

# 'ONLINE SKILL GAMING WILL NOT SURVIVE HIGHER GST'

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

Raising the goods and services tax (GST) on online skill games from the existing 18% to 28% could cause the 'demise' of the industry in the country, cautioned three online 'skill gaming' associations. The GST Council began a two-day meeting on Tuesday, with the panel said to be considering an increase in the tax rate on online games of skill.

In a joint statement on Tuesday, the E-Gaming Federation, All India Gaming Federation and Federation of Indian Fantasy Sports (FIFS) said they were also apprehensive about tax being levied on the total pool (prize money pooled plus the platform commission) and not on the gross gaming revenue. Such a norm could lead to the 'demise' of the online skill gaming industry in the country, the associations observed.

Global studies have shown that taxing prize money instead of gaming revenue leads to "reduced tax collections for the exchequer and ends up giving a fillip to black-market operators", said Anwar Shirpurwala, CEO of FIFS.

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