# India's new data protection regulations set to reshape technology firms



The Financial Times has reported on recent developments concerning India's data protection regulations, which are poised to reshape how technology companies manage and process personal data within the country. Following the passage of the digital data protection bill a year and a half ago, the Indian government unveiled draft rules on Friday that propose significant changes, including a revival of data localisation requirements and new stipulations regarding minors and social media usage.

The fresh regulations aim to uphold national interests by preventing certain categories of data from being transferred abroad. This requirement had been a point of contention during previous legislative discussions, as it was originally mandated in earlier drafts of the bill, but was later scaled back due to pressure from major technology firms. The latest rules now classify large corporations, identified as "significant data fiduciaries," and dictate that the handling of their personal data will be under the government’s purview. The export of personal data would require either a general or specific government order, complicating the operations of tech giants such as Meta, Google, Apple, and Microsoft.

Additionally, the government's approach aims to safeguard children under 18 by necessitating parental consent for social media usage. Companies are tasked with verifying that parents are, in fact, adults, presumably by requiring government-approved identification to ensure compliance. These companies are also prohibited from targeting advertisements to minors or tracking their online behaviour. There are strict penalties of up to Rs 2 billion for companies that fail to comply with these regulations.

While government officials assert that these measures are designed to protect children and maintain their access to online information, concerns have emerged regarding the practicality of enforcing such rules. The responsibility for determining age falls on children themselves, and experts question how effectively companies can ensure compliance given the elusive nature of online identities.

The public will have until February 18 to comment on the draft rules, and it remains to be seen whether large technology companies will find ways to influence the final provisions before they are enacted.

In related news, the Financial Times noted that India’s foreign exchange reserves have dipped to an eight-month low, attributed to a significant depreciation of the Indian rupee, which has lost 3% against the US dollar in the early part of 2024. The Reserve Bank of India has intervened in the market, selling dollars from its reserves to stabilize the rupee, but analysts anticipate a challenging outlook ahead, with most Asian currencies experiencing weakness in the current economic climate.

With the opening of the earnings season approaching, industry experts will be closely monitoring performance from major players like Tata Consultancy Services on January 9, as the tech sector and broader economy navigate these evolving regulatory and market conditions.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://natlawreview.com/article/key-highlights-indias-draft-digital-personal-data-protection-rules-2025> - This source highlights key provisions of the Draft Digital Personal Data Protection Rules, 2025, such as consent requirements, security safeguards, and data breach notifications.
3. <https://innovateindia.mygov.in/dpdp-rules-2025/> - This page from the Ministry of Electronics and Information Technology (MeitY) invites feedback on the draft DPDP Rules and provides details on the submission process and the explanatory notes for the rules.
4. <https://thehackernews.com/2025/01/india-proposes-digital-data-rules-with.html> - This article explains the classification of 'significant data fiduciaries' and the government's oversight on their data handling, including the requirement for government orders for cross-border data transfers.
5. <https://natlawreview.com/article/key-highlights-indias-draft-digital-personal-data-protection-rules-2025> - This source discusses the need for parental consent and verification for children's data processing, as well as the prohibition on targeting advertisements to minors.
6. <https://thehackernews.com/2025/01/india-proposes-digital-data-rules-with.html> - This article mentions the strict penalties of up to ₹250 crore for companies that fail to comply with the new regulations.
7. <https://natlawreview.com/article/key-highlights-indias-draft-digital-personal-data-protection-rules-2025> - This source addresses the concerns about enforcing age verification and compliance in the online environment.
8. <https://innovateindia.mygov.in/dpdp-rules-2025/> - This page indicates that the public has until February 18 to comment on the draft rules, allowing for feedback and potential influence from large technology companies.
9. <https://thehackernews.com/2025/01/india-proposes-digital-data-rules-with.html> - This article provides context on the broader regulatory environment, including recent telecommunications security rules and their impact on the tech sector.
10. <https://www.bsa.org/news-events/news/bsa-statement-on-indias-2025-draft-digital-personal-data-protection-rules> - This statement from BSA supports the goals of the draft rules, including protecting consumers' personal data and supporting India's innovation ecosystem, while also highlighting potential challenges.
11. <https://www.ft.com/content/1923efa2-d6b2-4765-bbf3-2711c74ba611> - Please view link - unable to able to access data