

Building consumer trust through robust data protection

Digital Personal Data Protection Act (DPDPA), 2023



“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
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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.



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

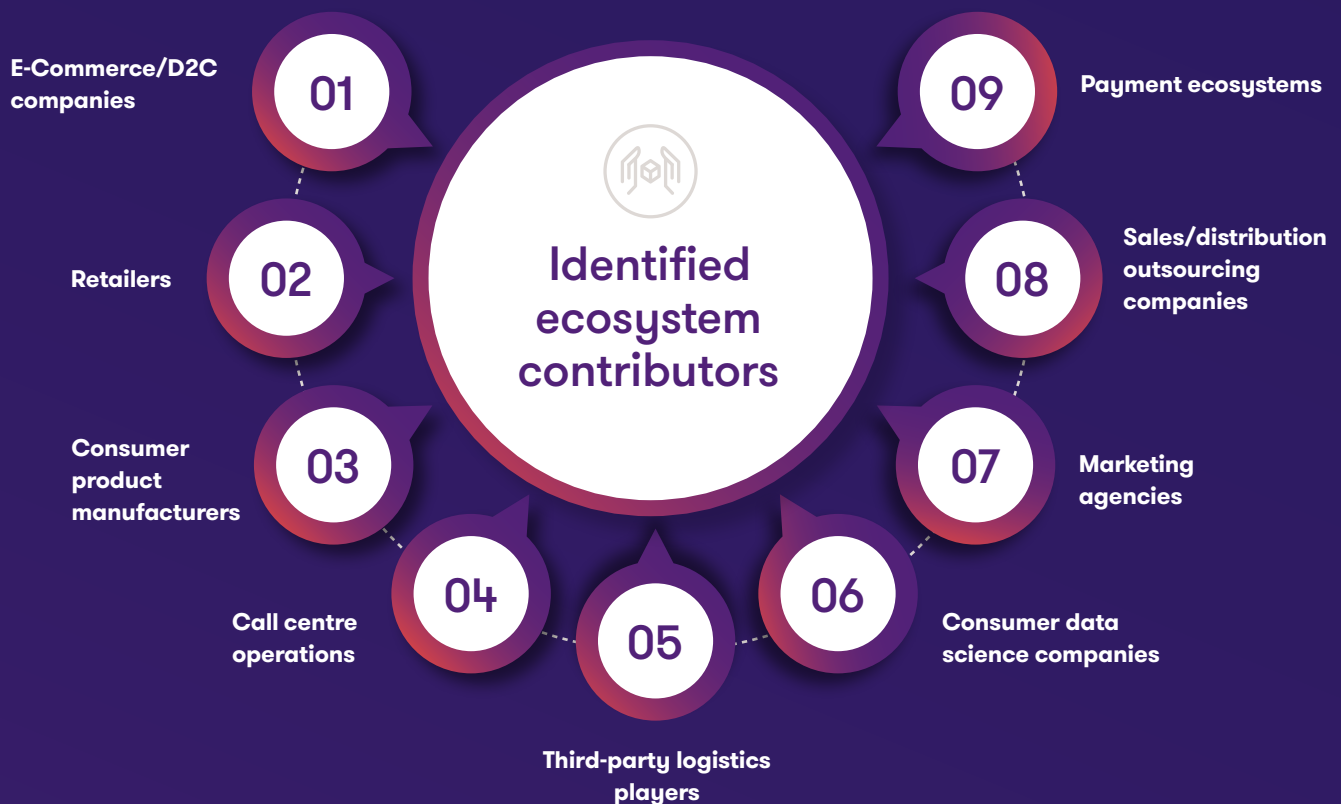
Business functions

Function	Data type	Consideration
Marketing and sales/ Loyalties	Customer information, purchase history, prospects and tracking data	Effective consent management for more leads and conversions
Operations	Customer preferences/choices for targeted marketing, third party data provision,	Auditing third parties and ensuring vendors/ third-party compliance
Customer service	Personal information including name, DoB, address and mobile number	Ensuring data security and maintaining the integrity of data with no breaches
Cyber	Employee, customer, vendor data, security control logs	Strengthening security measures to mitigate data breach fines
Third-party logistics	Customer data	Carefully understanding obligations and ensuring compliance
Finance and tax	Payroll, financial statements, tax information, payment data	Enhancing data accuracy results in better reporting
Information technology	User account, network configuration, incident data, asset logs	Strengthening systems for enhanced data handling procedures
Legal and compliance	Third-party contracts, IPR documents, litigation data	Streamlining the legal review process to improve accountability
Human resources	Job applications, contracts, performance, compensation data	Responsible data handling to enhance trust
Internal audit	Compliance records, control statements, enterprise risk framework data	Improving controls advances operational excellence through process refinement

Key initiatives

Initiative	Data type	Consideration
Cookies management	Analytical marketing cookies	Monitor cookies in line with the guidelines and marketing campaigns
Payment ecosystem	Payment history, financial information credentials, beneficiary details	Stricter consent mechanisms ensuring better control for users over their financial information
Targeted advertisements	Personal contact and email details	Enhanced data handling procedures with stronger systems
In-app interactions	Shipping processes and data, chatbots	Improved data security and limited data access implementation
Supply chain	Vendor data, logistics data, product data, inventory supply detail	Transparency on data sharing leading to stronger partnerships
Data governance	Access control data, data classification, data cataloguing, DLP implementation	Guidelines on data classification, role- based access, data retention guidelines (depends on client)
Technology transformation	User engagement metrics, change management data, analytic insights	Higher automation with business logic for faster market turnaround

Changes in personal data management



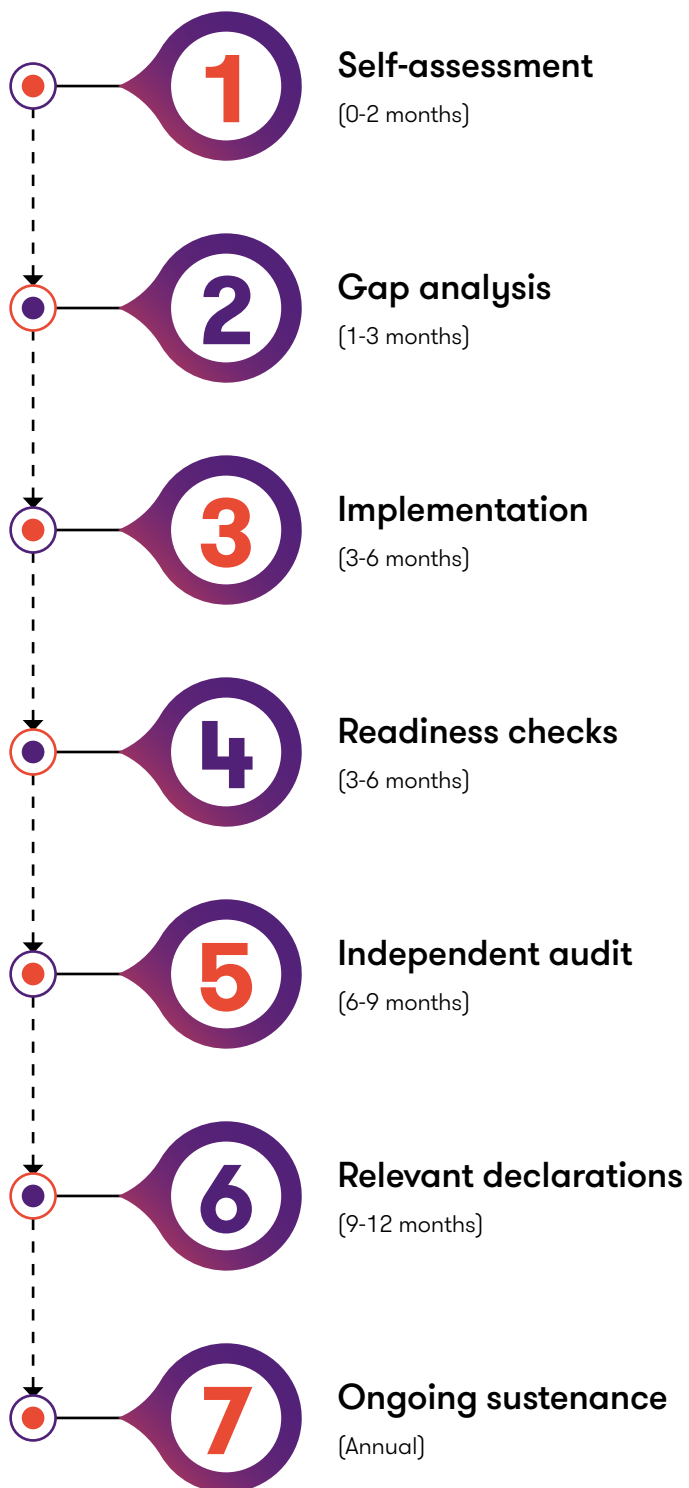
Time to comply:

- 10 - 15 months tentative direction
- Phased approach

Recommendations for the industry

- Implement robust data encryption and masking
- Frame proper consent mechanisms
- Make privacy notes visible on websites elucidating data protection
- Update privacy policies in a timely manner
- International companies need to comply with data storage norms across borders
- Ensure no data analytics/campaign targeting is done for children below 18 years
- Accept consumers' right for information erasure from the database when requested

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

DPDPA 2023 is a landmark moment for the nation opening avenues for organisations to leverage improved privacy safeguards that will contribute to a business advantage

**For more details on what the Act means for your organisation,
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