

Govt in talks with industry to slash compliance time

AASHISH ARYAN

New Delhi, 17 November

The government is in talks with industry and other stakeholders to reduce the timeline for compliance with regard to the Digital Personal Data Protection (DPDP) Act and Rules from the current 18 months, Union Electronics and Information Technology Minister Ashwini Vaishnaw (*pictured*) said on Monday.

“The first set of rules that we have published gives a very reasonable timeframe depending upon what the industry’s ask was and what our thrust was. We are also in touch with the industry to further compress the timelines,” Vaishnaw said.

The Ministry of Electronics and Information Technology (Meity), he said, had informed the industry and other stakeholders that since they had a compliance framework to adhere to rules published in different geographies, they should be able to replicate the same in India.

On November 14, the government notified administrative rules under the DPDP Act, marking India’s entry into a select league of countries that have a federal digital personal data privacy regime. The notification of the DPDP Rules also marks the operationalisation of India’s privacy law, nearly 15 years after it was first envisioned.

The new rules give internet and social media intermediaries, as well as all other companies that deal with users’ digital data, up to 18 months to implement systems that comply with the provisions outlined in the Act and subsequent administrative rules.

Companies that wish to act as consent managers for users must register themselves with the Data Protection Board (DPB) within 12 months, according to the rules.

Under the new rules, Meity has mandated that all data fiduciaries will have to seek specific and informed consent of all data principals in “clear and plain language”.

The consent sought will also have to contain a

detailed and itemised description of the user’s personal data to be processed, along with the specific purpose for which the data fiduciary is collecting such personal data.

All companies, social media platforms, and internet intermediaries that deal with digital personal data of users will fall under the category of data fiduciaries.

All users whose personal data is sought to be processed by these entities will now be referred to as data principals.

The new rules allow for a staggered implementation roadmap. The cost of operations for companies and data fiduciaries dealing with user data in India is likely to increase over the next 18 months as they implement new systems for data mapping, deploy consent management tools, and establish data protection offices, according to industry and legal experts.

While companies have to implement a data protection and consent management system by November 2026, the systems for data mapping or seeking individualised consent must be put in place by May 2027, as per the rules.

The information technology (IT) cost of the commercial banks, which is around 10-15 per cent of their total expenditure, is also set to increase as they align their systems along the lines of the Act.

