

SEBI's Warning on Opinion Trading Platforms

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SEBI's Warning on Opinion Trading Platforms: A Governance Perspective

Context: Opinion trading platforms, a new form of online betting in India, allow users to wager on real-world events like elections, sports, and crypto trends. Mimicking investment platforms, they've gained traction with **₹4,200 crore** in funding and **5 crore+ users**, but SEBI has raised concerns due to their unregulated nature. This is relevant for UPSC (GS Paper 3: Economy, Governance, Technology) as it involves financial regulation and digital governance.

Opinion Trading Platforms

- **Definition:** Platforms for betting on yes/no outcomes of real-world events.
- **Mechanism:** Users predict events (e.g., election results); payouts for correct predictions.
- **Market Scale:**
 - Funding: **₹4,200 crore** (Sequoia Capital, Y Combinator).
 - Transactions: **₹50,000 crore** annually.
 - Users: **5 crore+**.
 - Revenue (FY 2024-25): **₹1,000 crore+** projected.

Key Players

- **Probo:** Gurugram-based, covers sports, elections, crypto.
- **MPL Opinio:** Cricket-focused predictions.
- **Issue:** Use financial terms (e.g., "profits") to appear like investment platforms.

How They Operate

- **Betting:** Users wager on events (e.g., "Will Party X win by N margin?").
- **Themes:**
 - Sports outcomes, athlete performances.
 - Financial predictions (e.g., Bitcoin value).
- **Nature:** Blends gambling with trading-like structures.

SEBI's Concerns

- **Unregulated:** Outside SEBI's scope as they don't trade recognized securities.
 - **Illegal Risk:** Trading resembling securities is illegal; no investor protection.
 - **Action:** SEBI may penalize violations; stock exchanges to monitor.
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Global & India's Regulatory Landscape

- **Global:**
 - **US:** Platforms like Kalshi regulated by CFTC; unregistered ones face issues.
 - **UK/Australia:** Have regulatory frameworks.
- **India:**
 - No clear regulations; IT Ministry's gaming rules proposed but not enforceable.
 - **UPSC Relevance:** Exposes gaps in financial and digital governance.



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