

**Government of Rajasthan
Finance (Revenue) Department**

F.3(2)Finance/Rev./2022

Jaipur, Date : 17 MAY 2022

All Stakeholders

Subject :- Comments and suggestions on the draft of the Rajasthan Virtual Online Sports (Regulation) Bill -2022.

The State Government of Rajasthan intends to bring a legislation to regulate Online Skill Based Games/ Fantasy Games.

In this connection, draft of "The Rajasthan virtual online sports (Regulation) Bill -2022" is available on the website of Finance Department <https://finance.rajasthan.gov.in> for comments and suggestions from all stakeholders.

All stakeholders are requested to provide comments/suggestions on the draft on the e-mail id – jsfrevenue@rajasthan.gov.in latest by 28.05.2022.


(Neelesh Sharma)

Joint Secretary to the Government

Copy for necessary action :-

- ✓1. Technical Director, Finance (Computer Cell) for uploading on Finance Department's website.


Joint Secretary to the Government

THE RAJASTHAN VIRTUAL ONLINE SPORTS
(REGULATION) BILL,

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THE RAJASTHAN VIRTUAL ONLINE SPORTS
(REGULATION) BILL,

A

BILL

to regulate pay-to-participate formats of Virtual Online Sports within the State and to provide for matters connected therewith or incidental thereto;

Preamble.- WHEREAS, it is expedient to regulate pay-to-participate formats of Virtual Online Sports within the State and to provide for matters connected therewith or incidental thereto.

BE it enacted in the Seventy Second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*— (1) This Act may be called the Rajasthan Regulation of Virtual Online Sports Act,

(2) It extends to the whole of the State of Rajasthan.

(3) It shall come into force on such date as the State Government may by notification in the official gazette, appoint.

2. *Definitions.*— In this Act, unless the context otherwise requires,—

(a) “Act” shall mean the Rajasthan Regulation of Virtual Online Sports Act, 2021;

(b) “Adjudicating Officer” means an officer designated as such under Section 20;

(c) “Commercial Court”, for the purposes of any State, shall mean a Commercial Court constituted under section 3, or the Commercial Division of a High Court constituted under section 4, of the Commercial Courts Act, 2015;

(d) “Commission” means the Rajasthan Virtual Online Sports Commission constituted under Section 17 of this Act;

(e) “Company” means a body corporate, and includes firm or other association of individuals duly constituted and registered under the provisions of the Companies Act 1956

or the Companies Act, 2013;

(f) "Derivative Formats" shall mean and include any format of fantasy-based selection that has been judicially upheld and recognised by a Court of competent jurisdiction in India or certified by the Self Regulatory Organisation, where there is a predominant element of skill and is based on the statistics, analysis and knowledge of the relevant real-life products and/or services under this Act;

(g) "Entry Fee" means the amount of money or money equivalent or otherwise that is required to be paid by an individual through electronic means to a Sports Engagement Platform in order for such individual to participate in Virtual Online Sports;

(h) "Esports" shall mean a simulated real life domestic or internationally recognised sports and games in the form of Online Competitions, played over the internet, including through an internet web site or a mobile application and approved from time to time by the Government or accredited Sporting Federations or appropriate authority as may be notified;

(i) "Esports Competitions" shall mean Esports where persons pay an Entry Fee and:

(a) the value of all Prize Monies and Awards offered to a winning Esports Competition player is established and made known to the players in advance of the tournament or competitions; and

(b) all winning outcomes reflect the knowledge and skill of the players and are determined predominantly by accumulated statistical results of the performance of participants in events;

(j) "Esports Platforms" shall mean persons providing a platform service with an online interface in the form of any software protocol including a website or a part thereof and applications including mobile and internet based applications for the purposes of offering Esports Competitions;

Provided that no Esports Platforms shall conduct any Esports Competitions that do not adhere to the following criteria:

(i) the simulated sports is a real life domestic or internationally recognised sports or games and tournaments or competitions and includes sports such as cricket, football, basketball, volleyball, hockey, kabaddi, et al and;

(ii) such simulated versions of Esports shall be recognised by accredited Sporting Federations, both domestic and international or by any other appropriate

authority;

(k) "Fantasy Sports" means any Online Competition in which a contest is offered by the Fantasy Sports Platform where users are permitted to emulate selectors, coaches, captains of online teams, consisting of real-life players or teams, that compete against online teams of other users with results tabulated on the basis of statistics generated by the real-life sportspersons in officially sanctioned sports matches, including but not limited to, pay-to-participate variants where users pay Entry Fee to participate in the contest on the basis that the contest's aggregate Prize Monies and Awards are contributed to by all the participating users;

(l) "Fantasy Sports Platforms" shall mean persons providing a platform service with an online interface in the form of any software protocol including a website or a part thereof and applications including mobile and internet based applications for the purposes of offering Fantasy Sports;

Provided that no Fantasy Sports Platforms shall be permitted to offer an Online Competition of Fantasy Sports unless the following judicially upheld criteria are incorporated therein, namely:—

(i) users assemble a virtual team combination from among the athletes participating in a real live world sports event and compete with other users and their virtual teams, with predetermined rules determining the points scored by users based on the performances of their selected virtual players in the real-world sports event, and the resulting rankings and winning outcomes being based either on:

(a) the statistics emerging from at least one complete real-world sports match; or

(b) any other format as may have been judicially approved or recognised as a Fantasy Sports format as per this Act;

(ii) the value of all Prize Monies and Awards offered to a winning contest player is established and made known to the players in advance of the contest; and

(iii) no winning outcome is based on the score, point spread or any performance of any single real world team or any combination of real world's team or on any single performance of a contestant or player in any single event;

(m) "License" means the permission granted by the Government in writing under the provisions of the Act for the purpose of operating Virtual Online Sports, to Sports

Engagement Platforms including its organization, management or promotion, and negotiation or receipt of money or valuable security;

(n) "License Fee" means the license fee payable for the acquisition of a License to operate Virtual Online Sports under this Act;

(o) "Licensee" means any person, company or firm who has been granted a License to operate Virtual Online Sports under this Act;

(p) "Licensing Authority" means the officer designated as such under Section 4(3);

(q) "Online Competition" means a format, contest or event of Virtual Online Sports in which individuals or teams participate and compete using their skills and abilities;

(r) "Penalty" means a fine imposed by the Adjudicating Officer under this Act for any violation under this Act including, but not limited to, the breach or contravention of any of the provisions of this Act, the rules made hereunder and the conditions of the License;

(s) "Person" shall have the meanings assigned to it in sub-section (31) of Section 2 of the Income Tax Act, 1961;

(t) "prescribed" means prescribed by rules made under this Act;

(u) "Prize Monies and Awards" means and includes the amount of money or money equivalent or otherwise that is required to be paid by the Sports Engagement Platform to a winning Online Competition player as per the predetermined rules of the Online Competition;

(v) "Self-Regulatory Organisation" means and includes an industry association registered as a Section 8 Company under the Companies Act, 2013, or a society registered under the Rajasthan Society Registration Act, 1958 or a trust registered under the India Trusts Act, 1882 and legally recognised by the courts of competent jurisdiction or Commission under this Act to represent a particular class of Virtual Online Sports with the aim of protecting the users, resolving the disputes and promoting ethical and professional standards;

(w) "Sports Engagement Platform (SEP)" means and includes any platform offering pay-to-participate sports related Online Competitions using online interface in the form of any software including website or a part thereof by a person and applications including mobile applications and includes Esports Competitions, Fantasy Sports, and Derivative Formats by a person;

(x) "State" means the State of Rajasthan;

(y) "Virtual Online Sports (VOS)" means and include Esports Competitions, Fantasy Sports, and Derivative Formats as provided by the Sports Engagement Platforms and where such formats have been judicially approved by the courts or approved by the respective Self-Regulatory Organisation or appropriate authority as may be notified;

CHAPTER II

LICENSING OF VIRTUAL ONLINE SPORTS FORMATS

3. *Licensing of Virtual Online Sports formats and Exemptions under the law.*— (1) No Virtual Online Sports format shall be offered, organised or exhibited by any person at any place in the State and no Virtual Online Sports format offered by any person shall permit residents of the State to participate in any Online Competition offered by Sports Engagement Platforms without such person obtaining a License granted in accordance with the provisions of this Act and rules made thereunder.

(2) Nothing in the Rajasthan Public Gambling Ordinance, 1949 shall apply to the offering of Virtual Online Sports for money or valuable security by a Licensee under this Act.

(3) Nothing in this Act shall apply to:

(a) The operation of lotteries regulated under The Lotteries (Regulation) Act, 1998 and its allied rules and regulations; or

(b) The organisation of any Competition that users do not participate for money or valuable security.

4. *Application for Licensing Virtual Online Sports formats and grant or refusal of such License.*— (1) The License may be issued to any person providing or offering Virtual Online Sports whose formats are upheld by the court or certified by the Self-Regulatory Organisation under section 14 of this Act or approved by the appropriate authority as may be notified and in case of Esports, the simulated versions of Esports is recognised by both domestic and international accredited Sporting Federations, or by appropriate authority as may be notified, and upon due compliance of the terms and conditions specified in this Act and the rules made thereunder to the satisfaction of the Licensing Authority and shall be subject to the payment of License Fees for each Virtual Online Sports format as may be prescribed to be paid in advance for the period of ten years.

(2) A License under this Act shall be issued only to an Indian citizen or legal entity incorporated in India.

(3) The Government shall, by order, appoint one or more officers not below the rank of an Additional Secretary to be in-charge of Licensing Virtual Online Sports formats in such area as may be prescribed who shall be empowered to evaluate applications for License, issue or renew Licenses and perform such other functions as specified in this Act and as may be prescribed.

(4) Any person desiring to obtain a License shall make an application in writing to the Licensing Authority, in such form and manner as may be prescribed.

(5) On receipt of such application, the Licensing Authority shall within thirty days from the date of the receipt of application and after making such inquiry as it considers necessary, by order in writing, either grant the License or refuse to grant the License:

Provided that, where the Licensing Authority refuses to grant a License, it shall put on its record a brief statement of the reasons for such refusal.

Provided further that, in the event of refusal to grant the license, the Licensee shall be given a reasonable opportunity to present its case either in writing, or by an oral hearing.

(6) If the Licensing Authority does not within a period of thirty days from the date of the receipt of the application pass an order under sub-section (5), the application shall be deemed to have been approved by the Licensing Authority and the License shall be deemed to have been granted.

5. Duration of License.— (1) A License, unless it is cancelled or surrendered, shall remain in force for ten years from the date of grant of License.

(2) The holder of a License may surrender the License by notice in writing to the Licensing Authority prior to the expiry of the License.

(3) The cancellation, surrender or expiry of a License shall not affect any liability for anything done or omitted to be done by the Licensee before the date on which the License ceases to have effect.

6. Renewal or refusal to renew.— (1) The Licensing Authority may, on application made to it and subject to payment of such Licensing Fees for renewal as may be prescribed, renew the License granted under this Act, on fulfilment of conditions as may be prescribed for renewal of the License or refuse to renew such License by a speaking order delineating the reasons for such refusal:

Provided that, in the event of refusal to grant the license, the Licensee shall be given

a reasonable opportunity to present its case either in writing, or by an oral hearing.

(2) The Licensing Authority shall within thirty days from the date of the receipt of application for renewal, pass a speaking order under sub-section (1).

(3) If the Licensing Authority does not within a period of thirty days from the date of the receipt of the application pass an order under sub-section (1), the application for renewal shall be deemed to have been approved by the Licensing Authority and the License shall be deemed to have been renewed.

7. Conditions of the License.— (1) The Licensee shall be entitled to operate Online Competitions on its Sports Engagement Platform in accordance with the terms of its License.

(2) The License shall be in such form and shall contain such conditions as may be prescribed.

(3) The Licensing Authority may, on application by the Licensee or on its own motion, vary or cancel any condition specified in the License.

(4) A variation of a License or of a condition of a License, made otherwise than on application by the Licensee shall not have effect until the expiration of twenty-one days from the date on which notice of the variation is given to the applicant, or where an appeal is made against such variation, until the said appeal is decided.

(5) Notwithstanding anything contained in sub section (4) above, a variation of condition of the License made by the Licensing Authority necessitated on the ground of change or amendment of the provisions of this Act or the rules framed thereunder or any other law for the time being in force, shall be applicable prospectively after providing adequate notice to the Licensee.

Provided that any variation of License conditions that has a detrimental effect or has an adverse impact on the Licensee, shall only be done after following due process of law and after giving him an opportunity of being heard.

8. Transfer of License.— (1) The Licensing Authority may, on an application by the Licensee, transfer the License to a person specified in the application, subject to compliance with all requirements by the transferee for grant of License specified in this Act and the rules framed thereunder.

(2) Such a transfer shall be endorsed on the License by the Licensing Authority.

9. *Exhibition of conditions of License by Licensee.*— The Licensee shall exhibit a copy of the License on the communication device, computer resource or computer network on which or at the premises where its Virtual Online Sports is made available.

Explanation:— The words 'communication device', 'computer network', and 'computer resource', used in this Act shall have the respective meanings assigned to them in the Information Technology Act, 2000.

10. *Licensee to maintain records and provide information.*— (1) The Licensee under this Act shall maintain a record of transactions in such form and manner as may be prescribed, for a period of five years from the date of transaction.

(2) The Licensing Authority may, at any time, require any Licensee to produce documents or information as the Licensing Authority may consider necessary, for the purposes of this Act, in such form and manner as may be prescribed.

Provided that if the Licensing Authority requires Licensee to produce any confidential or sensitive information including but not limited to financial statements for the purposes of any dispute redressal, investigation or serious fraud offence under the applicable laws, the Licensing Authority shall issue an adequate notice, in writing requesting the Licensee to produce such confidential or sensitive information in a sealed envelope.

(3) The Licensing Authority shall ensure confidentiality of documents or information as produced by the Licensee under sub-section (2).

11. *Suspension or cancellation of License and forfeiture of security deposit.*— (1) The Licensing Authority shall, upon the direction of the Adjudicating Officer, cancel the License if the Adjudicating Officer determines that the Licensee has acted in violation of any provision of this Act or the Rules made thereunder or any conditions of the License; or that the License has been obtained by fraudulent means or by furnishing incorrect information which the Licensee knows or believes to be false or does not believe to be true.

(2) In the event that the Licensing Authority reasonably believes that the Licensee has acted in violation of any provision of this Act or the Rules made thereunder or any conditions of the License, or that the License has been obtained by fraudulent means or by furnishing incorrect information which the Licensee knows or believes to be false or does not believe to be true, then the Licensing Authority shall notify the Adjudicating Officer and submit all documents and information pertaining to his belief to the Adjudicating Officer,

and after such notification, may suspend the License till the Adjudicating Officer completes his inquiry and adjudication into whether any violation of the Act, Rules or conditions of License is made out or if the License has been obtained by fraudulent means or by furnishing incorrect information which the Licensee knows or believes to be false or does not believe to be true.

(3) Upon cancellation of License, the License Fees shall stand forfeited to the Government.

CHAPTER III

ADMINISTRATION AND REGULATION OF VIRTUAL ONLINE SPORTS

12. *Administration and Regulation of Virtual Online Sports.*— (1) For the purposes of this Act, the responsibility of day to day administration and regulation in respect of each class of Virtual Online Sports shall be delegated to the respective Self-Regulatory Organisation as recognised by the courts of competent jurisdiction or by the Commission under this Act.

(2) Any industry-led organisation desiring to obtain recognition as a Self-Regulatory Organisation by the Commission under this Act, representing a particular class of Virtual Online Sports, shall make an application in writing to the Commission in such form and such manner as may be prescribed and along with such fees as may be prescribed.

(3) The Commission shall be entitled to seek such data, information and documentation from the application as it deems necessary for its inquiry and evaluation of the application.

(4) The Commission shall within ninety days from the receipt of application, by order in writing, either approve or reject the application for recognition of the industry-led organisation as a Self-Regulatory Organisation.

Provided that, where the Commission refuses to grant a recognition, it shall put on its record a brief statement of the reasons for such refusal.

(5) The Commission shall provide recognition to each class of Self-Regulatory Organisation based on the following criterion:

(a) a Self-Regulatory Organisation having its registered office in India;

(b) a Self-Regulatory Organisation whose charter has as its primary purpose, the administration, regulation and promotion in respect of each class of Sports Engagement Platform;

(c) the Board and/or the management of the Self-Regulatory Organisation shall be constituted by Indian citizens;

(c) demonstrated functioning of a minimum of 3 years with an existing office of the Ombudsman or similar dispute resolution mechanism;

(d) shall have members, who constitute the majority of the pay-to-participate registered users in India;

(e) the Articles of Association and Memorandum of Association and the relevant Byelaws shall clearly provide for the following:

(i) code of ethics and governance;

(ii) rules of fair play;

(iii) consumer grievance redressal mechanism and consumer protection rules;

(iv) dispute resolution inter-se consumers and platforms and platform to platform; and

(v) responsible advertising and marketing standards;

13. *Roles and Functions of Self-Regulatory Organisation.*— The Self-Regulatory Organisation shall have the following roles and functions, namely:—

(a) to administer and regulate day to day operations of each class of Virtual Online Sports;

(b) to issue directions or orders for compliance with the code of ethics and governance;

(c) to evaluate, certify and approve a format as an Virtual Online Sports in accordance with this Act;

(d) to constitute an office of Ombudsman that shall act as a Dispute Redressal body for disputes between the Licensees and for disputes between the users and the Licensee; and

(e) to levy penalties and fines for the particular segment of the industry and all such penalties and fines collected thus shall be credited to the consolidated funds of the State.

14. *Virtual Online Sports Certification.*— (1) The Self-Regulatory Organisation shall *suo moto* or on application be empowered to evaluate and certify any format as 'Virtual Online Sports'.

(2) The Self-Regulatory Organisation under sub-section (1) shall certify any format as 'Virtual Online Sports' only if such format is in compliance with the code of ethics and governance as certified by the Commission under this Act.

15. *Responsible Advertising.*— No advertisement which violates the code for Self-Regulation in Advertising, as prescribed by the Self-Regulatory Organisation shall be carried on by the Licensee.

16. *Code of Ethics and Governance.*— The Licensee shall comply with the codes of ethics and governance enshrined in the charter or similar document of the Self-Regulatory Organisation concerned with the class or category of Virtual Online Sports offered by the Licensee, subject to such Self-Regulatory Organisation, code of ethics and governance and other similar documents being recognised by the Commission under this Act.

CHAPTER IV

RAJASTHAN VIRTUAL ONLINE SPORTS COMMISSION

17. *The Rajasthan Virtual Online Sports Commission.*— (1) The Government shall establish a Rajasthan Virtual Online Sports Commission which shall consist of the following members, who shall be nominated by the Government for a period of three years on such terms and conditions as may be notified from time to time, namely:—

(i) a retired judge of the High Court or a retired judge of the Supreme Court shall be the Chairperson;

(ii) a person having vast experience in the field of sports and sports federations shall be a Member; and

(iii) a retired Government servant not below the rank of Secretary to the government;

(2) The term of the Chairperson and the members shall be for a period not exceeding three years and the Government may extend such term for another period of 3 years.

(3) The salaries and allowances and the other terms and conditions of service of the members, and the offices appointed for the purpose of the Commission shall be such as may be prescribed by the Government.

18. *Powers and functions of the Commission.*— (1) The Commission shall have the following powers, namely:—

(i) to act as an Appellate body against the orders passed by the Ombudsman

constituted by the Self-Regulatory Organisation;

(ii) to recommend to the Government, the terms and conditions that shall form part of the License while exercising the power to provide License to the person offering, exhibiting and organising any Virtual Online Sports;

(iii) to issue advisories, caution notices and recommendations to the Self-Regulatory Organisation to enforce the provisions of this Act in the larger public interest;

(iv) to monitor and submit periodic reports to the Government of the activities of all Licensees to ensure compliance with the provisions of this Act;

(v) to recognise a Self-Regulatory Organisation representing a particular class of Virtual Online Sports; and

(vi) to recognise codes of ethics and governance, charter, byelaws adopted by Self-Regulatory Organisations.

(2) The Commission shall upload draft advisories, caution notices and recommendations on its website for seeking comments and inputs from the stakeholders, including but not limited to the relevant Self-Regulatory Organisation and the Licensees.

(3) The Commission shall ensure that the stakeholders are provided sufficient time for submitting their comments and inputs to the draft advisories, caution notices and recommendations uploaded by the Commission under sub-section (2).

(4) The Commission shall issue advisories, caution notices and recommendations for different classes of Virtual Online Sports giving due regard to facts and circumstances present in the relevant market and comments and inputs submitted by the stakeholders on the draft advisories, caution notices and recommendations under sub-section (2).

(5) The advisories, caution notices and recommendations issued by the Commission under sub-section (4) shall, after approval of the Government, be binding on all concerned.

CHAPTER V

OFFENCES AND PENALTIES

19. *Offences and Penalties.*— (1) Where the Licensee is found by the Self-Regulatory Organisation referred to in section 15 to have violated the Code for Self-Regulation in Advertising, and fails to comply with the directions of the Advertising Standards Council of

India, then such Licensee shall be liable for a penalty not exceeding rupees two lakh.

(2) Where the Licensee is found by the Self-Regulatory Organisation referred to in Section 16 to have violated the code of ethics and governance adopted by the Self-Regulatory Organisation, and fails to comply with the directions of the Self-Regulatory Organisation then such Licensee shall be liable for a penalty not exceeding rupees two lakh.

(3) Where the Licensee, or any person acting on its behalf, has been found to have obtained the License by furnishing incorrect information which the Licensee has known or believed to be false or does not believe to be true, he shall be liable for a penalty not exceeding rupees two lakh.

(4) In case any person or entity is found to have made a deliberate mis-declaration to the Licensing Authority in order to obtain a License, the person in charge of the said entity or the individual concerned shall be liable for a penalty not exceeding rupees two lakh.

(5) If the Licensee fails to maintain records or produce documents or information under section 10 of this Act, he shall be liable for a penalty not exceeding rupees two lakh.

(6) If a person or an entity carries out the operation of Sports Engagement Platforms in the State without obtaining a License under the provisions of this Act or continues to operate a Sports Engagement Platforms whose License has been suspended, such person is liable for a penalty of up to rupees four lakhs per day of the contravention.

20. *Adjudicating Officer.*— (1) For the purposes of adjudication of Offences under this Act, an officer not below the rank of Additional District Magistrate of the district where the alleged offence is committed, shall be notified by the Government as the Adjudicating Officer for adjudication in the manner as may be prescribed.

(2) The Adjudicating Officer shall, after giving the person a reasonable opportunity for making representation in the matter and following due process of law, and if, on such inquiry, he is satisfied that the person has committed an offence under the Act or Rules, impose such penalty as he thinks fit in accordance with the provisions relating to that offence.

(3) In addition to the power to levy fine or penalty, if the Licensee who has violated ~~the provisions of this Act, rules made thereunder and conditions of license which have caused loss to the Government or any person,~~ the Adjudicating Officer shall have power to recover losses and compensation from the Licensee and award the same to the Government or other affected persons.

(4) The Adjudicating Officer shall have the powers of a civil court under the Code of Civil Procedure, 1908, and in particular in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of witnesses and examining them on oath;
- (b) discovery and production of any document;
- (c) receiving evidence on affidavits;
- (d) requisitioning any public record or copy thereof from any court or office;
- (e) issuing commissions for the examination of witnesses or documents;
- (f) any other matter which may be prescribed.

(5) The Adjudicating Officer or an officer specially authorized in this behalf by the Adjudicating Officer may enter any building or place where the Adjudicating Officer has reason to believe that any document relating to the subject matter of the inquiry may be found, and may seize any such document or take extracts or copies therefrom subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, in so far as it may be applicable.

(6) All proceedings before the Adjudicating Officer-

- (a) shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860);
- (b) shall be deemed to be a court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

(7) While adjudicating the quantum of penalty under this Act, the Adjudicating Officer shall have due regard to the following:

- (a) the amount of gain or unfair advantage, wherever quantifiable, made as a result of the contravention,
- (b) the amount of loss caused or likely to cause to any person as a result of the contravention,
- (c) the repetitive nature of the contravention,
- (d) whether the contravention is without his knowledge, and
- (e) any other relevant factor.

21. *Offences by Company.*- Where an offence under this Act has been committed by

a company, every person who, at the time, the offence was committed was in charge of, or was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section, shall render any such person liable to any punishment under this Act if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

Provided further that notwithstanding anything contained in the first proviso to this section, where it is proved that an offence under this Act has been committed with the connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the Company, he shall also be deemed to be guilty of that offence and shall be liable to be punished in accordance with the provisions of this Act.

Explanation:— For the purpose of this section, "Director" in relation to a firm means a partner in the firm.

22. *Compounding of offences.*— (1) The Authorized Officer under this Act, either before or after the institution of proceedings for any offence punishable under this Act or any rules made there under, accept from any person charged with such offence by way of composition of the offence such sum not exceeding 75% of the maximum amount of fine to which he is liable to pay on being found guilty of committing the offence.

(2) On the payment of such sum of money to such officer and the remediation of the act giving rise to the offence to the satisfaction of the Adjudicating Officer, no further proceedings shall be taken against the accused person in respect of the same offence.

23. *Recovery of fines or Penalty.*— Where any fine or penalty imposed on any person under this Act is not paid within six months from the day of imposition of fine or penalty, the Adjudicating Officer or any other officer authorized by him in this behalf may proceed to recover the amount from the said person in the same manner as prescribed in Schedule II of the Income-tax Act, 1961 (43 of 1961) for the recovery of arrears and he or any officer authorized by him in this behalf shall have all the powers of the Tax Recovery Officer mentioned in the said Schedule for the said purpose.

24. *Protection of action taken in good faith.*— No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government or any other

person exercising any powers or discharging any functions or performing any duties under this Act for anything done or intended to be done under this Act or any rule, order made there under in good faith.

CHAPTER VI MISCELLANEOUS

25. *Act to have overriding effect.*— Save as otherwise provided in this Act, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith any other law for the time being in force or any instrument having effect by virtue of any law other than this Act.

26. *Appeals.*— An appeal against the order made by the 'Adjudicating Officer' under this Act shall be made to the Commercial Court within a period of forty five days of communication of the said order.

27. *Power to make rules.*— (1) The Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(i) The criteria for recognising a Self-Regulatory Organisation representing a particular class of Virtual Online Sports by the Commission;

(ii) The form and manner of making application for the License and the fees to be paid for its grant or renewal and the conditions subject to which it may be granted;

(iii) The License Fee to be paid by the Licensee to the Government;

(iv) The fees to be paid by a person for the evaluation and certification of a format as a Virtual Online Sports;

(v) The types of notices to be exhibited and the manner in which they are to be exhibited on the website;

(vi) The procedure for obtaining Licenses; and

(vii) Any other matter which is required to be or may be prescribed in relation to carrying out the provisions of this Act.

28. *Power to remove difficulties.*— (1) If any difficulty arises in giving effect to any of the provisions of this Act, the Government may, by notification or order make such provisions not inconsistent with the provisions of this Act, as appear to it to be necessary or

expedient, for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section, shall, as soon as may be after it is made, be laid before the House of Legislative Assembly.