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## Foreword

The COVID-19 pandemic has increased our dependency on digital technologies. To cater to the needs of the people, the Indian government must facilitate a digital revolution and increase digital connectivity so that digital businesses can contribute towards betterment of the lives of people. Technology-led growth can be a pillar of India's economic growth if the government offers support for technological innovations. However, the government's push for regulatory reforms for the digital ecosystem and enhanced technological infrastructure has not been in tandem with the principles of liberty and justice.

The government should adopt consultative and participatory law making process which will produce confidence of all the stakeholders in digital spaces. Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, for example, raised multiple concerns including on encryption and putting disproportionate responsibilities on businesses that can potentially endanger privacy.

Consumer Unity and Trust Society's (CUTS) study on 'Ease of Doing Digital Business' is an important and timely intervention that brings attention to factors impacting digital businesses. The report, '*[Un]Ease of Doing Digital Business: A Study of Policy and Regulatory Challenges*' has underpinned some significant concerns such as the presence of unnecessary compliances and regulatory uncertainty that digital businesses are facing. The report correctly states that the delays in enacting data protection legislation has caused increasing uncertainty for businesses.

The government has withdrawn the Data Protection Bill, 2021 (DPB) for which extensive resources were put in. Policymakers should draw learnings from the process undertaken with respect to Joint Parliamentary Committee's (JPC) reports and consultations in which civil society organisations actively participated. The report highlights critical points related to the DPB. The government can utilise suggestions made in the report for ensuring the independence of any future Data Protection Authority. Also, in regulating non-personal data, the government seemed to be in a hurry and that might be counterproductive when the market is not mature.

In the Finance Bill 2022, the government had put one percent Tax Deducted at Source (TDS) on all crypto transactions which has had negative implications on the sector. Rather than enabling the environment, the government is strangulating all the crypto transactions. Underscoring regulatory impact on cryptocurrencies, the report aptly states that the government has adopted an inconsistent approach which has created uncertainty for both, industries as well as consumers, terming the regulation 'arbitrary'.

Furthermore, the report rightly emphasises on making the digital economy more inclusive by taking concerns of smaller businesses into account as the digital businesses have presented nuanced regulatory and policy challenges. In order to promote innovation and investment for digital businesses in India, further studies as well as governmental attention is needed.

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