

Opportunity to excel and gain customer trust

Digital Personal Data Protection Act (DPDPA), 2023

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“ DPDPA is the big shift towards enabling India’s digital economy and its innovation ecosystem - laying the groundwork for a data-driven business environment that thrives on creating investor value, improving organisational culture and enhancing customer trust ”



Vishesh C Chandiok

Chief Executive Officer
Grant Thornton Bharat

Introduction

The Act has received the President's assent, and has been gazetted as a law. Commonly termed as the '**Privacy Law**' or the '**Data Protection Law**', it marks a significant step towards safeguarding privacy and managing digital personal data within India. This landmark legislation instills accountability in data handling and emphasises explicit, transparent consent for data collection, processing, and storage.

DPDPA marks a significant paradigm shift, emphasising stringent data protection and privacy measures that will redefine how businesses will operate. Given that it is sector agnostic, organisations face a mandate to reinvent and invest significantly to thrive in this new era.



Why it matters

- Nationwide impact
- Innovation boost
- Better compliance
- Business advantage



Applicability

- Digital personal data
- Online and offline but digitised later
- Processed in India
- Processed for Indian citizens

Key highlights



Key stakeholders

- Data principal
- Data processor
- Data fiduciary
- Significant data fiduciary



Rights of Data Principal

- Access to information
- Erasure of data
- Rectification
- Withdrawal of consent
- Nominate



Obligations of Data Fiduciaries

- Consent mechanisms
- Security safeguards
- Restrictions on processing children data
- Additional obligations on significant data fiduciaries



Powers of the Data Protection Board

- Direct urgent remedial measures
- Investigations
- Grievance redressal



Penalties: Upto INR 250 crore



Big shift

It is imperative to understand this big shift and the changes that organisations may potentially undergo while embarking on the journey of compliance and improving customer trust



Impact

- 1 Data protection readiness
- 2 Innovation through compliance
- 3 Brand reputation, monetary penalties
- 4 Culture of data privacy
- 5 Transparent communication
- 6 Global cyber laws compliant
- 7 Employee training and awareness



Opportunity

- 1 Improve trust and reputation
- 2 Attract privacy conscious customers
- 3 Privacy centric services
- 4 Innovate user friendly tools
- 5 Global investment attraction
- 6 Ethical data monetisation
- 7 Personalised offerings for customers

Each organisation will have their unique set of challenges, given the fact that some have already embarked on the journey of compliance with other global privacy laws such as the General Data Protection Regulation (GDPR), Personal Data Protection Act, Singapore (PDPA), and others. Questions that boards and steering committees could potentially ask might include justification of current investments in reducing the cost to adoption of DPDPA whilst fostering efficiency.

In addition, organisations also need to understand how the journey to compliance can convert into opportunities with due cognisance to the impact on the organisation's functions and initiatives.

Transforming challenges into business opportunities

01

Capitalise on the chance to enhance trust and reputation by upholding ethical privacy principles

Use data protection measures to attract privacy-conscious customers

02

03

Prioritise privacy-centric services and user-friendly tools to drive innovation

Comply with privacy laws to attract international investors and facilitate global expansion

04

05

Leverage data through consent for ethical data monetisation and develop personalised offerings for customers

Impact on business functions and key initiatives

Business functions

Function	Data type	Consideration
Cyber	Employee-customer-vendor personal data, security control logs	Mitigating data breach fines through stronger security measures
Finance and tax	Payroll, financial statements, tax information, payment data	Improved data accuracy leading to better reporting
Information technology	User account, network configuration, incident data, asset logs	Enhanced data handling procedures with stronger systems
Legal and compliance	Third-party contracts, IPR documents, litigation data	Better accountability through streamlining of legal review process
Human resources	Job applications, contracts, performance, compensation data	Enhanced trust with more responsible data handling
Marketing and sales	Customer information, purchase history, prospects and tracking data	Increased leads and conversions from effective consent management
Internal audit	Compliance records, control statements, enterprise risk framework data	Process refinement via improved controls advancing operational excellence

Key initiatives

Initiative	Data type	Consideration
Payment ecosystem	Payment history, financial information credentials, beneficiary details	Stricter consent mechanisms ensuring better control for users over their financial information
Supply chain	Vendor data, logistics data, product data, inventory supply detail	Transparency on data sharing leading to stronger partnerships
External audit and vendor diligence	Equity holdings, financial statements, intellectual property information	Enhanced assurance and informed decision making
Data governance	Access control data, data classification, data cataloguing	Improved regulatory adherence enabled by stringent data governance
Mergers and acquisitions	Legal agreements, shareholder data, regulatory compliance records, investee company personal information	Seamless integration and data consolidation ensuring smooth transition
Technology transformation	User engagement metrics, change management data, analytic insights	Higher automation with business logic for faster market turnaround

Transformation in managing personal data

The Act is set to have a widespread impact across various sectors, given that nearly every sector, in one way or the other, handles personal and sensitive data.



Financial Services

- Customer profiling, authentication, sensitive data
- Process outsourcing - fintech partnerships, data processing, product alliances
- Risk management - credit, AML, fraud, insurance
- Financial information and transaction data



TMTE (Tech, Media, Telecom and Entertainment)

- Personal preferences and behaviour
- Device information and location
- Digital communication data and transaction data
- Sensitive data from online activities



Consumer, Retail & E-commerce

- Name, address and contact numbers
- Consumer preferences
- Payment and transaction data



Healthcare and Lifesciences

- Patient health records
- Health insurance
- Clinical trial data
- Biometric and genetic data



Tourism and Hospitality

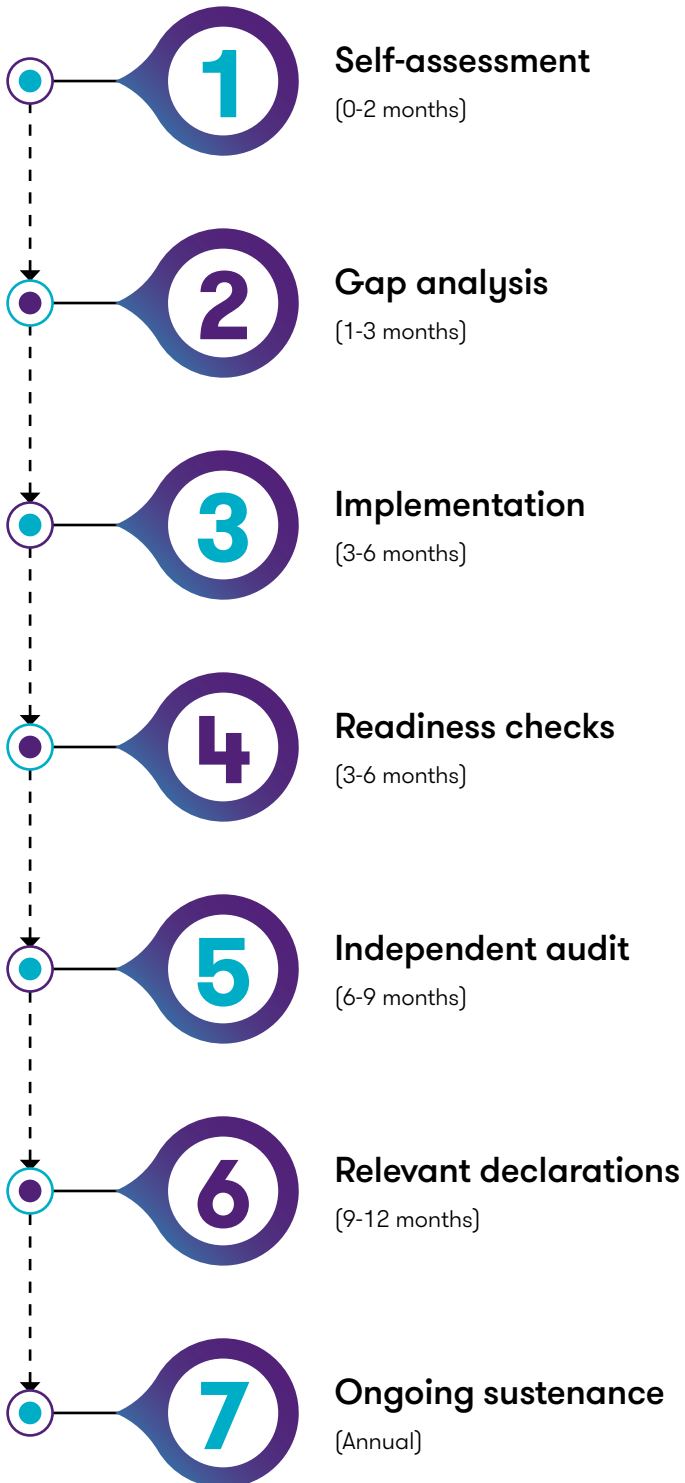
- Travel itinerary
- Payment information
- Reservation information
- Guest feedback

Time to comply:

- 10 - 15 months tentative direction
- Phased approach
- Big Tech - Start-ups - less digitalised entities (MSMEs)



Adoption roadmap



How Grant Thornton Bharat can help you



Automated tools

- Implementation of automated tools for streamlined compliance



Assisting CIOs and CSOs

- Collaborate with our technical experts to align your IT systems and security measures with DPDPA requirements



Tailored solutions

- Customised approaches for different industries



Data Protection Office setup

- Support in setting up and managing Data Protection Office



Efficient data management

- Guidance to identify and gather data as per DPDPA requirements
- Streamlining data assimilation and management without manual complexities



Independent data auditor focus

- Fulfilling the need for an independent data auditor as mandated
- Impartial assessments to guarantee compliance



Protecting reputation and governance

- Integration of DPDPA compliance into governance practices
- Ensuring airtight compliance to uphold reputation of independent directors



Expert dispute resolution

- Expert assistance in resolving disputes arising from data breaches

The enactment of this Bill is a landmark moment for the nation, opening avenues for organisations to leverage improved privacy safeguards that will contribute to a business advantage

“ India’s privacy era ushers in fresh opportunities for businesses in the realm of technology enablement and transformation. Responsible adoption will be key towards striking a fine balance between innovation and privacy. ”

Deepankar Sanwalka

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For more details on what the Act means for your organisation, please contact:



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Disclaimer: The interpretation outlined in this document is derived from the official gazette notice of the DPDPA and is faithfully referenced to ensure accuracy and alignment with the legislative text.



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