

# Peer - Reviewed & Refereed Journal

The Law Journal strives to provide a platform for discussion of International as well as National Developments in the Field of Law.

WWW.WHITEBLACKLEGAL.CO.IN

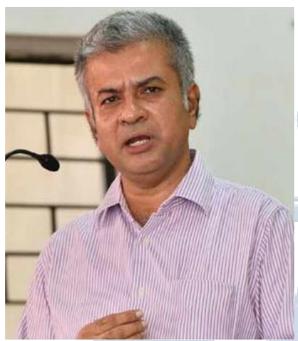
#### **DISCLAIMER**

No part of this publication may be reproduced or copied in any form by any means without prior written permission of Editor-in-chief of White Black Legal – The Law Journal. The Editorial Team of White Black Legal holds the copyright to all articles contributed to this publication. The views expressed in this publication are purely personal opinions of the authors and do not reflect the views of the Editorial Team of White Black Legal. Though all efforts are made to ensure the accuracy and correctness of the information published, White Black Legal shall not be responsible for any errors caused due to oversight or otherwise.

WHITE BLÀCK LEGAL

## **EDITORIAL TEAM**

## Raju Narayana Swamy (IAS ) Indian Administrative Service officer



a professional Procurement from the World Bank.

Dr. Raju Narayana Swamy popularly known as Kerala's Anti Corruption Crusader is the All India Topper of the 1991 batch of the IAS and is currently posted Principal as Secretary to the Government of Kerala . He has earned many accolades as he hit against the political-bureaucrat corruption nexus in India. Dr Swamy holds a B.Tech in Computer Science and Engineering from the IIT Madras and a Ph. D. in Cyber Law from Gujarat National Law University. He also has an LLM (Pro) with specialization in IPR) as well as three PG Diplomas from the National Law University, Delhi-Urban one in Environmental Management and Law, another in Environmental Law and Policy and a third one in Tourism and Environmental Law. He a post-graduate diploma also holds in IPR from the National Law School, Bengaluru and diploma in Public

## <u>Dr. R. K. Upadhyay</u>

Dr. R. K. Upadhyay is Registrar, University of Kota (Raj.), Dr Upadhyay obtained LLB, LLM degrees from Banaras Hindu University & Phd from university of Kota.He has succesfully completed UGC sponsored M.R.P for the work in the ares of the various prisoners reforms in the state of the Rajasthan.



## Senior Editor



### Dr. Neha Mishra

Dr. Neha Mishra is Associate Professor & Associate Dean (Scholarships) in Jindal Global Law School, OP Jindal Global University. She was awarded both her PhD degree and Associate Professor & Associate Dean M.A.; LL.B. (University of Delhi); LL.M.; Ph.D. (NLSIU, Bangalore) LLM from National Law School of India University, Bengaluru; she did her LL.B. from Faculty of Law, Delhi University as well as M.A. and B.A. from Hindu College and DCAC from DU respectively. Neha has been a Visiting Fellow, School of Social Work, Michigan State University, 2016 and invited speaker Panelist at Global Conference, Whitney R. Harris World Law Institute, Washington University in St.Louis, 2015.

## <u>Ms. Sumiti Ahuja</u>

Ms. Sumiti Ahuja, Assistant Professor, Faculty of Law, University of Delhi,

Ms. Sumiti Ahuja completed her LL.M. from the Indian Law Institute with specialization in Criminal Law and Corporate Law, and has over nine years of teaching experience. She has done her LL.B. from the Faculty of Law, University of Delhi. She is currently pursuing Ph.D. in the area of Forensics and Law. Prior to joining the teaching profession, she has worked as Research Assistant for projects funded by different agencies of Govt. of India. She has developed various audio-video teaching modules under UGC e-PG Pathshala programme in the area of Criminology, under the aegis of an MHRD Project. Her areas of interest are Criminal Law, Law of Evidence, Interpretation of Statutes, and Clinical Legal Education.





## Dr. Navtika Singh Nautiyal

Dr. Navtika Singh Nautiyal presently working as an Assistant Professor in School of law, Forensic Justice and Policy studies at National Forensic Sciences University, Gandhinagar, Gujarat. She has 9 years of Teaching and Research Experience. She has completed her Philosophy of Doctorate in 'Intercountry adoption laws from Uttranchal University, Dehradun' and LLM from Indian Law Institute, New Delhi.



## Dr. Rinu Saraswat

Associate Professor at School of Law, Apex University, Jaipur, M.A, LL.M, Ph.D,

Dr. Rinu have 5 yrs of teaching experience in renowned institutions like Jagannath University and Apex University. Participated in more than 20 national and international seminars and conferences and 5 workshops and training programmes.

## <u>Dr. Nitesh Saraswat</u>

#### E.MBA, LL.M, Ph.D, PGDSAPM

Currently working as Assistant Professor at Law Centre II, Faculty of Law, University of Delhi. Dr. Nitesh have 14 years of Teaching, Administrative and research experience in Renowned Institutions like Amity University, Tata Institute of Social Sciences, Jai Narain Vyas University Jodhpur, Jagannath University and Nirma University.

More than 25 Publications in renowned National and International Journals and has authored a Text book on Cr.P.C and Juvenile Delinquency law.









BBA. LL.B. (Hons.) (Amity University, Rajasthan); LL. M. (UPES, Dehradun) (Nottingham Trent University, UK); Ph.D. Candidate (G.D. Goenka University)

Subhrajit did his LL.M. in Sports Law, from Nottingham Trent University of United Kingdoms, with international scholarship provided by university; he has also completed another LL.M. in Energy Law from University of Petroleum and Energy Studies, India. He did his B.B.A.LL.B. (Hons.) focussing on International Trade Law.

## ABOUT US

WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

WHITE BLACK LEGAL

## THE RIGHT TO PRIVACY IN INDIA IN THE CONTEXT OF THE DATA PROTECTION BILL, 2019 AND THE DIGITAL PERSONAL DATA PROTECTION BILL 2023

## AUTHORED BY -ANISHA KAR PHD SCHOLAR, KIIT SCHOOL OF LAW

#### **ABSTRACT:**

This research delves into the domain of privacy rights within the Indian landscape, specifically analyzing the implications of the Data Protection Bill of 2019 and the Digital Personal Data Protection Bill of 2023. The study navigates through the evolving contours of privacy in an increasingly digital society, scrutinizing the legislative frameworks, their strengths, shortcomings, and the potential impact on individual privacy rights. By amalgamating legal analysis, socio-cultural insights, and technological considerations, this research aims to offer a comprehensive understanding of the evolving concept of privacy in India's digital age.

#### **RESEARCH QUESTIONS:**

- 1. How do the Data Protection Bill of 2019 and the Digital Personal Data Protection Bill of 2023 address the concept of the right to privacy within the Indian context?
- 2. What are the strengths and weaknesses of these bills concerning the protection of individual privacy rights?
- 3. How do these bills navigate the challenges posed by technological advancements, data proliferation, and the balance between data utilization and individual privacy protection?
- 4. What are the potential implications of these bills on various stakeholders, in the context of privacy rights?
- 5. What are the ethical considerations in data processing?

#### **OBJECTIVES:**

- To critically analyze the provisions and scope of the Data Protection Bill of 2019 and the Digital Personal Data Protection Bill of 2023 concerning the right to privacy.
- 2. To evaluate the effectiveness of these bills in safeguarding individual privacy rights in the digital sphere.
- 3. To assess the measures proposed by these bills to address the challenges posed by technological advancements and data privacy concerns.
- 4. To examine the potential impact of these bills on stakeholders and the broader socioeconomic landscape, regarding privacy rights and data management practices in India.
- 5. To provide insights for enhancing the legislative frameworks aimed at strengthening the right to privacy in the digital era, considering socio-cultural, legal, ethical and technological perspectives.

### **I. INTRODUCTION**

India's approach to data protection has undergone a substantial evolution, which is reflected in the passage of the more comprehensive Digital Personal Data Protection Bill, 2023 from the Data Protection Bill, 2019. These legislative initiatives demonstrate the country's dedication to defending the right to privacy in the rapidly developing digital economy.

#### A. BACKGROUND OF DATA PROTECTION IN INDIA

India's entry into data protection law can be attributed to the country's growing societal digitalization and the requirement to create a legal framework that would safeguard people's privacy. One important step in this direction was the Data Protection Bill of 2019. Recognizing the need for a balance between the free flow of information and the protection of individual privacy, it sought to regulate the processing of personal data.<sup>1</sup>

The Supreme Court of India's historic ruling in Justice K.S. Puttaswamy (Retd.) and Anr. v. Union

<sup>&</sup>lt;sup>1</sup> Data Protection Bill, 2019, Bill No. 373 of 2019, Parliament of India.

of India and Ors.  $(2017)^2$ , where the court recognized the right to privacy as a fundamental right under the Indian Constitution, provided the impetus for such legislation. This court's approval established the groundwork for a specific legislative framework designed to shield private information from unauthorized access.

## B. EVOLUTION FROM DATA PROTECTION BILL, 2019 TO DIGITAL PERSONAL DATA PROTECTION BILL 2023

A more comprehensive and sophisticated framework was required as the digital landscape continued to change, even though the Data Protection Bill, 2019 was an admirable attempt. The dynamic challenges presented by increased data processing activities and technological advancements gave rise to the Digital Personal Data Protection Bill, 2023.

The updated bill takes emerging issues and best practices from around the world into consideration, reflecting a better understanding of privacy concerns. By offering a more thorough and progressive approach to data protection, it aims to rectify the flaws found in the previous legislation.

To put it simply, the change from the 2019 bill to the 2023 bill represents an aggressive reaction to the way that technology and data usage are developing, as well as the threats they pose to personal privacy. This evolution is a strategic response to the realities of the digital age, where data has become a valuable currency and its protection is essential for people's well-being and the smooth operation of contemporary society, rather than just a legal formality.

In the following sections, we will examine the salient features of the 2019 Data Protection Bill, examine the objections and difficulties raised by different stakeholders, and investigate the improvements brought about by the 2023 Digital Personal Data Protection Bill. This investigation will clarify the history of data protection in India and how it affects the privacy right.

#### **II. KEY PROVISIONS OF THE DATA PROTECTION BILL, 2019**

The foundation for governing the processing of personal data in India was established by the Data Protection Bill, 2019. Striking a balance between the rights of data subjects and the legitimate

<sup>&</sup>lt;sup>2</sup> Justice K.S. Puttaswamy (Retd.) and Anr. v. Union of India and Ors., (2017) 10 SCC 1.

requirements of data controllers and processors, its main provisions covered a wide range.

#### A. SCOPE AND APPLICABILITY

The bill described a broad range of applications that included the processing of personal data by foreign organizations, the government, and private companies that deal with the data of individuals in India. It created guidelines for the legal handling of data, placing a strong emphasis on accountability, fairness, and transparency when managing personal data.

The bill recognized the global nature of data flows in the digital age by applying to entities that had a substantial connection to India, regardless of their location.<sup>3</sup>

#### **B. RIGHTS OF DATA SUBJECTS**

The emphasis placed on data subjects' rights was one of the bill's main tenets. It established the right to know whether personal data was being processed, the right to access such data, and the right to have inaccurate or incomplete information corrected or erased.

In order to give people some control over how their personal information is used, data subjects were granted the ability to limit or object to the processing of their data in specific situations. The bill also recognized the ability for people to transfer their data between services, or the right to data portability.<sup>4</sup>

## C. OBLIGATIONS OF DATA CONTROLLERS AND PROCESSORS

The bill placed heavy responsibility for ensuring the ethical and legal processing of personal data on data controllers and processors. It required security measures to be put in place to guard against unauthorized access, disclosure, alteration, and destruction of data. For high-risk processing operations, data controllers were obliged to perform data protection impact assessments, encouraging a proactive approach to privacy risk management.

One important clause meant to guarantee internal compliance and accountability was the

<sup>&</sup>lt;sup>3</sup> Data Protection Bill, 2019, Bill No. 373 of 2019, Parliament of India.

<sup>&</sup>lt;sup>4</sup> Shashi Tharoor, "Data Protection Bill, 2019: Parliamentary Committee Report Indicates Changes Are Necessary," The Wire, December 17, 2020.

designation of a Data Protection Officer (DPO) by specific entities.<sup>5</sup> In order to promote a culture of data protection within organizations, this role was essential in facilitating communication between the data controller or processor and the regulatory authority.

Critics of the 2019 bill, however, drew attention to a few unclear areas and shortcomings in the enforcement protocols. The usefulness of fines and the requirement for a stronger regulatory framework were questioned.<sup>6</sup>

The Digital Personal Data Protection Bill, 2023, is a legislative evolution that addresses some of these concerns. It introduces strengthened measures and provisions to strengthen data protection in India. These will be thoroughly discussed in the following sections.

#### **III. CRITIQUES AND CHALLENGES IN THE DATA PROTECTION BILL, 2019**

With the passage of the Data Protection Bill, 2019, India made great progress towards creating a thorough framework for data protection, helped along by the recognition of the right to privacy as a fundamental right. Like any complex legislative endeavor, the 2019 bill was not without its critics and obstacles, though, which underscored the need for a delicate balancing act between the rights of the individual and the demands of a data-centric society.

#### A. CONCERNS RAISED BY PRIVACY ADVOCATES

Legal experts and privacy advocates provided critical evaluations of the 2019 bill, highlighting the necessity of a comprehensive and strong regulatory framework to handle the intricacies of the digital era. The bill's scope was one of the main points of contention, with supporters arguing for a more inclusive definition of personal data that would include evolving data types like metadata and inferred data.<sup>7</sup> Because digital information is dynamic, it is necessary to take a forward-looking approach in order to capture the entire range of data that could be used to identify specific individuals.

<sup>&</sup>lt;sup>5</sup> Data Protection Bill, 2019, Bill No. 373 of 2019, Parliament of India.

<sup>&</sup>lt;sup>6</sup> Shashi Tharoor, "Data Protection Bill, 2019: Parliamentary Committee Report Indicates Changes Are Necessary," The Wire, December 17, 2020.

<sup>&</sup>lt;sup>7</sup> Chinmayi Arun, "Data Protection Law in India: Assessing the Critiques and Controversies," Observer Research Foundation, October 11, 2019.

One more area of criticism concerned the consent-related clauses. Although the user consent principle was included in the bill, questions were raised regarding its applicability in scenarios where there is an imbalance of power between data controllers and individuals. Opponents contended that the bill's reliance on user consent might not provide people with enough protection, particularly in situations where users have few options or are not fully aware of the consequences. This made it clear that additional safeguards were required to guarantee just and equitable data processing procedures.

There were also concerns about the enforcement procedures described in the 2019 bill. Critics contended that the stipulated penalties might not be adequate in discouraging non-adherence, and there was a demand to enhance the regulatory body's capabilities to guarantee efficient supervision.<sup>8</sup> Strong enforcement measures that promote compliance and discourage noncompliance are essential to the efficacy of any data protection laws.

#### **B. INDUSTRY PERSPECTIVES AND CRITICISMS**

Stakeholders in the industry, especially companies and tech startups, voiced their opinions and critiques, frequently concentrating on the real-world difficulties the bill would present. Particularly small and medium-sized businesses (SMEs) voiced concerns regarding the burden of compliance, pointing to possible barriers to growth and innovation.<sup>9</sup> Legislators still face the difficult task of finding the ideal balance between promoting an environment that encourages innovation and adhering to regulations.

Multinational corporations expressed strong opposition to and debate over the data localization provisions. There was opposition to the requirement that some types of sensitive personal data be kept in India because it was thought to cause operational inefficiencies and raise expenses for companies used to international data flows.<sup>10</sup> The challenge of developing legislation that takes into account both national interests and international business imperatives is highlighted by the

<sup>&</sup>lt;sup>8</sup> Shashi Tharoor, "Data Protection Bill, 2019: Parliamentary Committee Report Indicates Changes Are Necessary," The Wire, December 17, 2020.

<sup>&</sup>lt;sup>9</sup> Varun Baliga, "Data Protection Law in India: Addressing the Concerns," The Diplomat, March 11, 2020.

<sup>&</sup>lt;sup>10</sup> "Data Protection Bill: US Tech Companies Raise Concerns Over India's New Data Bill," The Economic Times, December 17, 2019.

conflict between protecting data sovereignty and enabling smooth cross-border data transfers.

Furthermore, doubts were raised by the ambiguity surrounding the designation of some data categories as critical personal data. This prompted requests for more precise rules in order to prevent businesses navigating the complexities of the regulatory framework from facing difficulties with compliance.<sup>11</sup> To reduce the possibility of inadvertent violations and to provide a strong basis for compliance, definitions must be clear.

#### C. COMPARISON WITH INTERNATIONAL PRIVACY STANDARDS

It was inevitable to draw comparisons with international privacy standards in the age of globalised digital interactions. Experts and advocates for privacy compared the 2019 bill to the European Union's General Data Protection Regulation (GDPR), which is renowned for its strict privacy regulations.<sup>12</sup> This comparative analysis revealed disparities in important areas, such as the meaning of consent, the range of applications, and the rights granted to data subjects.

The 2019 bill's detractors claimed that it did not meet the strict standards established by the GDPR. Indian legislation was assessed using the GDPR's emphasis on individual rights, explicit consent, and strict obligations on data controllers and processors as a standard. As businesses operate in a global environment, achieving alignment with international standards is crucial to facilitate cross-border data flows and ensure a seamless regulatory landscape.

These criticisms and objections highlighted the necessity for a legal framework that guarantees both compliance with international standards and complete protection of individual privacy. Acknowledging these requirements, the Indian government began working on the Digital Personal Data Protection Bill, 2023, with the goal of fixing the found flaws and establishing a stronger and more adaptable legal framework for data protection in the nation.

In the sections that follow, we will examine the main features of the Digital Personal Data Protection Bill, 2023, assessing how it tries to address the issues brought up by industry stakeholders and privacy advocates, and examining the effects of this legislative change on the

<sup>&</sup>lt;sup>11</sup> Varun Baliga, "Data Protection Law in India: Addressing the Concerns," The Diplomat, March 11, 2020.

<sup>&</sup>lt;sup>12</sup> Smriti Parsheera, "India's New Data Protection Bill: Are We Adequately Protecting Privacy?" The Quint, December 13, 2019.

state of data protection in India.

#### **IV. OVERVIEW OF THE DIGITAL PERSONAL DATA PROTECTION BILL 2023**

The Digital Personal Data Protection Bill, 2023, is an important step forward in India's continuous endeavors to create a strong and flexible data protection framework. The Data Protection Bill, 2023 is a follow-up to the Data Protection Bill, 2019, which aims to tackle the criticisms and issues raised by the previous law and offer a more thorough and adaptable solution to the complexities of the digital era.

#### A. RATIONALE FOR THE NEW BILL

The Digital Personal Data Protection Bill, 2023, makes sense when considered in the context of the rapidly changing digital environment and the need to protect people's right to privacy. Despite its innovative intent, the 2019 bill was criticized for a number of reasons, including the effectiveness of the enforcement mechanisms and worries about the extent of personal data.<sup>13</sup> Acknowledging the necessity for a more refined and flexible legal structure, the Indian government set out to draft a new bill to rectify these inadequacies and conform to the rapidly developing international privacy standards.

The need for a strong data protection regime was highlighted by the data-driven technologies' quick spread as well as the growing frequency and complexity of data breaches. Therefore, the 2023 bill responds to the changing challenges brought about by technological advancements and reaffirms the commitment to protecting privacy in a world that is becoming more and more connected and data-centric.

#### **B. NOTABLE CHANGES AND ADDITIONS**

The Digital Personal Data Protection Bill, 2023, introduces several notable changes and additions compared to its predecessor, reflecting a forward-looking approach to data protection in India.

1. Data Localization and Cross-Border Data Transfers: Based on the discussions around data localization in the 2019 bill, the 2023 bill clarifies its position regarding the

<sup>&</sup>lt;sup>13</sup> Chinmayi Arun, "Data Protection Law in India: Assessing the Critiques and Controversies," Observer Research Foundation, October 11, 2019.

preservation of personal information. In line with the more general notion of data sovereignty, it defines classes of sensitive personal data that have to be stored only inside the boundaries of India.<sup>14</sup> The bill also offers a framework for the cross-border transfer of personal data, including safeguards to guarantee privacy protection even when data is transferred across international borders.<sup>15</sup>

- 2. Enhanced Rights of Data Subjects: The 2023 bill, which is more in line with global norms like the GDPR, expands the rights of data subjects. It adds explicit consent provisions that give people more control over how their data is processed. More emphasis is placed on the rights to data portability and the right to be forgotten, which enable people to manage and restrict how their personal data is used on various platforms.<sup>16</sup>
- 3. Accountability and Compliance Framework: The 2023 bill establishes a strong accountability framework for data controllers and processors in recognition of the significance of accountability in data processing operations. It requires some organizations to designate a Data Protection Officer (DPO), strengthening internal compliance controls and serving as a point of contact for the relevant regulatory body.<sup>17</sup>
- 4. Stricter Penalties for Non-Compliance: The 2023 bill strengthens the penalties for violating data protection requirements in response to worries regarding their efficacy. The need for a deterrent effect is emphasized by the tiered penalties, which have higher fines for more serious infractions.<sup>18</sup> This is consistent with the widespread practice of applying severe penalties to encourage rigorous adherence to data protection regulations.
- 5. **Data Processing Impact Assessments:** The recently proposed legislation presents the idea of Data Processing Impact Assessments (DPIAs) for specific types of processing operations that present a significant risk to people's rights and liberties. DPIAs are preventive measures that force organizations to evaluate how their data processing operations affect privacy and implement mitigation strategies.<sup>19</sup>

<sup>&</sup>lt;sup>14</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 40.

<sup>&</sup>lt;sup>15</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 34.

<sup>&</sup>lt;sup>16</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 12.

<sup>&</sup>lt;sup>17</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 43.

<sup>&</sup>lt;sup>18</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 69.

<sup>&</sup>lt;sup>19</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 38.

#### C. IMPACT ON PRIVACY RIGHTS

The Digital Personal Data Protection Bill, 2023, is poised to have a substantial impact on privacy rights in India. By addressing the concerns raised in response to the 2019 bill, the new legislation aims to create a more conducive environment for the protection of personal data.

- 1. Empowering Individuals: The enhanced rights conferred upon data subjects, such as explicit consent and greater control over their data, represent a significant step in empowering individuals in the digital ecosystem. By aligning with global standards, the bill recognizes the importance of putting individuals at the center of data processing activities.
- 2. Balancing Data Localization and Cross-Border Transfers: The nuanced approach to data localization and the introduction of mechanisms for secure cross-border data transfers strike a balance between the imperatives of data sovereignty and the global interconnectedness of digital transactions. This acknowledges the need for a flexible yet protective approach to data storage and transfer.
- 3. **Promoting Accountability:** The accountability and compliance framework, including the appointment of DPOs and the introduction of DPIAs, fosters a culture of accountability among data controllers and processors. This proactive stance is expected to contribute to a more conscientious and responsible handling of personal data.
- 4. **Deterring Non-Compliance:** The stricter penalties for non-compliance underscore the seriousness with which data protection violations are viewed. The tiered penalty structure aims to act as a deterrent, encouraging organizations to invest in robust data protection measures and processes. This shift towards more substantial penalties aligns with global trends and emphasizes the gravity of protecting individuals' privacy.

In conclusion, the Digital Personal Data Protection Bill, 2023, represents a significant evolution in India's approach to data protection. By addressing the critiques and challenges faced by the 2019 bill, the new legislation reflects a commitment to staying abreast of technological advancements and global privacy standards. As India navigates the complexities of the digital age, the 2023 bill endeavors to strike a delicate balance between individual privacy rights and the imperatives of a data-driven society.

## V. ENHANCED DATA PROTECTION MEASURES IN THE DIGITAL PERSONAL DATA PROTECTION BILL 2023

India's approach to data protection has undergone a paradigm shift with the introduction of the Digital Personal Data Protection Bill, 2023, which introduces stronger safeguards to protect individual privacy in the quickly changing digital landscape. This section explores the main points of the 2023 bill, emphasizing how they affect data subjects' rights, data controllers' accountability, and cross-border data transfer regulations.

#### A. Strengthened Rights of Data Subjects

The Digital Personal Data Protection Bill, 2023, includes a significant advancement in the form of increased rights for data subjects. In line with global norms and drawing on lessons from international privacy frameworks such as the GDPR, the new bill aims to enable people within the digital ecosystem.

- 1. **Explicit Consent and Greater Control:** The 2023 bill emphasizes the need for clear and informed consent prior to processing personal data by introducing the requirement for explicit consent from data subjects. Individuals now have a more active say in how their data is used, which is a change from the 2019 bill's prior emphasis on implied consent.
- 2. **Right to Data Portability:** Since data-driven services are becoming more and more common, the bill establishes the right to data portability. This encourages user control and competition among service providers by enabling people to transfer their personal data between services with ease.
- 3. **Right to be Forgotten:** The right to be forgotten is a new provision of the Digital Personal Data Protection Bill, 2023, which permits people to ask for the erasure of their personal information in specific situations. This right aligns with the evolving understanding of privacy in the digital age, where individuals seek greater control over the permanence of their online presence.<sup>20</sup>
- 4. **Data Minimization and Purpose Limitation:** The bill emphasizes that data collection should be sufficient, pertinent, and restricted to what is required for the purposes for which it is processed. It does this by incorporating the concepts of data minimization and purpose

<sup>&</sup>lt;sup>20</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 12.

limitation. These guidelines are essential for encouraging responsible and focused data processing and preventing the disproportionate gathering and use of personal data.

#### **B.** Accountability and Compliance Framework

The Digital Personal Data Protection Bill, 2023, places a heightened emphasis on the accountability of data controllers and processors. Recognizing the pivotal role of entities responsible for handling personal data, the bill introduces measures to ensure proactive compliance and internal governance.

- Data Protection Officers (DPOs): The requirement that certain organizations involved in high-risk processing activities appoint Data Protection Officers (DPOs) is a noteworthy addition to the regulatory environment. As the main point of contact for data protection in an organization, the DPO communicates with the regulatory body as well as data subjects. The purpose of this appointment is to establish internal advocates for data protection and to institutionalize privacy governance.
- 2. Codes of Practice and Certification: The bill calls for the creation of certification procedures and codes of conduct to encourage adherence to data protection requirements. By providing a flexible and industry-specific approach, these codes and certifications enable organizations to customize their data protection procedures while upholding general guidelines. This strategy encourages the adoption of best practices adapted to particular contexts while acknowledging the diversity of industries.<sup>21</sup>
- 3. **Data Protection Impact Assessments (DPIAs):** The bill encourages organisations to proactively evaluate the impact of their data processing on privacy by introducing the concept of Data Protection Impact Assessments (DPIAs) for specific high-risk processing activities. DPIAs are a tool for risk management that promotes responsible data processing and an environment of accountability.<sup>22</sup>

#### C. Data Localization and Cross-Border Data Transfers

The nuanced stance on data localization and the regulation of cross-border data transfers is a key highlight of the Digital Personal Data Protection Bill, 2023. Balancing the imperatives of data sovereignty with the need for seamless international data flows, the bill introduces a

<sup>&</sup>lt;sup>21</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 43.

<sup>&</sup>lt;sup>22</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 38.

comprehensive framework.

- 1. **Data Localization:** Sensitive personal data categories that must be stored only inside the borders of India are listed in the 2023 bill. This acts as a safeguard to maintain data sovereignty and protection, especially when it comes to private data that could have a big impact on people. Compared to the 2019 bill, the bill's approach to data localization is more sophisticated and clarifies the kinds of data that must be localized.<sup>23</sup>
- 2. **Cross-Border Data Transfers:** In recognition of the worldwide nature of data processing operations, the bill concurrently introduces provisions for the transfer of personal data outside of India. It specifies safeguards, such as the need for data transfer agreements and adherence to data protection impact assessments, to guarantee that such transfers do not jeopardise the privacy rights of data subjects.
- 3. **Data Protection Authority's Oversight:** The bill gives the Data Protection Authority the power to control international data transfers and establish standard contractual provisions that guarantee privacy protection during those transfers. This regulatory supervision offers a way to strike a balance between the need to safeguard individual rights and the promotion of global data flows.<sup>24</sup>

Essentially, a comprehensive set of measures to strengthen data protection in India is introduced by the Digital Personal Data Protection Bill, 2023. The new bill reflects a progressive and adaptable approach to privacy in the digital era by building a strong accountability framework, regulating cross-border data transfers, and strengthening the rights of data subjects. This law is expected to have a significant influence on the dynamics of data governance, accountability, and individual privacy rights as India takes its place in the global digital landscape.

#### VI. Future Implications and Conclusion

The Digital Personal Data Protection Bill, 2023, will have a significant impact on businesses, individuals, and the larger technology landscape when it comes to data protection in India. This section provides some final observations on the development of data protection in the nation as well as an examination of the legislation's possible effects on businesses, individuals, and privacy advocates.

<sup>&</sup>lt;sup>23</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 40.

<sup>&</sup>lt;sup>24</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 34.

#### A. POTENTIAL IMPACT ON BUSINESSES AND TECHNOLOGY LANDSCAPE

- Compliance Challenges and Operational Adjustments: Businesses face significant challenges due to the 2023 bill's strict provisions and increased compliance requirements. A paradigm change in the way organizations approach data processing activities is required due to the requirement for the appointment of Data Protection Officers (DPOs), the need for explicit consent, and the emphasis on accountability.<sup>25</sup> Companies may need to make operational changes to comply with the new regulatory requirements, especially smaller businesses.
- 2. Innovation and Competitiveness: The bill's emphasis on accountability, data minimization, and purpose limitation can encourage a culture of responsible innovation, even though compliance may initially present difficulties. As consumers priorities companies with strong privacy standards, the legislation may help businesses become more competitive in the global market by encouraging ethical data processing practices.<sup>26</sup>
- 3. **Data Localization Impact:** Multinational corporations doing business in India may directly be impacted by the data localization provisions. Maintaining effective and legal global operations will depend on implementing secure cross-border data transfer mechanisms and adjusting to localization requirements.<sup>27</sup> This could result in more money being invested in India's data infrastructure, boosting the nation's digital economy.
- 4. **Data-Driven Business Models:** The bill's provisions, particularly the right to data portability, may impact data-driven business models. The ability of individuals to seamlessly move their data between services may introduce a more competitive environment where businesses need to offer enhanced services to retain customers.<sup>28</sup> This could drive innovation and lead to the development of services that prioritize user control and data transparency.

#### **B. CONSIDERATIONS FOR INDIVIDUALS AND PRIVACY ADVOCATES**

<sup>&</sup>lt;sup>25</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clauses 12, 43.

<sup>&</sup>lt;sup>26</sup> Varun Baliga, "Data Protection Law in India: Addressing the Concerns," The Diplomat, March 11, 2020.

<sup>&</sup>lt;sup>27</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clauses 40, 34.

<sup>&</sup>lt;sup>28</sup> Digital Personal Data Protection Bill, 2023, Bill No. 113 of 2023, Parliament of India, Clause 12.

- 1. **Empowerment of Individuals:** The Digital Personal Data Protection Bill, 2023, empowers individuals by strengthening their rights, including explicit consent, the right to data portability, and the right to be forgotten. This heightened control over personal information aligns with global trends emphasizing user autonomy and privacy.
- 2. **Privacy Advocacy and Education:** Privacy advocates play a crucial role in shaping the narrative around data protection. The 2023 bill necessitates a continued focus on advocacy and education to ensure that individuals are aware of their rights and the implications of data processing activities. Advocacy efforts can also contribute to the evolution of best practices and industry standards.
- 3. Legal Challenges and Judicial Interpretation: The new legislation may give rise to legal challenges as businesses and individuals grapple with its implications. Judicial interpretation of key provisions, such as data localization requirements and the right to be forgotten, will play a pivotal role in shaping the practical implementation of the bill<sup>29</sup>. Legal precedents will guide future applications of the law and contribute to its evolution.
- 4. **Global Privacy Standards:** The bill's alignment with certain global privacy standards, such as the GDPR, raises the bar for data protection in India. Privacy advocates may leverage this alignment to push for continued improvements and updates to keep pace with evolving international norms<sup>30</sup>. The global interconnectedness of data means that developments in privacy standards abroad can influence the discourse and expectations domestically.

# C. CONCLUDING THOUGHTS ON THE EVOLUTION OF DATA PROTECTION IN INDIA

The journey from the Data Protection Bill, 2019, to the Digital Personal Data Protection Bill, 2023, reflects the evolving nature of data protection in India. The legislative evolution demonstrates a commitment to addressing emerging challenges in the digital realm and aligning with global best practices.

<sup>&</sup>lt;sup>29</sup> Chinmayi Arun, "Data Protection Law in India: Assessing the Critiques and Controversies," Observer Research Foundation, October 11, 2019.

<sup>&</sup>lt;sup>30</sup> Shashi Tharoor, "Data Protection Bill, 2019: Parliamentary Committee Report Indicates Changes Are Necessary," The Wire, December 17, 2020.

- 1. **Dynamic Regulatory Landscape:** The digital age demands a dynamic and responsive regulatory landscape. The 2023 bill represents a strategic response to the critiques and challenges faced by its predecessor, recognizing the need for a legal framework that can adapt to technological advancements and emerging privacy concerns.<sup>31</sup>
- Balancing Act: Striking a balance between privacy rights and the imperatives of datadriven economies is a delicate task. The 2023 bill attempts to achieve this balance by introducing measures that protect individual privacy while fostering innovation and competitiveness in the business landscape.
- 3. **Global Harmonization:** The alignment of the bill with international privacy standards reflects an awareness of the interconnected nature of data processing activities. As data flows seamlessly across borders, harmonizing domestic regulations with global standards becomes imperative to facilitate international cooperation and trust.
- 4. Focus on Accountability: The introduction of measures like the appointment of DPOs, DPIAs, and stringent penalties underscores a shift towards a culture of accountability in data processing activities. Accountability is a cornerstone of effective data protection, instilling a sense of responsibility and ethical conduct among data controllers and processors.

In conclusion, the Digital Personal Data Protection Bill, 2023, marks a significant milestone in India's data protection journey. Its impact on businesses, individuals, and the broader technological landscape will unfold in the coming years. The legislation, with its nuanced provisions and global alignment, sets the stage for a more mature and comprehensive approach to data protection, signaling India's commitment to fostering a privacy-conscious digital ecosystem.

### VII. ETHICAL CONSIDERATIONS IN DATA PROCESSING: BALANCING INNOVATION WITH PRIVACY

The intersection of technological innovation and privacy rights has brought to the forefront the ethical considerations inherent in data processing. As the digital landscape continues to evolve, the

<sup>&</sup>lt;sup>31</sup> Smriti Parsheera, "India's New Data Protection Bill: Are We Adequately Protecting Privacy?" The Quint, December 13, 2019.

responsible use of personal data becomes imperative. This section explores the ethical dimensions of data processing, examining the challenges and opportunities in striking a balance between innovation and privacy, and the role of various stakeholders in fostering an ethical data ecosystem.

#### A. THE DILEMMA OF TECHNOLOGICAL INNOVATION AND PRIVACY

- 1. **Rapid Technological Advancements:** The pace at which technology is advancing introduces unprecedented opportunities for innovation. From artificial intelligence (AI) and machine learning to big data analytics, these technologies offer insights, efficiencies, and capabilities that were previously unimaginable. However, the utilization of personal data to power these innovations raises ethical concerns regarding consent, transparency, and the potential misuse of sensitive information.<sup>32</sup>
- 2. **Privacy as a Fundamental Right:** The recognition of the right to privacy as a fundamental right underscores its significance in the digital age. Individuals have the right to control their personal information, and any advancements in technology must respect and uphold these fundamental rights.<sup>33</sup> The ethical dilemma lies in harnessing the benefits of technological innovation while safeguarding individual privacy rights.

#### **B. Ethical Guidelines for Data Processing**

- 1. **Informed Consent and Transparency:** Ethical data processing begins with informed consent and transparency. Individuals should be fully aware of how their data will be used and have the agency to provide explicit consent.<sup>34</sup> Transparent communication about data processing practices builds trust and allows individuals to make informed decisions about sharing their personal information.
- 2. **Purpose Limitation and Data Minimization:** Adhering to the principles of purpose limitation and data minimization is essential for ethical data processing. Organizations should collect only the data necessary for the stated purpose, preventing the unnecessary

<sup>&</sup>lt;sup>32</sup> Anita L. Allen, "Privacy as a Fundamental Human Right," University of Pennsylvania Law Review, Vol. 52, No. 6 (2004), pp. 1857-1888.

<sup>&</sup>lt;sup>33</sup> Justice K.S. Puttaswamy (Retd.) and Another v. Union of India and Others, Writ Petition (Civil) No. 494 of 2012.

<sup>&</sup>lt;sup>34</sup> European Data Protection Board, "Guidelines on Consent under Regulation 2016/679," 2020.

accumulation of personal information. Clearly defined purposes contribute to ethical use and minimize the risk of data misuse.

- 3. **Fair and Unbiased Algorithms:** As AI and machine learning algorithms increasingly influence decision-making processes, ensuring fairness and avoiding bias become crucial ethical considerations.<sup>35</sup> Biased algorithms can perpetuate discrimination, reinforcing societal inequalities. Ethical data processing involves continuous monitoring and adjustment to mitigate biases and promote fairness in algorithmic decision-making.
- 4. Security Measures: Ethical considerations extend to the security of personal data. Organizations are ethically obligated to implement robust security measures to safeguard data against unauthorized access, breaches, and cyber threats.<sup>36</sup> Data breaches not only compromise individual privacy but also erode public trust in data-driven technologies.

#### C. STAKEHOLDER ROLES IN FOSTERING AN ETHICAL DATA ECOSYSTEM<sup>37</sup>

- 1. **Role of Businesses:** Businesses play a central role in shaping the ethical landscape of data processing. Adopting privacy by design principles and incorporating ethical considerations into product development are pivotal steps. Establishing clear and accessible privacy policies, providing user-friendly consent mechanisms, and regularly auditing data practices contribute to an ethical data ecosystem.
- 2. **Policy and Regulatory Frameworks:** Policymakers and regulatory bodies are instrumental in setting the ethical standards for data processing. Crafting comprehensive data protection laws that prioritize privacy rights, accountability, and transparency establishes the foundation for an ethical data ecosystem. Regular reviews and updates to these frameworks are necessary to address evolving challenges and technological advancements.
- 3. **Technology Developers and Researchers:** The individuals designing and developing data processing technologies shoulder a responsibility to embed ethical considerations into their work. Conducting impact assessments, anticipating potential biases, and ensuring user-

<sup>&</sup>lt;sup>35</sup> Kate Crawford and Ryan Calo, "There Is a Blind Spot in Al Research," Nature, Vol. 538, No. 7625 (2016), pp. 311-313.

<sup>&</sup>lt;sup>36</sup> Information Commissioner's Office (ICO), "Guide to Data Protection."

<sup>&</sup>lt;sup>37</sup> International Association of Privacy Professionals (IAPP), "Privacy by Design: The 7 Foundational Principles."

centric designs contribute to the ethical development of technologies. Ethical guidelines and codes of conduct within the tech community serve as guiding principles.

4. **Public Awareness and Education:** Ethical data processing requires an informed and aware public. Education and awareness campaigns play a vital role in helping individuals understand the implications of data sharing and the importance of privacy. Informed citizens are better equipped to make decisions that align with their values and privacy preferences.

#### D. CHALLENGES AND EMERGING TRENDS IN ETHICAL DATA PROCESSING

- 1. **Challenges in Implementation:** Despite the recognition of ethical principles, the practical implementation of ethical data processing faces challenges. Balancing innovation with privacy, especially in rapidly evolving fields like AI, is a complex task. The lack of standardized ethical frameworks and the absence of global consensus on certain ethical principles pose hurdles.
- 2. Emerging Trends: Emerging trends in ethical data processing include the rise of privacyenhancing technologies (PETs) and the integration of ethical considerations into AI development. PETs, such as differential privacy and homomorphism encryption, aim to protect data privacy while allowing for meaningful analysis<sup>11</sup>. Integrating ethical considerations into the development life cycle of AI models, including ethical AI impact assessments, is gaining traction.

#### E. THE IMPACT ON PUBLIC TRUST AND SOCIETAL WELL-BEING

- 1. **Building Public Trust:** Ethical data processing is intrinsically tied to public trust. Instances of data breaches, misuse, or unethical practices erode public confidence in technology. Conversely, businesses and organizations that prioritize ethical data processing build trust with their user base, fostering long-term relationships and loyalty.
- 2. **Societal Well-Being:** An ethical data ecosystem contributes to societal well-being by preventing discriminatory practices, protecting individual autonomy, and promoting fairness. As technology increasingly influences various aspects of life, an ethical approach ensures that data-driven decisions enhance rather than hinder societal well-being.

#### F. Conclusion

The ethical considerations in data processing represent a critical dimension of the evolving digital landscape. Striking the right balance between technological innovation and privacy is a complex but necessary endeavor. As businesses, policymakers, technology developers, and individuals navigate this landscape, a commitment to ethical data processing is paramount.

The Digital Personal Data Protection Bill, 2023, provides an opportunity to embed ethical principles into the legal framework, emphasizing the importance of responsible data practices. This legislation, coupled with ongoing efforts to promote awareness, education, and the adoption of emerging ethical trends, can contribute to the development of a robust and ethical data ecosystem in India.

In conclusion, as technology continues to advance, ethical considerations should remain at the forefront of data processing practices. The integration of ethics into the fabric of technological innovation is not only a legal and regulatory imperative but also a moral obligation to safeguard individual rights and contribute to the well-being of society.

