

Data Privacy Regulation Act, 2025 - Final Legislative Report

Executive Summary

This report consolidates the draft bill, critiques, responses, judicial voting outcomes, and proposed amendments for the Data Privacy Regulation Act, 2025. The bill aims to regulate the protection and processing of personal data, establish a Data Protection Authority (DPA), and ensure accountability through enforceable mechanisms. After thorough review, a majority approval has been achieved, with specific amendments proposed to address concerns regarding clarity, fairness, and implementation.

1. Bill Overview

1.1 Preamble

An Act to provide for the regulation, protection, and processing of personal data of individuals, and to establish a Data Protection Authority for effective enforcement and grievance redressal.

1.2 Definitions

- Data Subject:** Any individual whose personal data is being processed.
- Data Controller:** Any individual or organization that determines the purposes and means of processing personal data.
- Processing:** Includes any operation performed on personal data, such as collection, recording, storage, adaptation, or alteration.

1.3 Key Sections

Rights of Data Subjects

Every data subject shall have the right to: 1. Access their personal data being processed. 2. Request correction of inaccurate or incomplete data. 3. Withdraw consent at any time. 4. Be informed of data breaches affecting their personal information.

Obligations of Data Controllers

- Ensure that personal data is processed lawfully, fairly, and transparently.
- Collect data only for specified, explicit, and legitimate purposes.
- Maintain data accuracy and ensure it is up to date.
- Implement technical and organizational measures to ensure data security.

Data Protection Authority

A Data Protection Authority (DPA) shall be established to oversee enforcement, conduct investigations, and issue guidelines. The DPA shall have powers to impose penalties, summon witnesses, and mandate data audits.

Penalties and Enforcement

Any violation of this Act shall attract monetary penalties up to ₹10 crores or 2% of annual turnover, whichever is higher. In cases of willful misconduct, criminal liability shall be pursued.

Amendments Clause

The Parliament may amend any section of this Act by a simple majority vote with appropriate justification and review.

1.4 Certification

This bill is proposed for review and debate by the legislative assembly. The provisions are subject to judicial evaluation, political deliberation, and necessary amendment before passage.

2. Critique and Response

2.1 Summary of Opposition Critique

Concerns were raised regarding ambiguities in terminology (e.g., "Processing"), risks to civil liberties and businesses, implementation challenges, potential for exploitation, and possible benefits to the ruling party due to insufficient oversight of the DPA.

2.2 Response to Critique

- **Terminology Ambiguities:** Revised definitions and sector-specific guidelines to be issued by the DPA.
 - **Civil Liberties and Business Impact:** Introduced tiered penalty structures and consent withdrawal processes to balance rights and operational needs.
 - **Implementation:** Detailed DPA funding, staffing, and timelines for guideline issuance.
 - **Exploitation Risks:** Proposed supermajority votes and public consultations for amendments, alongside judicial review of DPA decisions.
 - **Ruling Party Concerns:** Ensured DPA independence through bipartisan selection and conflict-of-interest rules.
-

3. Judicial Review and Voting Outcome

3.1 Vote Count Summary

- **Approve:** 3 votes
- **Reject:** 1 vote
- **Amend with Conditions:** 1 vote

3.2 Final Verdict

The Data Privacy Regulation Act, 2025, is **Approved** based on a majority vote of 3 out of 5 JudgeAgents.

3.3 Key Observations

- The bill aligns with constitutional privacy principles and provides a robust data protection framework.
 - Minority concerns include ambiguities in terms, DPA overreach, economic impacts on small businesses, and amendment clause risks.
 - Recommendations include incorporating proposed amendments to address dissenting opinions.
-

4. Proposed Amendments

4.1 Overview

Amendments aim to resolve ambiguities, prevent DPA overreach, protect small and medium enterprises (SMEs), and ensure transparent amendment processes while preserving the bill's core intent.

4.2 Detailed Amendments

1. **Section 1 – Definitions (c) 'Processing'**
2. **Issue:** Ambiguity risking interpretive disputes.
3. **Change:** Expand definition to include automated decision-making and profiling, covering all relevant operations.
4. **Section 4 – Data Protection Authority**
5. **Issue:** Lack of specificity in composition and oversight.
6. **Change:** Define bipartisan appointment, expertise requirements, judicial review, and annual public reporting for transparency.
7. **Section 5 – Penalties and Enforcement**
8. **Issue:** Disproportionate impact on SMEs.

9. **Change:** Introduce tiered penalties based on turnover and compliance assistance for SMEs.

10. **Section 6 – Amendments**

11. **Issue:** Risk of politically motivated changes.

12. **Change:** Require supermajority vote and mandatory public consultation for amendments.

13. **Section 2 – Rights of Data Subjects (3) Withdraw Consent**

14. **Issue:** Unclear process for consent withdrawal.

15. **Change:** Define process and ensure minimal disruption in critical sectors like healthcare.

16. **Section 3 – Obligations of Data Controllers (4) Data Security**

17. **Issue:** Lack of specific standards.

18. **Change:** Mandate DPA to issue sector-specific security guidelines within six months.

5. Conclusion

The Data Privacy Regulation Act, 2025, has been approved by a majority of judicial reviewers, reflecting its strong framework for protecting personal data while balancing stakeholder interests. The proposed amendments address critical concerns, ensuring clarity, fairness, and effective implementation. This final report is submitted for legislative consideration and final enactment.