

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 890
TO BE ANSWERED ON 09-02-2018

LEGAL FRAMEWORK TO REGULATE ONLINE TRANSACTIONS

890. SHRI DEREK O' BRIEN:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Ministry is planning to establish a legal framework to regulate online transactions, e-wallets, payment gateways, prepaid cards and other payment platforms, if so details thereof;
- (b) whether it is planning to implement the recommendations made by the Ratan Watal Committee for same;
- (c) the deadline for the implementation of legal framework to protect the privacy and financial details of people using electronic payment; and
- (d) the steps taken by the ministry to eradicate/prevent ghost beneficiaries?

ANSWER

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) and (b): This Ministry has been assigned the task of promotion of Digital Payments. As per information received from Department of Economic Affairs, a proposal to create legal framework for transactions through card/digital modes was approved by Cabinet and a Committee was constituted on 23.08.2016 chaired by Shri Ratan P Watal, former Finance Secretary and Principal Advisor, NITI Aayog to review the framework related to digital payments. The Finance Minister in his budget speech on 01.02.2017 has announced (i) creation of Payment Regulatory Board (PRB) in Reserve Bank by replacing Board of Payments and Settlement Systems (BPSS) and (ii) comprehensive review of PSS Act, 2007.

A draft bill incorporating amendments in PSS Act, 2007 has been prepared and Inter-Ministerial committee has been constituted on 03.11.2017 to examine the draft bill and finalize the amendment to PSS Act, 2007.

(c): Government of India has constituted a Committee of Experts under the Chairmanship of former Supreme Court Justice Shri B N Srikrishna to study various issues relating to data protection in India and make specific suggestions on principles to be considered for data protection in India and to suggest a draft Data Protection Bill. The committee has put out a white paper on data protection and has held four stakeholder consultation meetings. The feedback received is presently being analysed by the committee.

(d): Government in consultation with RBI has amended Prevention of Money Laundering (Maintenance of Records) Rules, 2005 vide G.S.R 538(E) dated 01.06.2017, whereby bank

accounts are required to be seeded with Aadhaar numbers, PAN numbers etc which will serve to identify the ghost beneficiaries.
