No. 217 Shillong, Thursday, December 23, 2021 2nd Pausa, 1943 (S. E.)

PART-IIA

GOVERNMENT OF MEGHALAYA
EXCISE, REGISTRATION, TAXATION & STAMPS DEPARTMENT -------
NOTIFICATION

The 21st December, 2021.

No.ERTS (T) 61/2020-A/175. - In exercise of the powers conferred by Section 29 of the Meghalaya Regulation of Gaming Act, 2021, the State Government hereby makes the following Rules, namely:-

Section 1
General Provisions

Short Title and commencement 1. (a) These Rules shall be called the Meghalaya Regulation of Gaming Rules, 2021.

(b) They shall come into force on the date of their publication in the Official Gazette

Definitions 2. In these rules, unless the context otherwise requires:-

(a) "Act" means the Meghalaya Regulation of Gaming Act, 2021.

(b) "Advertisement" includes every form of advertising or promotion, whether by means of the state-wide intranet, in a radio or television program or message (whether broadcast or not), in a written or printed publication, by the display of notices, signs, labels or show cards, by means of circulars or other documents or through any other medium;

(c) "Application fee" shall mean the fee required to be paid along with the application for issuance of a license under the Act;

(d) "Form" means a form appended to these rules;

(e) "Fundraising event" means the conduct of Games of Chance or Games of Skill by a Local Organisation with the explicit charitable purpose for furtherance of its aims and objectives for social activities.

(f) "Hyperlink" includes an active icon;

(**g**) " Local Organization" means a sports club, church body, village body, school body, or charitable institution or Association of Persons having principal address in the state of Meghalaya.

(h) "Operator" in relation to any Games, means the person by whom it is conducted;

(i) "Physical Premises" means any premises where the Licensee is conducting gaming for public;

(j) "Person" includes **an individual, an Association of Persons, a** Partnership Firm or Company registered in accordance with the provisions of the law relating to the registration of such Partnership Firm or Company as the case may be, for the time being in force in the State;

(k) "Player" means a person participating in Games of Skill or Games of Chance being condu hrough website or

through physical premises;

(l)"Registered Qualified Persons (RQPs)" shall mean Lawyers/Firms, Chartered Accountants/Firms/Finance Experts, and IT Companies/Firms of repute to assist the Commissioner of Taxes in scrutinizing all applications for license under the Act and these Rules. Such firms shall require to possess a minimum experience of five years in their respective fields of work;

(m) "Schedule" means the Schedule appended to the Act and the Rules;

(n) "Temporary License" means a license issued to a local organization with a validity not exceeding two days and valid for only the physical premises indicated in the license.

(o) "Website" means a group of World Wide Web pages usually containing hyperlinks to each other and made available online by an individual, company, educational institution, government, or organization;

Words and expressions used but not defined herein but defined in the Act shall have the meanings respectively assigned to them in the Act;

Interpretation

3. If any question arises as to the interpretation of any of these Rules, the matter shall be referred to the Government and the decision of the Government thereon shall be final.

Eligibility for Applying for grant of license

4. **Section 2**

Rules for conduct of games of Chance and Games of Skill by Operator other than Local Organization

The Applicant shall have to fulfill the following conditions in order to be eligible to apply for grant of License under the Act:-

(a)The Applicant must have minimum 5 (Five) years of continuous experience of conducting games of skill and games of chance.

(b)The Applicant should not have been blacklisted in any part of India for conducting games of skill and/or games of chance.

(c) The applicant should not have been charge sheeted or convicted of any offence under Foreign Exchange Management Act 1999 or money laundering in India.

(d)In case the Applicant is a firm/company, it shall be ensured that the controlling stake remains in India, and that all executive decisions are taken in India.

Form and Manner of Application for grant of license

5. (a) Any eligible person, firm or entity interested to operate Games of Skills and Games of Chance as specified in Schedule A and B of the Act respectively, shall submit an application in '

Form 1' to

the Commissioner of Taxes, specifying the game or games for which the license is being sought.

(b) The Application shall be accompanied with a non-refundable application fee of Rs. 1,00,000/- (Rupees one Lakh) only in form of a demand draft drawn in favor of the 'Commissioner of Taxes, Government of Meghalaya' payable at Shillong, Meghalaya.

(c) Such an application shall be accompanied by documents prescribed as under:

(i). If the Applicant is an individual person then his identity proof in

form of Election Photo Identification Card (EPIC) or Aadhar Card; Income tax returns filed in accordance with law for immediately preceding three years along with certificate of a qualified and registered chartered accountant certifying present financial status and specifying existing liabilities; a note on the software technology platform, a proposed business plan and financial projections.

Provided, where the individual belongs to a notified Scheduled Tribe of the State of Meghalaya, instead of Income Tax Returns, a certificate of a qualified and registered Chartered Accountant as to income and expenditure and existing financial status and liabilities for the immediately preceding three years shall be submitted by such person.

(ii) If the Applicant is a Firm, the Certificate of Registration, Identity proof of all the partners of the firm as above, along with Income Tax returns filed by the Firm, in accordance with law, for immediately preceding three years along with certificate of a qualified and registered chartered accountant certifying present financial status of the firm and specifying existing liabilities; a note on the software technology platform, a proposed business plan and financial projections.

(iii) If the Applicant is a company or any other entity, certificate of incorporation/registration along with identity proof as above of its Authorized representative, audit returns for immediately preceding three years and a certificate of a qualified and

registered chartered accountant certifying present financial status of the company/entity and specifying existing liabilities, a note on the software technology platform, a proposed business plan and financial projections.

(d) Every application referred to above shall be submitted in both h t copy of the application shall be in

PDF format and be sent to comtax-meg@gov.in. The Hard Copy has to be submitted to the office of Commissioner of Taxes, Shillong, Meghalaya either physically or through registered post.

(e) Any Application submitted without the application fee shall not be entertained and no intimation in this regard shall be sent to the applicant.

(f) Any Application, submitted without any of the required documents prescribed above shall be rejected after granting an opportunity of 30 (thirty) days to the applicant to furnish the document along with reason for not submitting the same with the Application.

(g) The Commissioner of Taxes shall have the discretion to seek any other or further information and/or document from the applicant to satisfy himself of the background, bona-fide and financial status of the Applicant and to ensure compliance with the provisions of the Act and the Rules and may reject the application summarily for not providing such information and/or document without justifiable cause to his satisfaction.

Procedure for consideration of application for grant of License details of

6. A license under this Act shall be issued in the following manner:-

(a) The Commissioner of Taxes shall, upon receipt of an application along with the requisite fee and documents, forward the application and information to the 'Registered Qualified Persons (RQPs)' for examination of its legal, financial, technical and other aspects.

(b) The RQP shall, within a period not exceeding 30 (thirty) days, issue or decline to issue the prescribed certifications, and they shall return the application form along with their certification or decision to refuse the certification to the Commissioner of Taxes. The RQP may also make recommendations to the Applicant in case they are of the opinion that with adoption of the said recommendations, the Applicant would become eligible for the certification and thus the license. The said recommendations shall also be forwarded to the Commissioner of Taxes along with the copy of the application. The Commissioner of Taxes shall have the right to determine whether any of the recommendations made by the RQP are required to be adopted by the Applicant.

(c) In case RQP refused to issue certification, reasons for such refusal must be recorded in writing.

(d) The Commissioner of Taxes shall, within 14 days of receipt of the certification from the RQP forward the application and supporting documents along with his recommendation to the Licensing Authority, which in turn shall, issue a License to the Applicant or reject the application, as the case may be.

Provided, in case of rejection of the Application for grant of license, the applicant shall be afforded an opportunity of hearing by the Licensing Authority.

Issue of license for Games of Skill and Games of Chance

7. (a) On receipt of an application under Rule 6(d), the Licensing Authority shall examine the application and after making such inquiry as it considers necessary, may grant a provisional license in

Form-2 on payment of a fee of 1 (one) lakh rupees to enable the licensee to set up the necessary physical infrastructure and other requirements so as to be in a position to commence operation of Games of Skill and Games of Chance as per the License. The provisional license shall be valid for a maximum period of 6 (six) months.

(b) Upon the satisfaction of the Licensing Authority that the applicant is fully ready to commence operations of Games of Skill and/or Games of Chance and has complied with the stipulations prescribed in the provisional license and such other terms and conditions prescribed in the Act and Rules, the Licensing Authority may grant a license for operation of Games of Skill and/or Games of Chance in

Form-3 on payment of annual License fee of 2 (two) crore rupees or such sum as may be prescribed by the Licensing Authority from time to time. Such license shall be valid initially for 1 (one) year at a time and shall

be renewed yearly, subject to compliance of requirements of the Act and the Rules and conditions prescribed in the License, up to a maximum period of 5 (five) years unless revoked, cancelled, suspended or surrendered.

(c) The Licensing Authority reserves the right to alter the conditions of license or alter the license fee and Royalty any time it may deem fit. However, no changes in conditions of the license shall be made which are disadvantageous to the licensee without giving him an opportunity of being heard.

(d) A license issued under this Act shall be valid for a period of 5 (five) years subject to compliance of prescribed conditions and payment of annual License fee within one month of commencement of each financial year if the license has otherwise not been cancelled or suspended or revoked or surrendered during its currency.

Incidence of the **License**

8. Upon grant of license, the Licensee shall be permitted to conduct following:

(a)To advertise on online and offline media and may display the fact that it has a license from the Government of Meghalaya for conducting Games of Skill and Games of Chance.

(b)The Licensee shall be permitted to offer the games for stake and earn a profit from the rake generated and from advertising and downloading.

(c)The Licensee shall be permitted to offer its games for stake and profit on the state-wide intranet through the mediums of computer or mobile phones or television or radio etc.

(d)Only those entities who have obtained license from the Government shall be allowed to advertise and conduct Games of Skill and Games of Chance within the territory of Meghalaya.

Procedure for to **transfer of license**

9. The transfer of license to another person shall be granted subject the following:-

(a)On account of death of the individual licensee; or

(b)On account of permanent disability of the individual licensee certified by the State Medical Board, to render the licensee incapable of discharging the obligations imposed under the Act and these Rules;

(c)On account of dissolution of the firm or emergence of a new entity due to acquisition or merger of the licensee company;

Provided that the transferee complied with the other requirements under the Act, these Rules and other relevant Acts in force in the country.

Restrictions on providing game of

10. (a)The licensee shall not, without the prior written consent of the Licen ion 10(4) of the Act, either **skills**

and game of chance, licensed under the Act, to persons other than licensee

directly or indirectly, provide Games of Skills and Games of Chance licensed under this Act, to any person or enter into any agreement for providing any of the games under the License to any third party;

(b)The Licensee may be permitted in writing by the licensing authority, to provide Games of Skills and Games of Chance licensed under this Act, to any person, with prior written approval of the Licensor if the following conditions are being fulfilled, and not otherwise:

(i)The permission shall be for a specified period only;
(ii)The permission shall be for a specific purpose only;
(iii) The permission shall not be granted to licensees where all the past dues till the date of transfer are not fully paid;
(iv)The permission shall be granted only to persons and in cases where the licensee undertakes to ensure strict compliance of all terms and conditions of its license;
(v)Any other condition as may be considered necessary by the licensing authority;

(c)The Licensing Authority shall have the right to rescind the permission of the licensee, after considering any report of conduct or antecedents which is in contravention of the license conditions. The decision of the Licensing Authority in this regard shall be final and binding and in any case, the Licensee shall bear all liabilities in the matter and keep the Licensing Authority indemnified for all claims, cost, charges or damages in this respect.

(d)The Licensee shall have no right or claim for grant of permission to enable it to provide Games of Skills and Games of Chance to any other person and the decision of the Licensing Authority shall be final and binding.

Procedure for suspension or cancellation of license

11.(a) A license is liable to be cancelled under Section 13 of the Act on the following grounds:-

(i) For violation of the provisions of the Act, Rules or Instructions issued by the Licensing Authority; or

(ii) For violation of the terms and conditions of the license; or

(iii) If the license was found to have been obtained by furnishing incorrect information which the Licensee knows or believes to be false or does not believe to be true.

(b) Before considering the cancellation of license, the Commissioner of Taxes shall issue a notice to show cause to the Licensee as to

why the license should not be cancelled for the violation in question, and shall grant 30 (thirty) days' time to the licensee to make a written as well as oral representation. In case of violation of terms of the License, 30 (thirty) days' time shall be al ch.

(c) During the pendency of enquiry for assessing the breach till a decision for cancellation of license is reached, the Licensing Authority, on the recommendation of the Commissioner of Taxes, may suspend the License, by way of a written order to that effect, if it may deem fit. In absence of any such written order of suspension of license, the license shall be deemed to be in existence and valid till it is cancelled.

(i) While passing an order of suspension of license pending enquiry under this Rule, there shall not be any requirement of providing any hearing to the Licensee.

(d) The Commissioner of Taxes shall forward the case for cancellation of license along with his recommendations to the Licensing Authority for decision.

Responsibilities of a licensee

12.It shall be the responsibility of all Licensees under this Act to ensure the following: -

(a) That only players above the age of 18 are permitted to play games for stake either through the website/mobile app or at the physical premises.

(b) That all payments on the site are made through registered and recognized payment modes including credit/debit cards, net banking, use of e-wallets etc., that comply with RBI rules and regulations. Payment in cash, if any, shall be permissible only subject to compliance with KYC norms and full disclosure only at the physical premises which shall be recorded in a 'register' kept at the premises for that purpose;

Provided that any payment of more than **Rs.25,000/-** (Rupees **Twenty five** Thousand) shall not be accepted in cash.

(c) It shall be ensured that there is no violation of foreign exchange laws of India.

(d) The licensee shall provide a dashboard with a user name and password to the Licensing Authority and Commissioner of Taxes to facilitate supervision of activities of the licensee.

(e) The licensee is required to set up an office in Meghalaya within 30 (thirty) days from the date of issue of license.

(f) The licensee must have in place a foolproof fraud prevention control mechanism and effective safeguard to prevent players from suffering financial injury.

(g) The Licensee is required to prominently display a charter for responsible gaming on its website and mobile app and physical premises where gaming is being conducted.

Maintenance of designated bank and and **statements**

13.(a) The Licensee shall maintain a designated bank account known to the Commissioner of Taxes for conduct of all financial **account** transactions in connection with the conduct of Games of Skill Games of Chance under the license issued under the Act. The gross revenues earned by the Licensee shall be deposited only into the designated account to ensure transparency and supervision.

(b) The Licensee shall be responsible for ensuring that the amounts due and payable to the Licensing Authority are regularly made via treasury challan or any other mode of payment authorized by the Government.

(c) The Licensee shall furnish necessary authorizations to the bank holding the designated and disclosed accounts to furnish print-outs, statements or reports of the transactions of the accounts as and when required by the Commissioner of Taxes or the Licensing Authority.

Fee and royalty

14. (a)Every Licensee shall pay to the Licensing Authority the following fees and royalties as mentioned below:-

(i)The 'Annual License Fee' of 2 (two) crore rupees.

(ii) In addition, the licensee shall further be required to pay an amount of 2% of the Gross Gaming Revenue (GGR) generated as royalty to the Licensing Authority quarterly.

(b) The royalty for the preceding quarter shall be paid by the licensee by the fifteenth day of following quarter duly filling the details in the statement in

Form-4 failing which interest @ two percent per month on the late payment of royalty will be levied, on the condition that the royalty is paid within a month of following quarter and a penalty equivalent to one-fifth of the royalty shall be charged on the licensee, in the event of failure to make payment within a month of following quarter.

(c) All payments to the Licensing Authority shall be deposited into the Consolidated Fund of the State in the manner prescribed by the Licensing Authority.

(d) A licensee shall be required to execute a Bank Guarantee of ***2 (two) crore rupees*** in favor of the Government as security deposit every year at the time of the issue and renewal of the license. On the expiry of the period of one year, the licensee shall either renew or give a fresh Bank Guarantee of an equal amount to the Government.

Salaries, Allowances, terms and conditions of service of the members and officials of the Meghalaya Gaming Commission

15. (1) (a) There shall be paid to the Chairperson a salary which is equivalent to the salary of a Judge of a High Court;

Provided that where the Chairperson is a person who has been a Justice of a High Court, his salary and allowances shall be to the salary and allowances last drawn by him as Chief High Court:

Provided that if the Chairperson at the time of his appointment, receipt of, or being eligible so to do, had elected to draw, a pension (other than disability pension) in respect of any previous service under the Central Government or the Government of a State, his salary in respect of the service as a Chairperson shall be reduced-

(i) by the amount of such pension;

(ii) if he had, before assuming office, received, in lieu of a portion of the pension due to him in respect of such previous service, the commuted value thereof, by the amount of such portion of the pension.

(b) Every other member shall receive a fixed salary of 60,000/- (Rupees sixty thousand only) per month plus dearness allowance and other allowances, if any, as applicable to an officer of the All India Service serving in the State.

(c) The terms and conditions of service of the members of the Commission shall be the same as applicable to members of other permanent Commissions in the State of Meghalaya.

(2). The salary, terms and conditions of service of the officials of the Commission shall be the same as applicable to employees of the Government of Meghalaya holding analogous post.

Resignation, removal and suspension of Chairperson and other members of the Meghalaya Gaming

16. (1)The Chairperson or any other member may, by notice in writing under his hand addressed to the State Government, resign his office:

Provided that the chairperson or a member shall, unless he is permitted by the State Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his

Commission

successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

(2)Notwithstanding anything contained in sub-rule (1), the State Government may, by order in writing, remove the Chairperson or any other Member from his office if such Chairperson or Member, as the case maybe, -

(a)is, or at any time has been, adjudged as an insolvent; or

(b)has engaged at any time, during his term of office, in any paid employment; or

(c)has been convicted of an offence which, in the opinion of the State Government, involves moral turpitude; or

(d)has acquired such financial or other interest as is likely to affect prejudicially his functions as the Chairperson or a Member; or

(e)has so abused his position as to render his continuance in office prejudicial to the public interest; or

(f)has become physically or mentally incapable of acting as the Chairperson or Member; or

(g)continuance of the Chairperson or Member, as Chairperson or Member of the Meghalaya Gaming Commission, as the case may be, has become prejudicial to the interest of the general public.

Registered Qualified Persons (RQPs)

17 The Commissioner of Taxes shall empanel a list of Lawyers/Firms, Chartered Accountants/Firms/Finance Experts and IT Companies/ Firms of repute to assist in scrutinizing all applications for license under this Act and Rules. Such firms shall require to possess a minimum experience of 5 (five) years in their respective fields of work. The Registered Qualified Persons shall be required to certify the following:-

(a) In the case of Lawyer/Firm, they will be required to certify that the Applicant is in compliance with the requirements of the Act, Rules and laws for the time being in force.

(b) In the case of a Chartered Accountant/Firm or a Merchant Banker, to certify that the Applicant is compliant with the Act, Rules and laws for the time being in force, and has the capabilities to conduct Games of Skill and Games of Chance as applied for, with a viable business plan. They shall also ensure that the Applicants are in compliance of all other statutory requirements that are in force in the country.

(c) In the case of an IT Company/Firm, they shall certify that the Applicant is in possession of software that is duly tested and certified for safety and integrity as per standard industry norms.

(d) The above certifications shall be required to be furnished by every Licensee to the Commissioner of Taxes for the purpose of obtaining a license, and the Licensing Authority/Commissioner of

Taxes may also call upon the "Registered Qualified Persons (RQPs)" to furnish a report with respect to any licensee at any stage of the license tenure.

(e)The final decision shall be of the Licensing Authority who shall be required to give due weightage to the opinion of the experts while arriving at the decision of allowing or rejecting the application or for the purpose of cancellation of a License.

(f)The Licensing Authority may, once every year, in consultation with the Commissioner of Taxes, fix the rates or fees to be paid by the applicants to the Registered Qualified Persons for the certifications. The rates shall be as per standard industry norms.

Maintenance of a Games Website

18. (a) Every licensee shall, in relation to any Games of Skill and of Chance, maintain a website; the front or home page of which shall contain the following, namely :-

(i) its full name and address of its registered office;

(ii) the number of license under which the Games are conducted;

(iii) the date on which the license was originally granted and the date of expiry;

(iv) The Games which the Licensee is authorized to conduct under the License;

(v) a statement that the Games are regulated in Meghalaya State through a legislation;

(vi) hyperlink to the websites of the Government and players Anonymous;

(vii) one or more hyperlinks to a page or pages setting out:-

(1) a summary of the arrangements for registration;

(2) a statement that persons under the age of eighteen years are not permitted to register or to participate in the game;

(viii) a statement that Games' debts are enforceable in law in Meghalaya.

(ix) There shall not be any content displayed at the website which is prohibited in respect of advertisement under sub rule (b) and (c) of Rule 19 of these Rules.

Maintenance of Physical Premises

19. (a) Every Licensee shall conduct gaming only from such physical premises as is permitted in the License.

(b) Every Licensee shall prominently display at the entrance of the Physical premises:

(i) the name of the Licensee,

(ii) License Number with date of expiry;

(iii) statement that persons below age of 18 years are not permitted to enter;

(iv) The Games which the Licensee is authorized to conduct under the License;

(v) a statement that the Games are regulated in Meghalaya State through a legislation;

(vi) Register containing URL addresses to the websites of the Government and players Anonymous;

(vii) a statement that Games' debts are enforceable in law in Meghalaya.

(viii) There shall not be any content displayed at the physical premises which is prohibited in respect of advertisement under sub rule (b) and (c) of Rule 19 of these Rules.

(ix) No gaming can be conducted through physical premises which are located within **100** meters from the nearest place of worship or educational institution;

(x) A statement that only those persons shall be allowed entry into the physical premises who are having valid voter ID card or Aadhar card or Driving License or Passport, bearing address outside of Meghalaya.

Advertisement of Games of Skill and Games of Chance

20. shall a

(a) Every advertisement of Games of Skill and Games of Chance contain URL or, in the case of an advertisement on a website, hyperlink to the website. If the games are being conducted through a physical premises, then the Advertisement should also contain the address of the Physical Premise as reflected in the License;

(b) Every advertisement of Games of Skill and Games of Chance shall comply with the following general requirements, namely :-

(i) it shall not be indecent or offensive;

(ii) it shall be based on fact; and

(iii) it shall not be false, deceptive or misleading in any material particular;

(c) Without prejudice to sub-rule(b), every advertisement of Games of Skill and Games of Chance shall comply with the following requirements, namely:-

(i) it shall not contain any Statement as to the legality or otherwise of Games of Skill and Games of Chance and betting in any other jurisdiction;

(ii) it shall not be directed at any jurisdiction in which Games of Skill and Games of Chance on stakes are prohibited;

(iii) it shall not have any sexual content;

(iv) it shall prominently specify that such gaming is prohibited for a person under eighteen years of age;

(v) it shall not contain any material in breach of copyright or registered trademark;

(vi) if it makes any claim as to the potential payout of a game, it shall contain sufficient information to enable a person to determine readily and easily the expected percentage return to him over a period of time, disregarding any exercise of skill by him;

(d) If it appears to the Licensing Authority that any advertisement of Games of Skill and Games of Chance does not comply with sub- rule(b) or (c) they may direct the operator either:-

(i) to stop the advertisement being published or shown, or
(ii) to take such steps as they may specify to change the advertisement to comply with sub-rule(b) or (c) as the case may be

(e) A direction under sub-rule(d) shall be in writing and state the grounds on which it is given and the time within which it must be complied with

(f) If any requirement of sub-rule(b) or (c) is contravened, or if a direction under sub-rule(d) is not complied with, each of the following:-
(i) the Licensee and
(ii) the person who is the designated official in relation to the licensee
shall be guilty of an offence under Section 14(6) of the Act.

Certification of Online Gaming Server (OGS).

21. (a) A licensee or the operator acting on his behalf shall, before any Games of Skill and Games of Chance are conducted by means of any OGS, produce to the Government a certificate in writing issued by a person approved for the purpose by the Government that the OGS by means of which it is conducted complies with the standards specified in the Schedule C and is updated regularly from time to time.

(b) The obligation under sub-rule(a) arises;
(i) prior to the licensee or the operator permitting the OGS to be accessed by any player for the placing of wagers; and
(ii) on or before the expiry of the periods specified in the license

(c) Sub-rule(a) will not apply in so far as the licensee or the operator intending to use the OGS produces to the Government a certificate in writing issued by a person approved for the purpose by the Government (prior to the OGS being accessed by players directly or indirectly for the purpose of placing wagers) that the OGS is not different in any material, technical or operational aspect to an OGS already certified as being fully compliant with the Schedule for and on behalf of another operator under sub-rule(a).

Alteration of Gaming Server

22. (a)The OGS by means of which any Games of Skill and Games of **Online** Chance are conducted may not without prior approval of the Government or the officer authorized by the Government in this behalf be altered in any way which is likely to affect its compliance with the requirements of the Schedule, subject to sub-rule(b) of Rule 20;

Provided that if on application for alteration of the OGS by the operator and no action is taken by the Government or the officer authorized by the Government in this behalf within a period of 30 (thirty) days, the application shall be deemed approved;
Provided further that any alteration of the OGS for the purpose of updating it with the latest information technology developments not likely to affect its compliance with the requirements of Sched form the Government or the officer

authorized by the Government within 7(seven) days of such updating for ex-post facto approval of the update and the same shall be deemed approved if no action is taken by the concerned authorities within a period of 30 (thirty) days,
(b)Sub-rule(a) will not apply to each new game launched by the Licensee provided that nothing in this Rule will obviate the requirements that the OGS continues to comply fully with the Schedule.

Manner of keeping the accounts

23 (a) Every Licensee shall maintain the accounts of all Games of Skill and Games of Chance showing the details of the Gross Gaming Revenue and the Gaming Royalty payable to the Licensing Authority in a register as may be notified from time to time for the purpose by the Government.

(b) Every Licensee shall submit to the Commissioner of Taxes a statement of Gross Gaming Revenue and Royalty payable to Government every quarter in

Form-4 as prescribed under sub-rule (b) of Rule 13.

Identification of Players and Credit set **Facility:**	24	(a) The Licensee may allow credit facilities to a player up to a maximum of Rs. 25,000/- (Rupees twenty five thousand) for a of Games. This credit facility is valid for 24 hours. (b) The Licensee shall not allow participation of any proxy in the Games of Skill and shall verify the identification of the person playing the games by requiring the individual to submit the photocopy or electronic copy of either Election Photo Identity Card or Aadhar Card or Driving License or Government issued identity Card before such person is allowed to participate in the game.
Dispute Redressal in **Mechanism** sports	25	(1) Any dispute between a Licensee and a Player, arising out of or connection with the conduct of Gaming or online gaming or gaming covered by the License granted under the Act, shall be finally settled by way of Arbitration conducted before the Meghalaya Gaming Commission; (2) The provisions of the Arbitration and Conciliation Act, 1996 as applicable from time to time, shall apply to Arbitration proceedings conducted under sub-rule (1); (3) The seat of such Arbitration proceedings shall only be at Shillong, Meghalaya; (4) The Courts at Shillong, Meghalaya shall have exclusive jurisdiction in respect of the matters arising out of or in connection with the Act and these rules.

Section-3

Rules for conduct of games of Chance and Games of Skill by Local Organization.

Eligibility, Form and manner of application for grant of temporary license of have to	26	The Applicant Local Organization shall have to fulfill the following conditions in order to be eligible to apply for grant of Temporary License under the Act:- (a)The applicant Local Organization shall be allowed a maximum two fundraising events during the calendar year and shall furnish an undertaking to that effect.

Form-5 shall have to be submitted to the Superintendent of Taxes having jurisdiction over the physical premises proposed for the fundraising and shall have to be certified by a public representative or a gazetted officer in the annexure attached with the application regarding the background of the Local Organization.

(c)The application shall be signed by a minimum of two authorized signatories.

(d)The application should be accompanied with a valid identity proof of the authorized signatories in the form of an Aadhar card/PAN card/EPIC/Passport.

(e)The applicant Local organization shall have to furnish a statement duly signed by the authorized office bearer(s) indicating its aims and objectives.

(f)The applicant Local organization shall have to furnish a statement showing the projected Profit and Loss for the proposed Fund raising event and the actual Profit and Loss Account of earlier event held in the same calendar year.

(g)The application shall be accompanied with the license fees for the issue of temporary license made via treasury Challan as notified by the Government.

Procedure for grant of temporary license

27 A temporary license under this Act shall be issued in the following manner:-

(a)The concerned Superintendent of Taxes shall within 3 (three) working days on receipt of the application, cause an enquiry to be conducted by an Inspector of Taxes.

Form-6 and shall be furnished to the Superintendent of Taxes within 3 (three) working days from the date of endorsement by the Superintendent of Taxes.

(c) Any deficiency found in the application shall be communicated by the Superintendent of Taxes to the applicant Local Organisation within 10(ten) working days from the date of receipt of the application.

(d) The deficiency communicated shall have to be rectified by the applicant organization within 10(ten) working days of receipt of the intimation failing which the application shall be deemed rejected.

(e) On being satisfied with the completeness and correctness of the application, the Superintendent of taxes shall forward the application for Temporary License including all documents to the Commissioner of Taxes within 3(three) working days of such satisfaction.

Form-7 shall be issued by the Commissioner of Taxes within 5(five) working days from the date of receipt of complete and correct application from the Superintendent of Taxes.

Bar on issuance of temporary license 28 No temporary license shall be issued under the following circumstances:-

(a) In case there is a dispute between the governing body members of the Local Organisation which has been brought to the information of the Commissioner of Taxes.

(b) In case an objection is raised by the Local village authorities/ other Local Organisation and the same has been brought to the information of the Commissioner of Taxes.

(c) In case of more than two fund raising events in the same calendar year.

Non-liability of the the **Government** award or 29 The Government shall not be liable for any payment promised by Operator Local Organisation in the nature of a prize, reward, any other promise by whatever name called to any participant/player.

Applicability of of **Goods and Services** Operator **Tax** 30 Notwithstanding anything contained in these Rules, the provisions the Goods and Services Tax Acts shall be applicable to the Local Organisation.

Refund the 31 (a) In the event that the Commissioner of Taxes declined to issue temporary license, he shall inform the applicant in a speaking order.

(b)The fee paid shall be refunded to the applicant Local Organisation on application in

Form-10.

S. A. SYNREM,
Commissioner & Secretary to Government of
Meghalaya, Excise, Registration, Taxation and Stamp
Department.

Form-1

(See sub-rule (a)Rule 5) Form of application To,

The Commissioner of Taxes,
Government of Meghalaya.

Madam/Sir,

I/We/The, ……..
(full name of individual/company/ partnership firm) represented through
……..
S/D/o ……., R/o..... am/is/are desirous to apply for a license under the Meghalaya Regulation of Gaming Act, 2021 (Act) to operate Games of Skill and Games of Chance as specified in Schedule A and Schedule B of the said Act in Meghalaya.

I/We, therefore, apply for a license under the Meghalaya Regulation of Gaming Act, 2021 (Act) for the purpose referred above.

I/We enclose herewith all the required documents as per the Act and these rules such as the proof of identification of the applicant/representative of applicant (in case of a company or partnership firm) along with copies of certificate of registration, Memorandum of Association, Articles of Association, documents in support of credentials of promoters/partners/applicant, audited financial statements for three immediately preceding financial years, a note/presentation on the software technology platform proposed to be used, proposed business plan and financial projections and other documents required for fulfilling the eligibility requirements for grant of license under the Act and these rules.

I/We hereby also undertake that in the event of grant of license to me/us, I/We will pay to the Government the fees as per rate/rates specified under the aforesaid Rules.

I/We enclose herewith a Demand Draft Receipt No……..dated……..for Rs. 1 (one) lakh as application fee.

Yours faithfully,

Place :……..
Date :……..

Signature of the applicant
Seal of the Company/Firm.

I,_____ , being duly sworn, depose and say that the above statements are true and correct to the best of my knowledge and belief and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a games of skill license by the Government of Meghalaya. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the suspension/cancellation of the license. Further, that I am voluntarily submitting this application under oath with full knowledge of Section 200 in The Indian Penal Code which says that "Using as true such declaration knowing it to be false.— Whoever corruptly uses or attempts to use as true any such declaration, knowing the same to be false in any material point, shall be punished in the same manner as if he gave false evidence."

Place :…….. Date :……..

Signature of the applicant
Seal of the Company/Firm.

Sworn before me on this day of,

Seal and signature of notary public

Form-2

(See sub-rule (a) of Rule 7)

Form of Provisional License for Games of Skill and Games of Chance

Provisional License No…….. Date……

This Provisional License is granted to

Shri/Messers ……..

(full name of individual/company/partnership firm)

For enabling the conduct of Games of Skill and Games of Chance as specified under Schedule A and Schedule B of the Meghalaya Regulation of Gaming Act, 2021 on the following terms and conditions:-

a)The provisional license is issued for the specific purpose of enabling the applicant individual/company/partnership firm to set up and establish the entire requisite infrastructure and other components necessary for Actual commencement of Games of Skill and Games of Chance activity.

b)The provisional license does not confer any right to the holder of provisional License to commence the Games of Skill and Games of Chance unless and until all the requirements stipulated by the State Government are fulfilled and the license is issued by the Government.

c)The holder of provisional License shall operate Games of Skill and Games of Chance within the State of Meghalaya only.

d)The holder of provisional License shall commence actual operations, i.e., 'go live' within 6 (six) months failing which this provisional license shall lapse.

e)The holder of provisional License shall make available only the games specified under Schedule A and Schedule B of the Meghalaya Regulation of Gaming Act, 2021. If the holder of provisional License intends to include new games, prior approval of the Government must be obtained.

f)The holder of provisional License shall allow any Officer authorized by the Government to inspect the setup process or the physical premises from where the Games of Skill and Games of Chance are to be operated.

g)The Provisional license is valid for 6 (six) months from the date of issue and within the six months of currency of the provisional license, the holder of provisional License shall intimate in writing to the Government that it has complied with the stipulation prescribed hereinabove and such other terms and conditions prescribed in the Act and Rules and is ready to commence actual operation, i.e 'go live' and the State Government, after satisfying itself of compliance of all statutory requirements by the holder of provisional license, may grant to that person initially for one year which shall be renewed yearly upon payment of annual renewal fee, subject to compliance of requirements of the Act and the rules and conditions prescribed in the license, upto a maximum period of five years unless revoked, cancelled, suspended or surrendered.

h)The holder of provisional License shall pay to the Government a sum of Rs 1,00,000/- (Rupees One lakh) only as Provisional License fee through a Bank Draft in favor of the Commissioner of Taxes, Meghalaya, and submit the same before issue of the said license.

i)Certified that the holder of provisional License has paid Rs 1,00,000/- (Rupees One lakh) only as fee for issuance of this provisional license vide Demand Draft No…….. dated ……

j)This license is liable to be cancelled if the holder of provisional License violates any of the

above terms and condition and the provisions of the Meghalaya Regulation of Gaming Act, 2021 and the rules made thereunder.

Date……..
Place……..
Seal……..

Form-3

(See sub-rule (b) of Rule 7)

Form of License for Games of Skill and Games of Chance

License No…… Date……

This license is granted to Shri/Messers Director/Proprietor of

(Name of the person/ Company/Partnership Firm)

…… for conducting Games of Skill and Games of Chance

(detail address of the person/Company/Partnership Firm)

specified under Rule 3 of the Meghalaya Regulation of Gaming Rules, 2021 on the following terms and conditions, namely: -

a)The holder of provisional License shall operate the Games of Skill and Games of Chance within the State of Meghalaya only;

b)The holder of provisional License shall ensure that the operation of the Games shall not cause any disturbance or nuisance to any person or individual in any manner whatsoever;

c)The Licensee shall provide appropriate On-line facility/ network to the player of the Games of Skill and Games of Chance.

d)The Licensee shall make available only the games specified under Schedule A and Schedule B of the Meghalaya Regulation of Gaming Act, 2021. If the Licensee intends to include new games, prior approval of the Government shall be taken by him.

e)The Licensee shall allow an officer authorized by the Government to inspect the physical premises from where the Games are operated.

f)This license shall be valid initially for a period of one year w.e.f……. subject to annual renewal, for a maximum period of five years from the above date, upon payment of the prescribed annual License fee within the time prescribed in the Rules.

g)This license is granted to the Licensee subject to the provisions of the Meghalaya Regulation of Gaming Act, 2021 and the Meghalaya Regulation of Gaming Rules, 2021.

h)Certified that the licensee has paid Rs. 2,00,00,000/- (Rupees two crores) only as fee for issuance of this license vide challan No…….. dated……..

i)This license is liable to be cancelled if the licensee violates any of the above terms and conditions and the provisions of the Meghalaya Regulation of Gaming Act, 2021 and the Rules made thereunder.

Date……..

Place…… Authorized Officer,

Seal……

Form-4

(See sub-rule (b) of Rule 13)

STATEMENT OF ACCOUNT OF GROSS GAMING REVENUE (to be submitted quarterly by the Licensee)

Year…….. Quarter……..

Sl. No.	Date	Time	Name of the Game	Amount/ Gaming revenue (in Rupees)	Total (in Rupees)	Amount of Government Royalty (in Rupees)
1	2	3	4	5	6	7

Certified that the above figures are verified by me and found to be in order.

Signature……..

Name……

Designation of Licensee/operator

Form-5

(See sub-rule (b) of Rule 25)

Form of application for temporary license under the Meghalaya Regulation of Gaming Act and Rules, 2021

To,

The Commissioner of Taxes,
Government of Meghalaya.

(Through the Superintendent of Taxes
Circle_____)

Madam/Sir,

We the , ……..

(full name of Applicant Local Organisation) represented through the following authorised signatories

(1)……S/D/o…….. .., R/o.....

(2)……S/D/o…… R/o.....

are desirous to apply for a temporary license under the Meghalaya Regulation of Gaming

Act, 2021(hereinafter called "the Act") to operate Games of Skill and/or Games of

Chance as specified in Schedule A and Schedule B of the said Act in Meghalaya.

The following are the particulars of the fundraising event:-

1.Name of the Local Organisation.:_____

2.Address _____

3.Contact No. _____

4.Email Address _____

5.Description of event proposed to be held _____

6.whether Games of Chance or Games of Skill or both _____ 7.Other stalls of ring goods/service or both (if any) (yes/No)

If yes details therof _____ (annexure to be enclosed if necessary) 8.Date (s) on which event is proposed to be held _____

9.Rate of admission to the premises _____

10.Number of stalls for each game of Chance and/or Game of Skill (detailed Annexure to be attached duly signed by applicants)

11.Rate of admission to the individual events/entertainments within the premises ____

12.Number of books and tickets printed for Sl. No. 9 & 10 _____

13.Projected turnover for this fundraising event _____

14.Turnover of the last fundraising event in the same financial year _____ 15. Frequency of event (No. of times annually) _____ 16.GST registration if any :- _____

I/We enclose herewith a Treasury Challan No……..dated…….for Rs…….. as application fee.

Yours faithfully,

Place :……..

Date :……..

Signature of the applicant

1……..(name……..) 2……(name……..)

Seal of the Local Organisation.

ANNEXURE TO FORM-5

(see sub-rule (b) of Rule 25)

To whom it may concern

This is to certify that the Local Organisation by the name…….. address…….. and its Governing body members are well known to me and the aims and objectives of the Local Organisation are as under:-

1……

2……

I further certify that nothing is known against the Local Organisation and the governing body members.

Dated at: ……. Signature …….. Name ……..

MP/MLA/MDC/Gazetted Officer

(seal)

FORM-6

(see sub-rule(b) of Rule 26)

Format for Inspector's Report on application for TEMPORARY LICENSE under the Meghalaya regulation of Gaming Act and Rules, 2021

1.Name of the applicant/ organisation etc.:_____ 2.Address _____ 3.Contact No. _____ 4.Email Address _____ 5.Description of event proposed to be held _____ 6.Types of Games of Chance or Games of Skill or both _____ 7.Date (s) on which event is proposed to be held _____ 8.Rate of admission to the premises * _____ 9.Rate of admission to the individual events/entertainments within the premises * _____ 10.Number of stalls _____ (detailed annexure duly signed by Inspector to be attached)

11.Number of books and tickets printed for Sl. No.8 & 9 _____

12.Estimated turnover for this fundraising event _____

13.If estimated turnover is different from the projected turnover made by applicant, reasons thereof _____

14.Frequency of event (No. of times annually) _____ 15.GSTIN if any :- _____

16.Name and address including contact number and email address of authorized signatories:- (i)_____

(ii) _____

17.Dispute if any between members of Governing Body- Yes/No. If yes, details therof

18.Objection if any from village authorities/ other organizations- Yes/No. If yes, details therof 19.Date of interview/ inspection of premises of proposed event _____

20.Date and place of report _____ 21.Other observations if any _____ 22.Name of the Inspector of Taxes _____

Signature of the Inspector of Taxes

 23.Remarks of the Superintendent of Taxes _____

Signature of the Superintendent of Taxes

24.Recommendation of the officer not below the rank of Assistant Commissioner of Taxes for issuance of temporary license _____

25.Recommendation of the officer at Sl. No. 23 on whether registration under GST is required or not _____

Name and signature of the Officer making recommendation at Sl. 23&24 ***Note:- Annexure may be enclosed if necessary.***

GOVERNMENT OF MEGHALAYA

OFFICE OF THE COMMISSIONER OF TAXES,

ETC., MEGHALAYA, SHILLONG.

FORM-7

(see sub-rule (f) of Rule 26)

TEMPORARY LICENSE

(Under the Meghalaya Regulation of Gaming Act and Rules, 2021)

TEMPORARY
LICENSE No…
VALID FROM ….
UPTO……

1.This is to certify that M/s…….. (herein please enter the name of the Lo
…….. District has been licensed/permitted to conduct the Game of Chance an
Administration.

The following are the Games of Chance and/or Games of Skill permitted to be conducted at the said event:-

1._____ 2._____

3._____ 4._____
5._____ 6._____
n._____

Dated at Shillong,
The ……..

Commissioner of Taxes,
Meghalaya, Shillong

FORM-8

(see sub-rule (b) of Rule 30)

(Application for Refund of fee paid for Temporary License under the Meghalaya Regulation of Gaming Act, 2021 and Rules framed thereunder)

To the Commissioner of Taxes,
Meghalaya, Shillong.

I/We the authorised signatory(ies) of Local Organisation _____ (herein please enter the name and address of the Local Organisation) do hereby apply for refund of the application fee paid for a temporary license, amounting to Rs._____ (Rupees_____) only paid vide Treasury Challan No._____ dated_____ due to non-issuance of the temporary license because of the following reason(s):-

Reason 1.

2.

The refund may be credited to the Account of the Local Organisation as under:- Account Holder's name_____

Bank name_____ Branch _____Account No. _____

Dated: Signature of authorized signatory(ies)

Designation.

GOVERNMENT OF MEGHALAYA
OFFICE OF THE COMMISSIONER OF TAXES, ETC.,
MEGHALAYA, SHILLONG.

FORM-9

(see sub-rule (c) of Rule 30)

Refund order

(of application fee for temporary license under the Meghalaya Regulation of Gaming Act, 2021 and Rules thereunder).

No._____ date_____

To the Treasury Officer/Sub-Treasury Officer,
at_____

Certified that a sum of Rs._____ (Rupees_____) only is refundable to the Local Organisation_____ (herein please enter the name of the Local Organisation).

Certified that the amount has been credited in the treasury and figured at Sl.No._____ date_____ of the treasury scroll.

Certified that no refund order in respect of this sum has previously been granted.

Please pay to_____ (herein please enter the name of the Local Organisation) by direct credit to account name_____ Bank name _____ Branch_____ Account No._____

Commissioner of Taxes,
Meghalaya, Shillong

GOVERNMENT OF MEGHALAYA

OFFICE OF THE COMMISSIONER OF TAXES, ETC.,

MEGHALAYA, SHILLONG.

FORM-10

(see sub-rule (d) of Rule 30)

Refund Register

Sl.No.	Name of Local Organisatio	Tresasury Challan No.	Date	Amount of refund allowed	Refund Order No. Date	Remarks
1	2	3	4	5	6	7

SCHEDULE C

(see Rule 20)

REQUIREMENT WITH WHICH OGS MUST COMPLY

General

1.The OGS must –

(a)follow the game rules published to the player or prior to its placing any wagers;

(b)provide over specified periods no more than the house advantage agreed by the Commissioner with the operator; and

(c)integrate contingencies for loss of continuity of play; and

(d)if utilized in any peer-to-peer game, ensure that over the specified periods that no one player has any advantage over any other player playing the same game.

2.Both the gaming and financial transactions software must be congruent and secure Randomness.

3. The OGS must satisfy the following criteria for randomness for any gaming, namely:-

(a) The data must be randomly generated, passing appropriate statistical non static output results tests of randomness (e.g. Marsaglia's 'Diehard' set of tests) uniformly distributed over the set range; (b) The data must be unpredictable, i.e. it must not be computationally feasible to predict what the next number will be, given complete knowledge of the algorithm or hardware generating the sequence, and all previously generated numbers; and

(c) The series cannot reliably be reproduced, i.e. if the sequence generator is activated again with the same input (as exactly as humanly possible) it will produce two completely unrelated random sequences

4. The licensee must disclose the methodology of any random seeding and any seeding must be proven to result in an unpredictable output.

5. The outcome of any game, and the return of the player, must be independent of the CPU, memory, disk or other components used in the computer or other device used by the player

6. The game outcome must not be affected by the effective bandwidth, link utilization, bit error rate or other characteristic of the communications channel between the OGS and the computer or other device used by the player.

7. The OGS must be able to display for each game the following information (i.e. on the current page or on a page directly accessible from the current page via a hyperlink):

(a) the name and rules of the game;

(b) restrictions on the play;

(c) instructions on how to play, incl izes and special features;

(d) the player's current account balance and the currency or currencies utilized to place wagers;
(e) unit and total wagers permitted;
(f) the return to the player, or sufficient information to enable a player to determine readily and easily the expected return to him in relation to any game, disregarding any exercise of skill by him; and (g) for the specified periods in which the tests take place, the percentage of total wagers returned to players in relation to all house games offered by the operator.

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