optimisation (‘SEO’), a process that enhances a page’s ranking based on the above factors.

On the other hand, paid search is where businesses pay to display ads on search engine results pages (‘SERPs’). The most common model is pay-per-click (‘PPC’), where advertisers bid on keywords relevant to their business and pay a fee each time a user clicks their ad. The placement of paid ads in search results depends on bid amount (how much the advertiser is willing to pay per click); ad relevance to the search query; and ad quality, as determined by search engine algorithms. Paid search ads typically appear in the sponsored results section of SERPs, above organic search results (See *Annexure II*).

Key findings: Organic

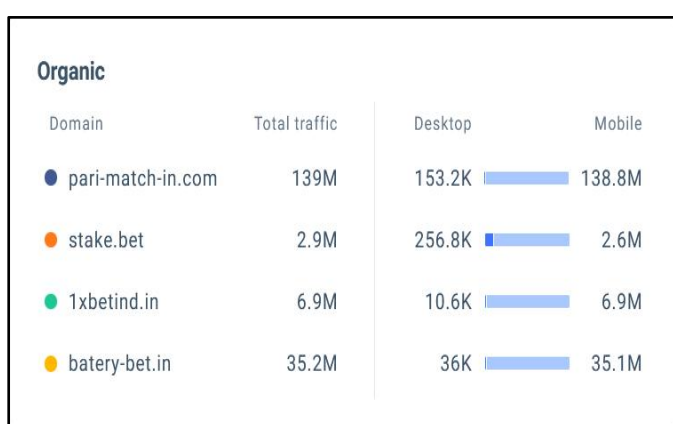


Figure 3: Traffic driven by organic search.

- Organic traffic drove approx **184 million** visits to four analysed illegal platforms in 3 months.
- Illegal operators likely use aggressive SEO tactics to rank highly for searches like “best IPL betting site” and “online casino without KYC,” maximising visibility and user attraction.
- Indexed resources and links keep these websites easily accessible,, even to unsuspecting users who may stumble upon them unintentionally while searching for related content.
- Search engines likely do not flag harmful websites, offer safe browsing, or reduce illegal operators’ visibility through blur options.

Key findings: Paid

- Paid traffic data was available only for Stake, which recorded **21.6 million** visits driven by paid advertising—primarily through mobile ads.
- Businesses pay to search engine providers for displaying these ads, therefore the extent of control exercised by search engine providers over these advertisements is likely absolute.
- Due to the lack of mobile paid traffic data for other operators, drawing broader conclusions is challenging. However, given Stake’s significant traffic stemming from paid advertising on mobile, it is reasonable to infer that other operators are also allocating substantial budgets toward paid search advertising.

c. REFERRAL

Referral traffic refers to visits that originate from external sources such as affiliates, content partners, media coverage, and direct link placements on third-party websites, not via search engine or direct links. This includes traffic generated through blogs, affiliate marketing networks, and direct media buying.

Key findings:

- Referral traffic drove approximately **247.5 million** visits to four analysed illegal platforms.
- The chart below shows referral traffic sources: Major sources are Adult sites; Sports-related websites; Streaming services; and Others including file-sharing, hosting and media platforms.

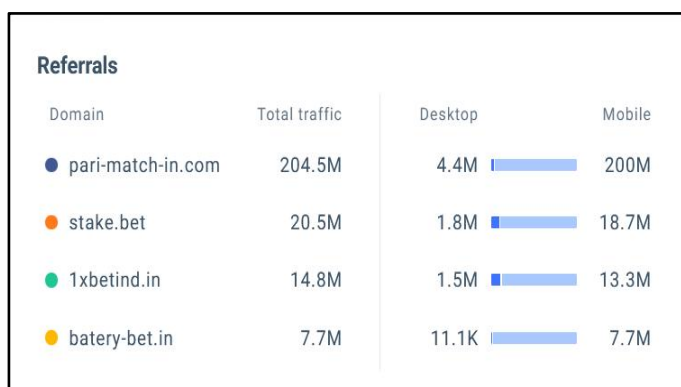


Figure 4: Traffic driven by referrals.

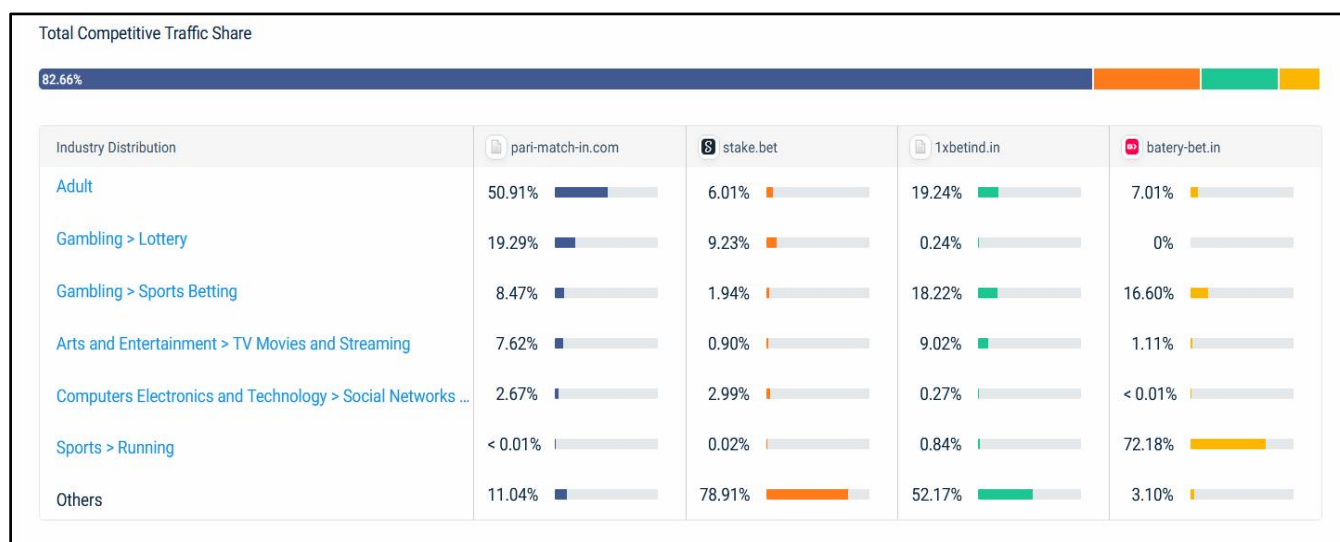


Figure 5: Describes the categories of websites that are driving referral traffic to illegal operators.

d. DIRECT VISITS

Traffic from users directly entering the URL, using a bookmark, or clicking a saved link. Direct traffic occurs when users enter the website URL directly into their browser, indicating strong brand awareness. This could also be a link outside the web browser (like a messaging app).

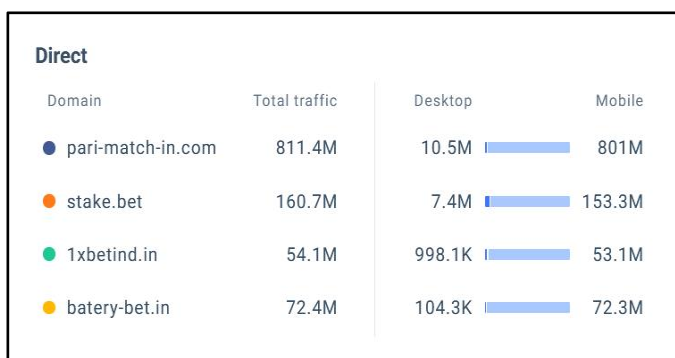


Figure 6: Traffic driven by direct visits.

Key findings:

- Direct traffic accounted for **1.098 billion** visits to the four analysed illegal platforms.
- This surge may be driven by previous marketing campaigns, word-of-mouth referrals, or a loyal user base that has bookmarked these sites, bypassing search engines and ads altogether.

e. COMMUNICATION PLATFORMS

Beyond these above-discussed digital advertising channels, communication channels warrant separate consideration. It is important to note that traffic data was not analysed for these platforms, and certain communication channels, such as WhatsApp Web, have been covered under the ‘social media’ category.

We have found evidence that communication platforms like WhatsApp & Telegram are extensively used by illegal operators to promote their businesses. In particular, influencers with millions of followers leverage these platforms’ broadcast features—known as “Channels”—to disseminate gambling and betting advertisements. These channels function similarly to influencer pages on social media, allowing content to reach large audiences instantly.

On WhatsApp Channels, while some features resemble standard chats, they operate as one-way broadcasts rather than interactive conversations. Followers cannot reply directly or message channel admins but can engage with content through emoji reactions and poll votes, increasing its visibility.

A comprehensive overview of the entire ecosystem is presented in the table below.

Marketing Channel	Mechanisms	Supply Chain	Host
Social Media	Direct	Purchased directly from social media providers	Instagram, Facebook, Twitter/X, LinkedIn, Snapchat, Youtube.
	Brand Pages	Hosted by brands/advertisers on social media	Instagram, Facebook, Twitter/X, LinkedIn, Snapchat, Youtube.
	Fan and Community Pages	User-generated profiles or groups created by third parties to promote or discuss topics/brands	Instagram, Facebook, Twitter/X, LinkedIn, Snapchat, Youtube.
	Influencer Marketing	Hosted by influencers to create posts/videos/stories showcasing a product. It can be paid by brands or unpaid organic content.	Instagram, Facebook, Twitter/X, LinkedIn, Snapchat, Youtube, Telegram, WhatsApp.
Search	Organic Listing	Content boosted via SEO Consolidated listings	Google, Bing, etc.

	Paid	Purchased directly from search providers	Google, Bing, etc.
Referral	Backlinks, UTM-tagged links, and partnerships	Involves collaborations, affiliate programs, PR efforts, etc.	Adult sites, Sports-related websites; Streaming services; and Others including file-sharing, hosting and media platforms.
Direct	URL, bookmark, saved links, word of mouth, peer to peer sharing of links, etc.	N.A.	N.A.
Communications Platforms	Direct	Purchased directly from communication platforms.	Telegram, Whatsapp, Discord, etc.
	Influencer Marketing	Hosted by influencers to create posts, videos, or stories showcasing the product.	Telegram, Whatsapp, Discord, etc.

3.3 DIGITAL PLATFORM POLICIES

The platform advertising policies of major digital platforms primarily regulate paid advertisements placed through the platform itself and the community guidelines apply to user-generated content promoting illegal content including gambling/betting. Below is a summary of the gambling advertisement policies and content guidelines of major platforms.

Policies Relating to Gambling and Betting Content

Platform	For Advertisers	For Users
Meta	Meta’s Online Gambling and Games Advertising Policy: ²⁹ <ul style="list-style-type: none"> - Requires advertisers to obtain written permission before running ads promoting online gambling or gaming. - To do so, advertisers must submit a request through Meta’s designated form and provide evidence that the gambling activities are appropriately licensed by a regulator or otherwise established as lawful in territories they want to target. - Additionally, Meta prohibits targeting users under 18 for online gambling and gaming ads. 	Meta’s Community Standards: ³⁰ <ul style="list-style-type: none"> - Outline what is and isn't allowed on Facebook, Instagram, Messenger and Threads. - If content violates these standards, Meta may take enforcement action. - One relevant subcategory, “Restricted goods and services,” states that content attempting to sell, trade, depict, or promote online gambling services—where monetary value is required to participate or forms part of the prize—is restricted to users aged 18 and above. - Meta’s Community Standards also apply to pages, groups and events, and the policy stipulates that it should be ensured that the content created, or permitted to be created,

²⁹ “Online Gambling and Games,” Advertising Standards, Policies, Meta, <https://transparency.meta.com/en-gb/policies/ad-standards/content-specific-restrictions/gambling/>.

³⁰ “Restricted goods and services,” Community Standards, Meta, <https://transparency.meta.com/en-gb/policies/community-standards/regulated-goods/>.

		complies with these standards. ³¹
WhatsApp	<p>WhatsApp Business Messaging Policy stipulates:³²</p> <ul style="list-style-type: none"> - Businesses must obtain prior written approval from Meta, via an application form, to promote online gaming through WhatsApp Business. - Additionally, they must provide evidence that their online gaming services are properly licensed by a regulatory authority or otherwise established as lawful. - Furthermore, businesses must comply with additional legal and technical obligations, including holding all necessary licenses, permits, notices, and registrations. - The policy also stipulates that messaging must not be directed at individuals under the age of 18. - Moreover, if a country or region prohibits certain activities—such as gambling, games of chance, or other related services (e.g., in India)—business messaging must exclude such prohibited activities and only promote those that are legally permitted. 	<p>Under Channel Guidelines, WhatsApp states that action may be taken against channels that violate its policies.³³ These guidelines include:</p> <ul style="list-style-type: none"> - A prohibition on sharing illegal content or engaging in illegal activity, explicitly banning CSAM content and any material that depicts, threatens, or promotes sexual violence, assault, or exploitation. - A requirement to keep content age-appropriate for all WhatsApp users, meaning channels must not feature excessively violent, graphic imagery or sexually explicit content, as restricted by app store policies. <p>Note: While gambling is not explicitly mentioned, since the government considers advertisements for prohibited content illegal, it may still fall under WhatsApp’s broader mandate against sharing illegal content.</p>
Google	<p>Google Ad policy states:³⁴</p> <ul style="list-style-type: none"> - Gambling-related ads are allowed if they comply with its policies and the advertiser has received the proper Google Ads certification. - Gambling ads must target approved countries, have a landing page that displays information about responsible gambling, and never target minors. - For an entity to advertise for online gambling, it must be certified by Google. - Additionally, Google imposes country-specific restrictions on gambling advertisements. If a country is not listed among the approved regions, Google Ads does not support gambling advertising in that location. - For India, Google explicitly prohibits gambling-related ads for location-based (“brick-and-mortar”) gambling and does not allow the promotion of online casino games. 	

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“Pages, groups and events,” Terms of Service, Meta, https://www.facebook.com/policies_center/pages_groups_events.

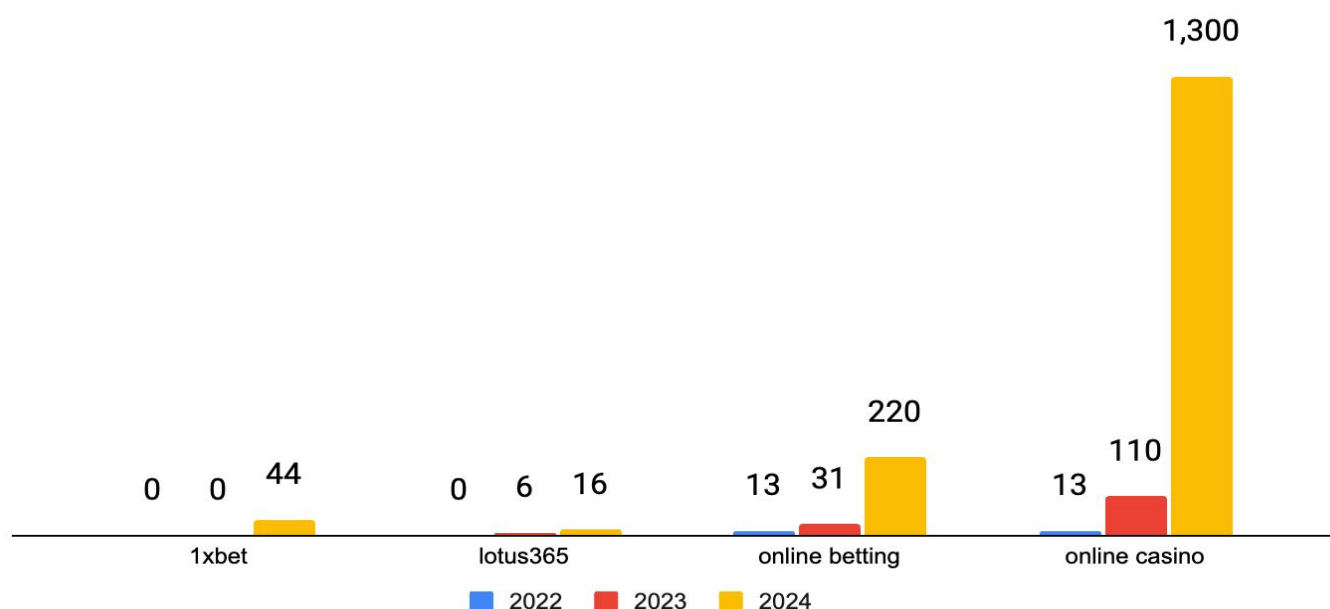
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“WhatsApp Business Messaging Policy,” WhatsApp, <https://business.whatsapp.com/policy>.

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“WhatsApp Channels Guidelines,” WhatsApp, <https://www.whatsapp.com/legal/channels-guidelines>.

34
“Gambling and games,” List of ad policies, Google, https://support.google.com/adspolicy/answer/6018017?hl=en&ref_topic=1626336&sjid=1591255722624636139-NC#zippy=%2Csee-country-requirements%2CIndia.

3.4 GAPS IN ENFORCEMENT: INTERMEDIARIES AND GAMBLING ADVERTISEMENT POLICIES

Our analysis of digital platform policies reveals that while strict regulations exist for paid advertisements, enforcement remains inconsistent. At the time of writing this report,³⁵ Meta was hosting 1040 ads across all its platforms, including Facebook, Instagram, Messenger, and Threads, across various media formats under just the keywords “gambling” and “betting” on its feed³⁶ (Attached in *Annexure III*). Moreover, the number of such ads has steadily risen between 2022 and 2023, with an exponential surge in 2024.³⁷



It is important to note that if additional keywords are searched, or if different permutations and combinations of keywords are used, the total number of live ads running across Meta platforms would be significantly higher.

This is in contravention of its policies and *Rule 3(1)(b)* of the amended Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (**‘IT Rules’**), which mandates that intermediaries: *“intermediary shall... make reasonable efforts **by itself**, and to cause the users of its computer resource to not host, display, upload, modify, publish, transmit, store, update or share any information that,*

(ii) ... relating or encouraging money laundering or gambling,”

In addition to the IT Rules, the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 impose further restrictions. These guidelines prohibit advertisements for products and services that are banned by law, ensuring that all promotional content, regardless of the medium, must comply with existing legal frameworks.

3.5 CHALLENGES IN REGULATING USER-GENERATED CONTENT

³⁵ As of February, 2025.

³⁶ These results are solely for the keywords “gambling” and “betting”.

³⁷ The data is for June- December for each year. Source: *Meta Ad Library*.

Enforcement gaps become even more evident in the case of user-generated content. The distinction between commercially-driven user-generated promotions and organic content is often unclear, leading platforms to adopt a hands-off approach. This allows influencers and affiliates to promote illegal gambling and betting under the guise of personal expression. As a result, user-generated gambling advertisements largely escape regulation, despite *Rule 3(1)(b)* explicitly requiring intermediaries to take **reasonable** steps to prevent the hosting and display of gambling-related content. The intermediaries adopt a hands-off approach and defend their position by citing the vast scale of the internet, arguing that while they have content moderation policies in place, it is not feasible to monitor every piece of content in real-time.

Internationally, however, regulators actively collaborate with these platforms to monitor content and have informal mechanisms in place to identify and flag illegal gambling and betting material, including user-generated content.³⁸

3.6 GOVERNMENT ACTION

These activities have not gone unnoticed and have garnered significant government attention. In response to the growing prevalence of advertisements promoting illegal gambling and betting, the Ministry of Information and Broadcasting ('MIB'), along with the Ministry of Consumer Affairs and the Central Consumer Protection Authority ('CCPA'), has issued multiple advisories. A list of relevant advisories issued by the MIB and CCPA has been included in *Annexure IV*.

These advisories have been directed at a broad spectrum of entities within the advertising ecosystem, including manufacturers, advertisers, publishers, intermediaries, social media platforms, celebrities, influencers, endorsers, and other relevant stakeholders. The advisories emphasise that betting and gambling are illegal activities, making the advertisement or promotion of such platforms—whether directly or indirectly—on any media platform a violation of various applicable laws.

While these advisories represent a positive step forward and have been somewhat effective in addressing the issue on television and print media, their impact in the digital space remains limited. As discussed above, the dynamic and decentralised nature of digital platforms, combined with the complexity of the digital marketing ecosystem, poses significant enforcement challenges. Digital advertising involves multiple intermediaries, including advertisers, ad exchanges, publishers, and influencers, often blurring the distinction between advertisements and organic content. In addition to this, the state enforcement has largely remained vague.

3.7 CONCLUSION

Digital platforms, including social media, search engines, and communication channels, are driving significant traffic to illegal betting and gambling operators. Despite existing platform policies, enforcement remains ineffective, and government actions have been largely limited to advisories without tangible sanctions. While challenges persist in regulating digital advertising, the fact that a significant portion of social media and online advertising is controlled by a handful of conglomerates presents an opportunity for more effective regulatory engagement and enforcement measures.

- ³⁸Please see the International Comparison Section for a detailed discussion

PAYMENT ECOSYSTEM

In India, where digital payments are undergoing a rapid transformation, illegal gambling and betting platforms are increasingly exploiting the payment ecosystem to facilitate their operations and evade regulatory scrutiny. By leveraging varied financial channels and constructing complex transaction routes, these entities obscure the flow of funds, making it difficult for authorities to track and intercept illicit transactions. This exploitation extends beyond merely processing payments (for deposits and withdrawal)—it also serves as a vehicle for large-scale money laundering.³⁹

In this context, the Department of Revenue, in its submission to the Parliamentary Standing Committee on Finance, highlighted alarming patterns of suspicious financial activity linked to such illegal platforms:⁴⁰

“Prima facie, it appears that these websites are registered overseas in Curacao, Malta, Cyprus etc. Though the websites itself were registered in foreign countries, but all of them were linked to Indian Bank Accounts. During analysis of the financial transactions linked to the UPI ids, it was found that the network of foreign registered websites linked to Indian bank accounts appear to be engaged in fraudulent means of collecting money from individuals through false inducements. The collected funds were not distributed back to those who invested or played and were instead diverted to bank accounts of a few individuals and entities including those based abroad, and by investing the said funds for purchase of crypto currency.”

Multiple government assessments also observed that UPI and others channels enable illegal gambling and betting operators to provide seamless deposit channels; facilitate bulk payouts to users;⁴¹ and layer transactions, effectively laundering money by obfuscating its origin.⁴² Notably, UPI is primarily being exploited through mule networks, while certain payment channels actively facilitate the movement of these funds. Shell companies are also involved in providing a cover for disguising the origin of funds and adding a layer of legitimacy to the financial transactions of illegal operators, helping to mask the true purpose of their transactions.

FATF India Mutual Evaluation Report:⁴³ Tracing Illegal Gambling Funds Through Shell Companies and Payment Gateways

The Zonal Offices received information about gambling and betting sites being promoted on social media. To track the money flow, the Enforcement Directorate (‘ED’) created an online ID and made a small deposit using a link from the site. Investigators joined online discussions and found that people were being tricked into investing money in gambling schemes across India.

*The collected funds were processed through a payment gateway and transferred to a company account. Further investigation revealed that this company was a **shell company** with minimal capital*

³⁹ “Explained: How ED busted the Rs 400 crore Fiewin gaming app scam,” Business Standard, September 25, 2024, https://www.business-standard.com/finance/personal-finance/explained-how-ed-busted-rs-400-crore-gaming-app-scam-124092500433_1.html.

⁴⁰ “Cyber Security and Rising Incidence of Cyber/White Collar Crimes,” Fifty Ninth Report, Standing Committee on Finance (2022-2023), July 27, 2023, https://sansad.in/getFile/lssccommittee/Finance/17_Finance_59.pdf?source=loksabhadocs.

⁴¹ Press release, Enforcement Directorate, August 16, 2024, <https://enforcementdirectorate.gov.in/sites/default/files/latestnews/PRESS%20RELEASE%20-Fiewin%20Arrest%20-15-08-2024.pdf>.

⁴² “Delhi-Based NBFC Exposed As Key Player In Fairplay Betting App’s ₹4,500 Crore Money Laundering Scheme,” The Free Press Journal, December 19, 2024, <https://www.freepressjournal.in/mumbai/delhi-based-nbfc-exposed-as-key-player-in-fairplay-betting-apps-4500-crore-money-laundering-scheme>.

⁴³ “Mutual Evaluation Report - India,” FATF, September 2024, <https://www.fatf-gafi.org/content/dam/fatf-gafi/mer/India-MER-2024.pdf.coredownload.inline.pdf>.

and no real business operations. It was part of a network of **56 companies** with shared directors and shareholders, all controlled by a foreign national.

By analysing transaction patterns, investigators found that money was deposited in small amounts across multiple bank accounts and later consolidated into a few key accounts. Through undercover operations and controlled tracking, authorities conducted searches and seized important documents. ED also obtained bank records to support the investigation.

3.8 MAKING PAYMENTS ON ILLEGAL OPERATORS

To analyse payment options on five illegal betting and gambling platforms, we conducted a primary review of their supported methods:

OPERATOR	ACCEPTED PAYMENT METHOD
Stake	UPI, Net Banking, Cryptocurrencies (Litecoin, USD Tether, Solana, Ethereum, Bitcoin)
Parimatch	UPI (PayTm, Google Pay, PhonePe, etc.), Net Banking, Debit / Credit Card, AstroPay, Cash on delivery
Fairplay	UPI (PhonePe, Google Pay, PayTm), Net Banking (IMPS, NEFT), Payment Gateways, Debit / Credit Cards, E-Wallets (Trustly, PayPal, Neteller, AstroPay), Cryptocurrencies (Bitcoin, Ethereum)
1xBet	UPI (PhonePe, Google Pay, PayTM UPI), Cryptocurrencies (Tron, Bitcoin, Ethereum, Solana, etc.), Cash, Bank Transfer (IMPS, NEFT), and E-Wallets (Skrill, AstroPay)
Dafabet	UPI, Local Bank Transfer, E-Wallet (Payz, Skrill, AstroPay), Cryptocurrencies (GDPay, DirePay, OpenNode)

INSIGHTS INTO THE PAYMENT PROCESS ON PARIMATCH

While attempting to deposit funds on *pari-match-in.com*, we initially found three payment options: QR Pay (UPI), PayTM, and Astropay.

- The deposit option redirected us to a “PaytoUPI” page, where selecting “UPI” revealed multiple options, including BHIM, GPay, PhonePe, PayTM, PayZapp, and scan-to-pay.
- **First Attempt:** Using Payment Option 1, we were redirected to a payment page, which triggered a security warning. The recipient, “Kartami Fintech Private Limited,” was flagged as a potential risk, advising us to reconsider or cancel. Even after dismissing the warning, a persistent message urged caution and provided an option to block the recipient. Despite this, we proceeded with the payment and it went through successfully.
- **Second Attempt:** When we re-attempted a second deposit via Payment Option 1, the recipient account had changed, indicating the use of multiple mule accounts. This time, no security warnings appeared.
- **Alternative Platform:** Using Payment Option 2, no security alerts were triggered.
- **Post-Deposit Changes:** After the first deposit, additional payment methods, including cryptocurrency, became available. Further, the minimum deposit threshold increased from INR 500 to INR 2,000 on the second attempt.

The warnings highlight varying fraud detection capabilities among UPI providers. In a 2022 blog post, GPay detailed its approach:⁴⁴

⁴⁴ “Google for India 2022: Using AI to make Google more helpful, secure, and private for India’s changing digital needs,” Google - India Blog, December 19, 2022, <https://blog.google/intl/en-in/company-news/inside-google/google-for-india-2022-product-announcements/>.

“we use advanced methods in our safety engine that analyze aggregate transaction patterns of millions of users, relating this to a graph of a billion nodes. This system helps identify possible flags on fraudulent behaviour, then uses its intelligent language engine to flash a warning and notify the user in their most preferred language. In some cases, we also generate a quick vibration to really get your attention!”

The discussion underscores the pressing need for a thorough evaluation of how payment channels are being exploited and the vulnerabilities that persist within India’s financial ecosystem. Such an assessment will be instrumental in identifying mitigation measures.

3.9 REGULATORY SCRUTINY

Recognising the growing misuse of payment systems by illegal operators, Indian authorities have intensified regulatory scrutiny. In October 2024, the Indian Cybercrime Coordination Centre (**‘I4C’**), under the Ministry of Home Affairs, issued an advisory warning against illegal payment gateways.⁴⁵ The advisory detailed how transnational organised cybercriminals create unauthorised payment gateways using mule bank accounts for accepting deposits on illegal platforms like fake investment scam sites, offshore betting and gambling websites, fake stock trading platforms, etc. Among the identified illegal payment gateways were PeacePay, RTX Pay, PoccoPay, and RPPay—platforms allegedly operated by foreign nationals providing “money laundering as a service”.

In addition to this, in October 2023, *The Economic Times* reported that the central government was considering stricter UPI regulations to curb offshore gambling platforms.⁴⁶ However, it remains unclear why these measures were not pursued or implemented. Further, the Law Commission’s observations regarding payment-related obligations to curb illegal gambling operations are particularly significant.⁴⁷ The report highlights:

“5.16 Under section 17 of the Act, 2007, the Reserve Bank of India has been given the right to draft policies, in accordance with this Act, on demand for almost everything involving payment processing in India, which are to be compulsorily complied with as provided in section 19 of the Act.

5.17 In the past, RBI has exercised the powers under this Act to achieve its objective, by going after PayPal India, Neteller and Entro Pay. If the RBI were to similarly decide to go after gambling processors, the legal framework and authority, as it already exists, would, in fact, make it possible to curb the functioning of these gambling processors.”

Therefore, if the RBI were to extend similar enforcement measures to gambling payment processors, the existing legal framework provides sufficient authority to effectively disrupt and restrict their operations.

⁴⁵ Press Release, Ministry of Home Affairs, October 28, 2024, <https://pib.gov.in/PressReleaselframePage.aspx?PRID=2069000>.

⁴⁶ “Centre planning to raise odds against illegal betting companies,” *The Economic Times*, October 16, 2023, <https://economictimes.indiatimes.com/tech/technology/centre-planning-to-raise-odds-against-illegal-betting-companies/articleshow/104448674.cms?from=mdr>.

⁴⁷ “Legal Framework: Gambling and Sports Betting Including in Cricket in India,” Report No. 276, Law Commission of India, July 2018, <https://cdnbbsr.s3waas.gov.in/s3ca0daec69b5adc880fb464895726dbdf/uploads/2022/08/2022081655-1.pdf>.

IV. ENFORCEMENT MEASURES AROUND THE WORLD

Across the world, a variety of tools have been tested and put into implementation to control illegal gambling and betting. Among these, website blocking is the most common enforcement tool. According to a report by the European Commission on the regulation of illegal online betting and gambling, 60% of EU/EEA member states have used website blocking in the past.

4.1 WEBSITE BLOCKING IS THE MOST COMMON ENFORCEMENT MECHANISM

Website blocking refers to a practice where internet users trying to access unauthorised websites are prevented from accessing. Users are often redirected to landing pages informing them of the illegal nature of the offer. Illegal betting and gambling is typically available through operators licensed in tax havens and low-regulation jurisdictions, but not in the country of consumption. The three most common measures employed by countries of consumption to block such operators are: Internet Protocol ('IP') address blocking, Domain Name System ('DNS') blocking, and Uniform Resource Locators ('URL') blocking.⁴⁸

4.2 EFFECTIVENESS OF BLOCKING

The effectiveness of blocking can be measured in terms of either preventing or at least decreasing the consumption of illegal betting and gambling. Experiences of effectiveness appear to vary across countries that have adopted blocking. An analysis of cases in the early 2000s, in the United States, the United Kingdom, and Australia found that while blocking can create initial barriers, it fails to completely prevent access to illegal gambling sites. This is primarily due to several circumvention tactics employed by both users and operators. More recent case studies from Denmark, Germany, and France indicate that multiple factors influence the overall effectiveness of blocking measures, including:

- a. Use of VPNs by customers to mask their location and bypass geo-restrictions.
- b. URL switching by operators, where websites quickly rebrand (e.g., *betnow.com* becomes *betnow222.com*) to evade blocks. The flexibility of illegal operators enables them to swiftly change IP addresses, making their platforms accessible again.
- c. Direct communication via phone calls or messaging apps, allowing operators to guide users to alternative platforms or provide direct links to access blocked services.

Another issue relates to the adequate resourcing of regulators as well as their willingness and capability to employ blocking measures.

4.3. TAKING AN ECOSYSTEM APPROACH TO TACKLING ILLEGAL BETTING AND GAMBLING

Countries have increasingly recognised that blocking alone is not an effective tool for combating illegal betting and gambling. As highlighted by the European Union, UNODC and multiple regulators, the presence of multiple service providers supporting this ecosystem necessitates a comprehensive, ecosystem-based approach to enforcement. Academic research on the subject also suggests that a combination of

⁴⁸ **IP address blocking:** IP blocking is effective but carries the risk of 'over blocking'. Many websites are hosted under one IP address including also legitimate (i.e., non-blocked) addresses. This renders this method less functional in achieving the goal of preventing illegal betting & gambling. **DNS blocking:** DNS blocking is the cheapest and easiest, therefore widely used across the world. **URL blocking:** URL blocking is precise but requires deep-packet-inspection ('DPI'). The DPI technique enables Internet Service Providers ('ISPs') to monitor communication. DPI though is costly and difficult to use for encrypted connections.

restrictions on marketing, payments and ISP blocking—proves to be significantly more effective.⁴⁹ In light of these findings, we have compiled an analysis of enforcement strategies adopted by different countries to address the challenges posed by illegal operators.

a. Preventing Marketing & Enforcement through Intermediaries

Restricting illegal advertising is key to the regulation of illegal markets and a major aspect of ensuring the effectiveness of enforcement. Countries in the European Union, Australia, and the United Kingdom have significantly improved enforcement against illegal gambling advertisements on social media by actively collaborating with major digital platforms.

A comparative study conducted by the EU in 2018 found that 19 out of 24 national regulators had established some form of cooperation with social media companies.⁵⁰ Regulators engaged with platforms such as Facebook, Twitter, YouTube, and Google, working to remove illegal gambling advertisements or downgrade the ranking of illegal gambling sites in search results. Several other countries, including Spain, the UK, France, and Norway, have collaborated with Google and other smaller search engines to limit the visibility of illegal betting and gambling promotions.⁵¹

Successful Case Studies of Effective Cooperation

- a. Norway:** Norwegian Gaming Authority worked with online newspapers to ensure the removal of illegal gambling ads, even when purchased through ad exchanges. This approach effectively reduced illegal gambling advertisements on Norwegian news sites.
 - The authority also had a good dialogue with Facebook whereby it informed Facebook about gambling companies having Facebook pages in Norwegian directed to Norwegian citizens.⁵² In response, Facebook took the pages down.
 - Additionally, the authority reported gambling brand ambassadors promoting illegal platforms via their personal Facebook pages. Almost all of them were taken down, and the authority has now established a direct reporting channel with Facebook for ongoing enforcement.
- b. Denmark:** In 2023, the Danish Gambling Authority expanded its enforcement by targeting gambling apps hosted on digital platforms. The authority partnered with Apple, gaining special access to report illegal gambling apps on the App Store, leading to their removal from the Danish App Store.⁵³
 - A similar collaboration with Google was established, allowing the authority to report/remove illegal gambling apps from Google Play and flag illegal content on YouTube and Google's search engine.
 - Through its partnership with Facebook, the authority now has direct access to report illegal gambling content and advertisements, leading to their removal from Facebook and Instagram.
- c. Belgium:** The Belgian regulator has an informal agreement with Google to ensure that illegal betting and gambling websites are ranked significantly lower in search results and that sponsored ads for unauthorised operators are blocked.

⁴⁹ "Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers," European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

⁵³ "Report on Illegal Gambling 2023," Danish Gambling Authority, March 2024, <https://www.spillemyndigheden.dk/uploads/2024-04/Report%20on%20illegal%20gambling%202023.pdf>.

- Additionally, the regulator has held regular discussions with Google regarding the presence of illegal gambling promotions and links.

b. Payment Blocking

Payment blocking is a regulatory mechanism designed to disrupt financial transactions associated with illegal gambling platforms. It requires banks and payment service providers in the enforcing country to identify and block transactions linked to illegal gambling activities. The objective is to cut off financial access, making it more difficult for users to deposit or withdraw funds, thereby discouraging participation in illegal gambling operations.

In 2018, an EU-wide analysis found that 52% of member states had legal provisions for payment blocking, while 30% had implemented these mechanisms.⁵⁴ The enforcement of these mechanisms involved a diverse range of payment providers tasked with blocking transactions. The most commonly targeted entities were e-payment service providers (34%), followed by traditional card networks (31%) and internet payment gateways (25%).⁵⁵ In many cases, regulators maintain blacklists of unauthorised gambling and betting operators, which financial institutions use to identify and block transactions.

The Czech Republic prohibits crediting and debiting transactions to accounts associated with unauthorised gambling and betting, requiring payment providers to cease processing payments within 15 days of an operator being blacklisted.⁵⁶ Similarly, Hungary has mandated that banks block payments to blacklisted operators since July 2023. The Hungarian Gambling Authority has also warned customers that winnings from unlicensed platforms may not be honored. Following the enforcement of these restrictions, several operators exited the Hungarian market. Norway has intensified its oversight by directly supervising 37 banks to ensure compliance with payment bans.

While these efforts have been somewhat effective in curbing illegal operators, enforcement measures have faced limitations, particularly as operators continue to exploit gaps in existing frameworks. Norway's regulators have found that direct payments into foreign-based digital wallets remain outside the scope of current blocking measures, leading to proposals for expanded enforcement mechanisms, including blocking transactions based on operators' names and imposing greater due diligence obligations on payment service providers.⁵⁷

Other countries have reported mixed results with payment blocking due to the adaptability of illegal operators. Estonia, for instance, has faced challenges as many illegal gambling businesses have shifted away from domestic bank accounts, to foreign financial institutions beyond the reach of national enforcement authorities. Further, identifying and tracking financial channels used by illegal operators has proven to be one of the most significant hurdles to effective implementation.

The United States Approach: The UIGEA Framework

The United States provides a key example of legislated payment blocking through the Unlawful Internet Gambling Enforcement Act ('UIGEA'). *Section 5364* of the UIGEA mandates that financial transaction

⁵⁴ "Evaluation of Regulatory Tools for Enforcing Online Gambling Rules and Channelling Demand towards Controlled Offers," European Commission, November 2018, <https://op.europa.eu/en/publication-detail/-/publication/6bac835f-2442-11e9-8d04-01aa75ed71a1/language-en>.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

providers implement measures to identify and block restricted transactions related to online gambling.⁵⁸ Rather than targeting individual users, the UIGEA focuses on financial institutions and payment processors, requiring them to prevent transactions that fund illegal internet gambling operations. The legislation grants the Department of the Treasury and the Federal Reserve System joint rulemaking authority to define and enforce compliance measures.

The final rules emphasise on a “flexible, risk-based due diligence” process that payment systems may use to gain compliance. The rules mandate “[a]ll non-exempt participants in designated payment systems shall establish and implement written policies and procedures **reasonably** designed to identify and block or otherwise prevent or prohibit restricted transactions”.

➤ **Assessing the Effectiveness of Payment Blocking**

Payment blocking has been widely adopted with research indicating that in jurisdictions like Hungary and Norway, payment disruptions have proven highly effective in making offshore markets less attractive—often to the point where operators are forced to withdraw.⁵⁹

However, existing literature also suggests that payment blocking is most effective when combined with other enforcement measures, particularly ISP blocking and marketing restrictions. The so-called “belt and suspenders” approach,⁶⁰ advocates for a more comprehensive strategy that targets a wider network of financial systems, while also encouraging financial institutions to develop innovative solutions to counteract evolving circumvention tactics. Further, others similarly argue that payment providers and ISPs should be held accountable for implementing blocking measures effectively.⁶¹

Moreover, the effectiveness of payment blocking largely depends on how it is implemented and the specific payment systems and financial services prevalent in a given country. Factors such as consumer payment preferences, market structures, and local “payment culture” influence the feasibility and success of enforcement efforts.

c. Blacklisting / Whitelisting

Some jurisdictions complement their enforcement measures by implementing blacklists and whitelists for legitimate operators. This approach is consumer-oriented, as it not only restricts access to illegal operators but also provides clear guidance to consumers on which platforms are licensed and regulated.

A blacklist is an official registry of operators or websites that violate laws, designating them as illegal entities. Regulatory authorities, such as those in Australia, Belgium, and Hungary, publicly disclose these lists to enhance enforcement transparency, while others, including the Netherlands, maintain non-public blacklists for internal regulatory purposes. Beyond consumer protection, public blacklists serve a broader regulatory function by acting as a mechanism for demonstrating non-compliance to other regulatory authorities, industry suppliers, trade associations, and financial service providers. This facilitates cross-sector collaboration, strengthens enforcement actions, and restricts access to financial and operational

⁵⁸ Unlawful Internet Gambling Enforcement Act of 2006 § 802, 31 U.S.C. §§ 5364.

⁵⁹ “Reducing online gambling black markets - an analysis of international practices used to combat online gambling black markets,” Regulus Partners, September 2024, <https://www.entaingroup.com/media/zh2n0i0s/regulus-report-2024-black-market-gambling.pdf>.

⁶⁰ Kraig P Grahmann, “Betting on Prohibition: The Federal Government’s Approach to Internet Gambling,” *Northwestern Journal of Technology and Intellectual Property* (2008), 7, 162, <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1083&context=njitip>.

⁶¹ Lucy Dewar, “Regulating Internet Gambling: The Net Tightens on Inline Casinos and Bookmakers,” *Aslib Proceedings* (2001), 53, 9, <https://doi.org/10.1108/EUM0000000007067>.

resources for blacklisted entities, thereby reducing their ability to operate. Conversely, a whitelist allows consumers to verify whether a website is licensed and compliant with regulatory standards.

V. RECOMMENDATIONS

➤ **Shifting from a Singular Blocking Approach to an Ecosystem-Based Enforcement Strategy**

To effectively combat illegal online betting and gambling, enforcement measures must move beyond isolated website blocking and adopt a comprehensive ecosystem-based approach. This strategy should assign liability to all key enablers of the illegal market while enforcing strict compliance requirements.

➤ **Digital Advertisements**

The relevant ministries/departments such as MIB, I4C, DGCI, Department of Consumer Affairs ('DoCA'), Ministry of Electronics and Information Technology ('MeitY') should together or separately establish collaboration/arrangements with digital advertising intermediaries, including social media platforms, search engines, and ad networks to proactively monitor, flag, and remove illegal betting and gambling-related advertisements. Some specific measures can be:

- a. For digital platforms including social media: Enforce strict ad policies to ban direct paid advertisements, enhance content moderation to flag/remove user-generated content relating to illegal markets, and immediately suspend influencers promoting illegal operators.
- b. Search: Downgrade search results on search engines, provide safe browsing options, and complete ban on sponsored advertisements for illegal market operators.

In the long term, a comprehensive digital advertising policy should be developed to map the roles and responsibilities of each stakeholder within the complex digital advertising ecosystem and assign corresponding liabilities based on their level of involvement and control.

➤ **Payment Ecosystem**

In accordance with the Law Commission's recommendations, the RBI, under *Section 17* of the Payment and Settlement Systems Act, may formulate guidelines or policies requiring payment systems, banks, and financial institutions to establish mechanisms and internal policies for detecting and blocking transactions linked to illegal betting and gambling operators. However, before implementing such a measure, it is advisable to first conduct a comprehensive vulnerability assessment of India's payment ecosystem.

➤ **Improving Blocking Measures**

Effective landing pages are crucial for enforcing website blocks on illegal gambling sites, therefore, we recommend implementing clear and informative landing pages for blocked illegal betting & gambling websites in India.

Internationally, regulators in countries such as France, Poland, Estonia and etc. have successfully adopted this approach, where ISPs display landing pages to notify users when they attempt to access blacklisted betting or gambling websites. These landing pages clearly inform users that the site is illegal, highlighting the potential risks of engaging with unregulated platforms. This strategy not only raises awareness but also serves as an effective consumer protection tool, helping to safeguard users from unsafe websites.

In India, our review of blocked URLs, including stake.com and winbuzz, highlighted execution gaps, where landing pages either did not load or displayed generic error messages, such as "site cannot be reached."

This approach fails to inform users about the website being blocked, offers no explanation for the block, and misses a critical opportunity to educate the public on legal and safety considerations.

To address this gap, we recommend implementing structured landing pages for all blocked websites, ensuring that users receive a clear message regarding the illegality of the site, the rationale behind the block, and warnings about potential risks. This approach should be standardized across ISPs, with consistent messaging and design guidelines, contributing to greater transparency and stronger regulatory enforcement.

➤ **Blacklist / Whitelist**

To enhance enforcement measures and support the recommendations outlined above, the government should consider establishing and maintaining regularly updated blacklists and/or whitelists of online gaming operators. These lists should be continuously revised and, where possible, made publicly accessible in a user-friendly format, enabling consumers to easily distinguish between legitimate and illicit operators.

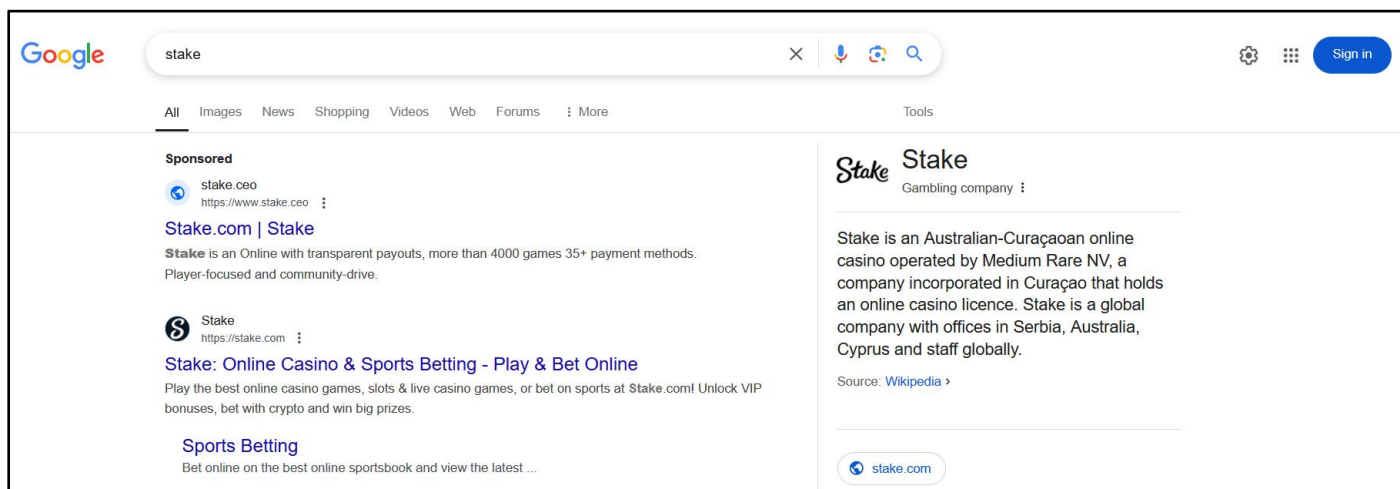
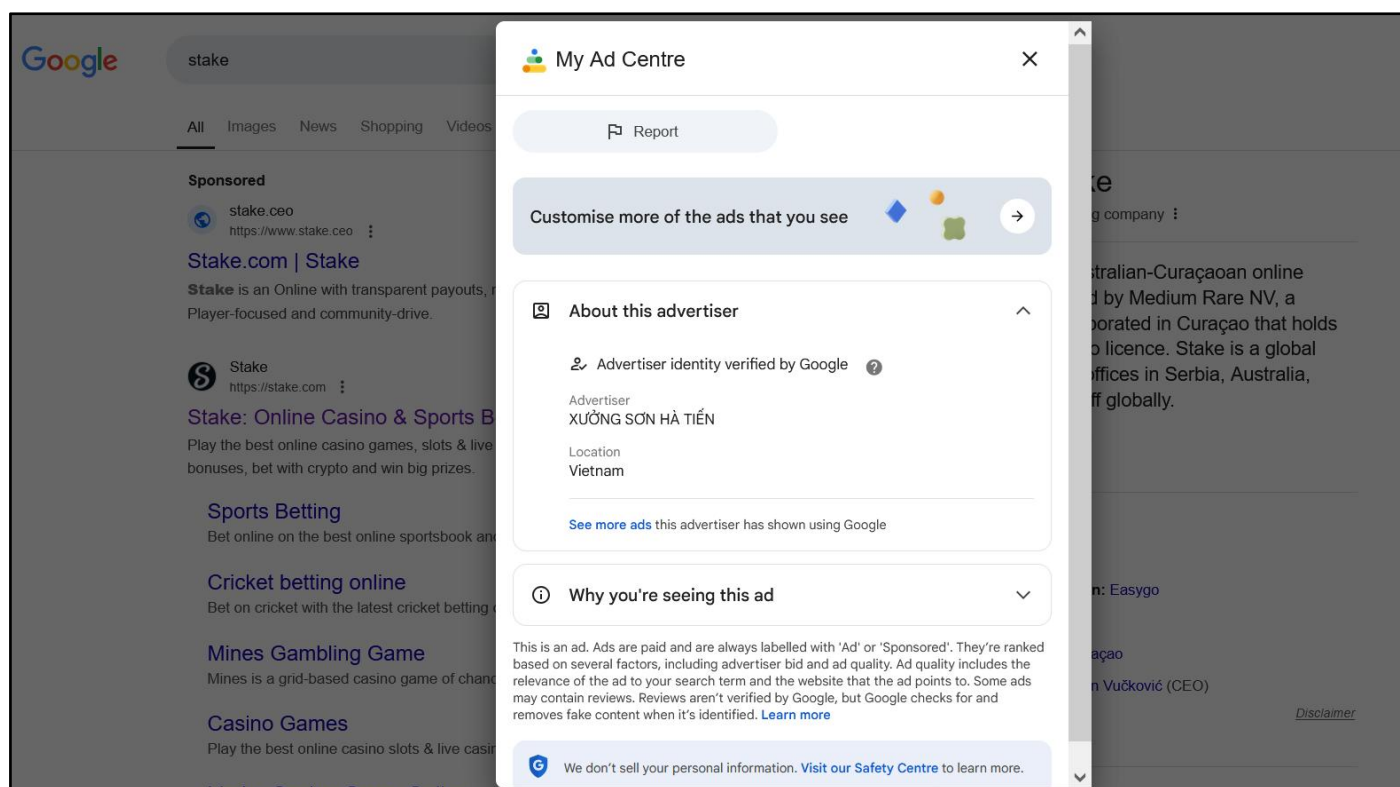
For maximum impact, these enforcement efforts should be aligned with broader regulatory strategies, including the regulation of online gaming either through operationalization of the existing Information Technology (Intermediary Guidelines and Digital Ethics) Rules, 2021 or by introducing a dedicated regulatory framework for the sector. By providing a clear legal framework, the government can offer consumers better guidance, enhance consumer protection, and promote responsible gaming practices by clearly differentiating legitimate platforms from illegal ones.

ANNEXURES

ANNEXURE I: A systematic review of government documents observing modus operandi of illegal platforms.

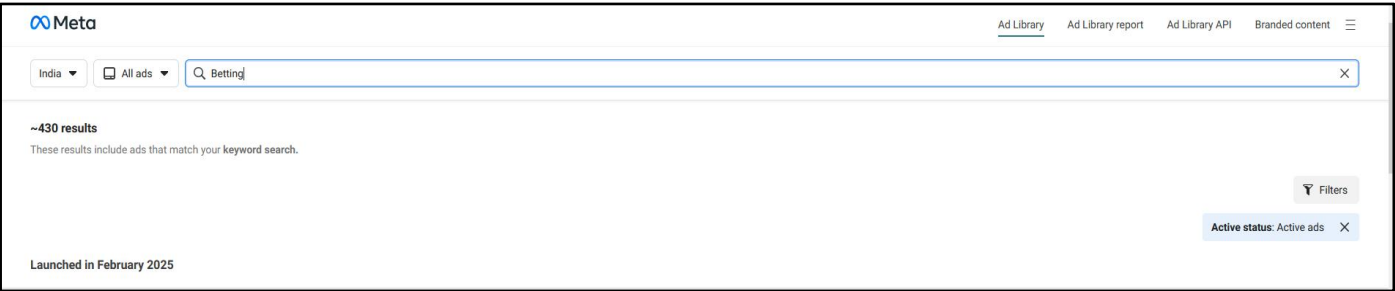
MINISTRY	OBSERVATION
Ministry of Electronics and Information Technology	In a press release, the MeitY clarified its intentions for bringing IT Amendment Rules 2023: <i>"Betting and gambling activities are banned under various State laws, while few games of skill have been held to be constitutionally valid by the Supreme Court in various judgements. In this legal landscape, the online gaming industry in India has seen immense growth in the recent past. However, despite this existing legal landscape, various social and economic concerns have emerged from this industry over the past few years including: (c) ads of offshore gambling and betting websites targeting Indian users; The rules even disallow intermediaries to host or display any advertisement or surrogate advertisement or promotion of an online game that is not a permissible online game. This will help to address the growing menace of online ads of illegal betting and gambling operations targeting Indian users."</i>
Parliamentary Standing Committee on Finance	The Parliamentary Standing Committee on Finance presented a report, <i>"Cyber Security and Rising Incidence of Cyber/White Collar Crimes,"</i> identifying four major trends in cybercrime: <i>"The first one is the use of crypto for money laundering and terror financing. The second is the use of mule accounts with false addresses. That is the second typology. The third typology is the use of international online betting sites both for purpose of money laundering and terror financing. The fourth trend we have seen is the lending apps and apps for investments which have been used and which have been caught in the system. So, these four typologies have been primarily reported as regards the mule account, it is mostly in India. But in the three other instances, the offshore entities are involved. It may be crypto. It may be the online betting sites. There is a clear set of online betting sites which are based out of tax havens."</i>
Financial Intelligence Unit	As per FIU's Annual Report 2022-23, the Strategic Analysis Lab ('SAL') produced a typology report on Risk Analysis of Online Gaming and Gambling in India. The report, which is not in public domain, is understood to have highlighted the money laundering risks associated with the use of convertible and non-convertible currencies in gaming and gambling platforms. Additionally, it examined the relevant laws and regulations, the Know Your Customer processes followed by these platforms, and assessed the vulnerabilities and risks. The report also identified various money laundering techniques and typologies prevalent in these industries.
The Directorate General of GST Intelligence	Annual report 2023-24, Trends in Tax Evasion, revealed that 658 offshore entities were identified as unregistered and/or non-compliant, prompting investigations into their activities. In addition, 167 URLs/websites associated with these entities were recommended for blocking by the DGGI to curb unauthorized operations.
Enforcement Directorate	In a press release, the Enforcement Directorate ('ED') highlighted the case of Fiewin, where the platform was designed to collect money from users and funnel it through multiple channels before ultimately transferring the funds to the wallets of Chinese nationals. The Fiewin app facilitated money laundering in a systematic way by involving Indian nationals, Chinese nationals, and companies like Studio21. The ED press release detailed the process of user acquisition, user deposits, conversion and layering of pooled funds into crypto, and eventual transfer of those crypto assets to Chinese nations.
FATF Mutual Evaluation Report	The Mutual Evaluation Report observes that while casinos are deemed as not posing a high risk, the report does identify multiple instances where online gambling and betting platforms have facilitated money laundering. These operations have used shell companies, cash couriers, and cryptocurrencies to channel illicit funds, reflecting trends seen in news reports (<i>see Pages 88, 93, 106</i>).
Ministry of Home Affairs	Indian Cybercrime Coordination Center, MHA has issued an advisory against illegal payment gateways created using mule bank accounts by Transnational Organized Cybercriminals facilitating money laundering as a service. As per the advisory, illegal payment gateways are created using mule accounts which are then given to criminal syndicates for accepting deposits on illegal platforms like fake investment scam sites, offshore betting and gambling websites, fake stock trading platforms, etc. Thereafter, funds are immediately layered to another account as soon as the crime proceeds are received. Bulk Payout facilities provided by banks are misused for the same.

ANNEXURE II: Glimpses of sponsored ads on Google Search promoting illegal gambling and betting operators.



ANNEXURE III

We also conducted a scan for live “gambling” and “betting” advertisements using Meta’s Ad Library portal. This portal captures and provides searchable access to all ads currently running across Meta platforms, including Facebook, Instagram, Messenger, and Threads, across various media formats.



ANNEXURE IV:

A list of relevant advisories issued by the MIB and CCPA are discussed below.

Ministry / Department / Regulator	Date	Description	Targeted to
Ministry of Information and Broadcasting	June 13, 2022	<p>The advisory noted that a number of advertisements of online betting websites/platforms are appearing in print, electronic, social and online media. It noted that advertisements of online betting are misleading, and do not appear to be in strict conformity with applicable laws. Therefore, it advised the print and electronic media to refrain from publishing advertisements of online betting platforms.</p> <p>Additionally, it advised the online and social media, including the online advertisement intermediaries and publishers, to not display such advertisements in India or target such advertisements towards the Indian audience.</p>	Newspapers private satellite television channels, and publishers of news and current affairs content on digital media
Ministry of Information and Broadcasting	October 3, 2022	<p>The advisory noted that some online offshore betting platforms have started using news websites as a surrogate product to advertise their betting platforms on TV channels.</p> <p>It detailed that such advertisement is prohibited in accordance with Guidelines 2022 and the Advertising Code under Cable TV Networks Regulation Act, 1995.</p> <p>Thus, it strongly advised private satellite channels to refrain from broadcasting advertisements of online offshore betting platforms and/or their surrogate news websites or any such product / service depicting these platforms in a surrogate manner.</p>	Private satellite television channels
Ministry of Information and Broadcasting	October 3, 2022	<p>The advisory noted that promotion content and advertisement of betting platforms are visible on certain news platforms and OTT platforms.</p> <p>It further noted that some online offshore betting platforms have started using new websites as a surrogate product to advertise betting platforms on digital platforms. It detailed that such advertisement is prohibited in accordance with Guidelines 2022 and amended IT Rules 2021.</p> <p>Thus, it strongly advised online news websites and OTT platforms to refrain from broadcasting advertisements of online betting platforms and/or their surrogate news websites or any such product / service depicting these platforms in a surrogate manner.</p>	Publishers of news and current affairs content on digital media, and publishers of online curated content (OTT platforms)

Ministry of Information and Broadcasting	April 6, 2023	<p>The advisory noted that betting and gambling is an illegal activity and hence, advertisement / promotion of such activities directly or indirectly on any of the media platforms falls foul of various applicable statutes.</p> <p>It urged all stakeholders to immediately refrain from showing any such advertisement / promotional content in any form whatsoever.</p>	Newspapers private satellite television channels, publishers of news and current affairs on digital media, and online advertisement intermediaries.
Ministry of Information and Broadcasting	August 25, 2023	<p>The advisory warned against direct and indirect advertisements of betting and gambling platforms. It noted that there is a tendency to spike promotion of such betting and gambling platforms during a major sporting event, especially cricket.</p> <p>It advised all stakeholders to immediately refrain from showing such advertisements in any form whatsoever, failing which the government may initiate appropriate.</p>	Newspapers registered under Press and Registration of Books Act, 1867, private satellite television channels, publishers of news and current affairs on digital media, online advertisement intermediaries, and social media platforms.
Central Consumer Protection Authority	March 6, 2024	<p>The CCPA issued an Advisory on Prohibition of Advertising, Promotion, and Endorsement of Unlawful Activities Prohibited under Various Laws. The advisory sternly cautioned all stakeholders against featuring both direct and surrogate advertisements or endorsements that promote illegal activities, particularly betting and gambling.</p> <p>It reiterated the legal stance on betting and gambling, emphasising their prohibition under law. Further, the advisory referenced <i>Clause 9</i> of Guidelines 2022, which explicitly prohibits advertisements relating to goods, products, or services that are either explicitly prohibited or barred from being advertised under any law.</p> <p>Given that betting and gambling are prohibited by the Public Gambling Act, 1867, and deemed illegal in most regions of the country, any related advertisements or promotional material are likewise prohibited.</p>	Entire spectrum encompassing manufacturers, advertisers, publishers, intermediaries, social media platforms, celebrities, influencers, endorsers, and any other relevant stakeholders.
Ministry of Information and Broadcast	March 21, 2024	<p>MIB issued its latest advisory, explicitly directing entities to abstain from disseminating advertisements or promotional content, including surrogate advertisements, related to illegal activities such as betting or gambling.</p> <p>Further, the advisory underscored the authority vested with the MIB under Section 79(3)(b) of the Information Technology Act, 2000, relating to 'online advertisements'.</p> <p>As such, the MIB is empowered to issue notifications to intermediaries, compelling them to remove or disable access to any posts, links, or other content featuring advertisements and branded material promoting unlawful products and services.</p>	Endorsers and influencers, social media intermediaries, and online advertisement intermediaries



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