

Tech policy to be predictable; privacy bills, focus on local internet and hardware ecosystem

BY MEGHA MANDAVIA , ET BUREAU | MAY 23, 2019, 04.10 PM IST

With the return of National Democratic Alliance (NDA) to power, technology policy making is expected to gather speed with focus on personal data protection bill, regulating technology platforms, and support local internet and hardware companies as part of its digital India initiative.

Personal data protection bill which regulates the processing of personal data of individuals and the proposed amendment to Information Technology Act's intermediary guidelines that weaken legal protections provided to technology companies against content hosted on their platforms are expected to impact Facebook, Google, Twitter and ByteDance.

"It's going to be predictable 5 years on where the technology policy is moving," said Nikhil Narendran, Partner at Trilegal. "The government wants more companies to be incorporated in India, so it can have more regulatory control. It also has tax, content and data localisation angle to it. They will act with brute force on it."

The debate around technology policy making in India has been highly charged for the last two years with the government forms laws around controlling Internet content, storing critical data within the country and compulsory local incorporation of foreign firms. The government's aim is to increase liability to Indian laws and push foreign Internet firms to pay more taxes locally.

"The good thing is predictability - we've seen what their policies/politics in the previous term were, so no real surprises I imagine. What we would like to see is better policy making processes, with stakeholders' inputs constantly, and not having different ministries and regulators take different approaches to the same issue," said Anirudh Rastogi, Managing Partner at Ikigai Law.

He added that apart from the imminent introduction of the personal data protection bill in the parliament there will be government action on regulating online content and platform governance.

Indian technology lobby powered by Reliance Jio and PayTM have supported government's push on local incorporation and data storage while Facebook and Google have opposed it. The government is also pushing WhatsApp to help law enforcement trace messages to senders despite encryption.

"As the same government has come to power, there is likely to be an impetus to create a level playing field for Indian businesses in the data driven economy. The government will push forward on national security from technology point of view," said Gowree Gokhale, Partner at Nishith Desai Associates. "It is clear that the focus on digital infrastructure building will continue."

In February, the government unveiled its new electronic policy to boost local manufacturing for the domestic market as well as exports. It includes providing special incentive package for large tech projects including setting up semiconductor manufacturing facilities in India. The policy aims at the sector generating \$ 400 billion revenue and over 10 million jobs by 2025.

The government could also take advantage of the US China trade war to woo global firms to manufacture electronics goods out of India.

"There is pressure by the US on China, which may push many US, Korean and Taiwanese companies to set up electronic manufacturing units in India," said Rajesh Ram Mishra, President of India Electronics and Semiconductor Association. "We are pushing for incentives for manufacturing Printed Circuit Boards in India and encourage more design-led manufacturing in the country."

With push for local manufacturing, it also would step up focus on Digital India - adopting technology to improve access to government to citizen services; in education and create skilled workforce that would help Indian IT services firms.



With push for local manufacturing, it also would step up focus on Digital India - adopting technology to improve access to government to citizen services; in education and create skilled workforce that would help Indian IT services firms.