

## **Firms may get up to 2 yrs to comply with Data Law**

BY MEGHA MANDAVIA & SURABHI AGARWAL, ET BUREAU | DEC 09, 2019, 08.46 AM IST

The government will likely give companies up to two years to be fully compliant with the proposals in the Data Protection Bill after it is passed in Parliament and becomes law, official sources told ET.

The industry is of the view that since the Bill is modelled on the European Union's General Data Protection Regulation (GDPR), large companies, including global Internet giants and Indian information technology companies, may not have to put too much efforts to tweak their systems to comply with the proposed Indian law. "Some time — around two years — will be given to the companies to be compliant with the law," said a top government official, adding that the government would soon decide on the exact timeline for the implementation of the Bill.

EU's GDPR was notified in May 2016 and gave companies and public bodies until May 2018 to adjust their business practices according to the legislation. "Let's assume the Bill gets passed within 24 hours. The draft Bill has provisions that within six months the Data Protection Authority has to be established and 12 months thereafter various sections can be brought into effect... all in one go or bit by bit, depending on the government. So, you have 18 months for reorienting your thinking, reorienting your software, rejigging the business practices," Justice BN Srikrishna, one of the main architects of the Bill, told ET.

A committee led by the retired Supreme Court judge had in July 2018 submitted the draft Bill to the government, which held wide public and inter-ministerial consultations on the proposals before tweaking the Bill and getting it approved by the Union Cabinet last week.

Aruna Sundararajan, one of the members of the Bill's drafting panel and former telecom and IT secretary, told ET that companies would be given lead time to implement the law but they needed to get their act together quickly.

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“Once the Bill is passed and notified, it will be implemented in a calibrated manner. The companies will get a lead time, but they will have to get their act together quickly as there is enough precedent set with GDPR. They are not starting on a blank slate and have to fast forward,” she said.

However, domestic companies and startups may have to completely overhaul their systems to meet the proposed regulations. The Bill seeks to give the ownership of the data in the hands of the people and is based on the consent architecture. It means organisations, big and small, will have to seek the individual’s consent before collecting any personal data and will have to clearly notify them of the purpose of its use. Data fiduciaries will have to delete the data in a stipulated time and users will have the option to revoke their consent at any time. Data localisation provisions on sensitive and critical personal data mean all the data of Indian users stored around the world will have to bring back to India, adding significant costs to businesses.

“Indian startups will have to significantly restructure the way they capture data, store data and have set up the consent mechanism,” said Rameesh Kailasam, the chief executive at IndiaTech.org, a domestic lobby body that counts Ola, PolicyBazaar and MakeMyTrip among its members. “They will also need manpower who understands the law and rules. There is also a cost element involved and they may have to budget for storage and compliance cost.”

However, Data Security Council of India CEO Rama Vedashree said while Indian startups might face additional cost burden, the real challenge would be for the government and big firms. “The real challenge is with government agencies and state government departments and large technology organisations who deal with so much user data. Startups will have additional cost burden but the implementation of privacy provisions, not a challenge,” said Vedashree, who was also a member of the Srikrishna committee.