

March 1, 2022

Shri Ashwini Vaishnaw,
Honorable Minister, Ministry of Electronics & Information Technology,
Government of India

Respected Shri Vaishnaw ji,

On behalf of the undersigned organizations, which represent wide range of enterprises across the globe and in India, we write to register our strong concerns regarding the *Report of the Joint Committee on Personal Data Protection Bill, 2019* ("Report") presented before the Lok Sabha on December 12, 2021.

We appreciate the Government of India's commitment to data protection and the Joint Parliamentary Committee's efforts in drafting the Report. Many of our joint member companies in India and from across the globe will be significantly impacted by the report. To ensure the success of India's first comprehensive data protection law, we respectfully request MEITY to launch additional stakeholder consultations before introducing the Personal Data Protection (PDP) Bill in Parliament.

The undersigned organizations represent thousands of companies from every corner of the global economy who invest in and conduct trade with India, including, but not limited to the manufacturing, agriculture, automotive, life sciences, financial services, retail, logistics and technology sectors. Despite the many differences in the products and services we offer and in the customers we serve, we are united by the need to process, protect and transfer proprietary data within the countries in which we operate, including India, and across international borders. Our companies rely on this data to reach consumers, drive business efficiencies, and continue to innovate.

The Report includes new recommendations and novel concepts to the PDP Bill, which, if enacted, would create powerful disincentives for India's innovation ecosystem and the promise of a trillion-dollar digital economy. Key recommendations of concern in this regard are the inclusion of non-personal data, restrictions on cross-border data transfers, data localization obligations and mandatory hardware/IOT and AI software certifications. The recommendation to establish a domestic alternative to the international SWIFT banking system is also unprecedented and appears beyond the scope of the Report's objectives, and would have significant detrimental impact on India's financial sector and digital payments ecosystem.

The Report's recommendations run counter to global standards for data protection and competition, and the absence of a formalized and robust public debate on these significant new provisions deviates from good regulatory practices. The regulation of non-personal data is premised on data sharing in the interest of transparency and openness, requiring a distinct set of considerations and approaches from governing personal data. Mandates for companies to locally store their data in India will degrade the privacy and cybersecurity protections by limiting state-of-the-art solutions that are globally available. When these and other recommendations in this Report are considered as a whole, their result, if enacted, would lead to a significant deterioration in India's business environment, degrading the Ease of Doing business in and with India, and negatively impacting India's domestic start-up ecosystem and global competitiveness. The ability of companies to participate in the Indian market would be dramatically impacted, thereby reducing foreign direct investment in India. Similarly, the Report's recommendations would have an unknown and concerning impact on IT exports from India, which are valued at near \$200 Billion annually and are highly dependent on the storage, processing, and analysis of data in India's largest trading partners.

Given the wide-ranging impact and ramification of the Report’s recommendations, we request MEITY to urgently conduct additional stakeholder consultations before the introduction of the PDP Bill in Parliament. Our organizations are committed to assisting your efforts to develop a PDP Bill that accelerates India’s digital transformation and economic growth while minimizing harmful unintended consequences.

Sincerely,

American Property Casualty Insurance Association (APCIA)

Asia Internet Coalition (AIC)

Biotechnology Innovation Organization (BIO)

Business Europe

Computer & Communications Industry Association (CCIA)

Information Technology Industry Council (ITI)

The Japan Electronics and Information Technology Industries Association (JEITA)

Software Information Industry Association (SIIA)

TechUK

Telecommunications Industry Association (TIA)

U.S.-India Business Council (USIBC)

U.S. India Strategic Partnership Forum (USISPF)

CC: Secretary, Meity

Dr. Rajendra Kumar, Additional Secretary, Meity

Shri Bhuvnesh Kumar, Joint Secretary, Meity

