



Luthra and Luthra
LAW OFFICES INDIA

TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

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We the October-December 2023 Edition of the Luthra and Luthra Law Offices India – ‘Technology, Media and Telecommunications (“TMT”) Law Newsletter’, we cover some of the most pertinent developments in the TMT law space over the last quarter.

This newsletter is only for general informational purposes, and nothing in this edition of newsletter could possibly constitute legal advice (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts).

Telecommunications

MAJOR HIGHLIGHTS

1. The Central Government [introduces](#) the Telecommunications Act, 2023

Background

The Telecommunications Act, 2023 (“Act”) was introduced in the Lok Sabha on December 18, 2023 and after being passed in both houses received its presidential assent on December 24, 2023. The Act aims to amend and consolidate the law regulating development, expansion and operation of telecommunication services, telecommunication networks, assignment of spectrum and for matters connected therewith or incidental thereto. This Act will be enforced on a future date that will be notified by the Central Government with the possibility of a graded implementation of some parts.

Analysis

The Act spans over ten chapters and three schedules covering issues like the process of authorisation and assignment, right of way, standard, public safety, national security and protection of telecommunication networks, protection of users, adjudication mechanism, offences and more. A few key developments introduced through this act include extra territorial application, common cable corridors alongside infrastructure projects notified by the government, designation of key technology infrastructure as ‘critical telecommunication infrastructure’, prescription of duties of the end user and more. Critically, the Act marks a shift from the existing regime where the Central Government had exclusive privilege over establishing, maintaining and working telegraphs and a right to grant license. This shift is further accentuated by the replacement of ‘licenses’ with ‘authorisations’ which are aimed at easing business in the sector. The terms and conditions of these authorisations will be prescribed by the Central Government through rules which are yet to be introduced. We consider this as a welcome step in the regulatory evolution of the sector and see the introduction of ‘authorisations’ as a logical step



forward towards easing the labyrinth of the existing regulatory framework, thereby, enabling entry of new entrants.

The offences, penalties and their adjudication under the Act is three pronged:

- (i) Civil penalties for contraventions of the Act or breach of terms and conditions of the authorization under Section 32, 33 and breach of undertakings under Section 34 of the Act,
- (ii) Criminal penalties for certain offences under Chapter IX of the Act,
- (iii) Adjudication of right of way related disputes under Section 18 of the Act. The Act is quite comprehensive and contains provisions to enable a wide range of reprimands including fines and criminal measures such as imprisonment of upto three years.

The Act differentiates between contraventions of the Act and the violation of terms and conditions of the authorisation or assignment and the adjudication of civil penalties for violation of terms and conditions of the authorisation.

In case of point (i) above, the adjudication of civil penalties follows a three-tiered adjudication process. All proceedings against authorized entities will be adjudicated by an 'Adjudicating Officer' ("**AO**"), and then forwarded to the 'Designated Appeals Committee' ("**DAC**"), and finally the Telecom Disputes Settlement and Appellate Tribunal ("**TDSAT**") or the relevant Civil Court based on whether it was a breach of terms and conditions or the contravention of any terms and conditions of authorisation or assignment or a contravention of the Act. Further, no civil court will have jurisdiction for any offence for which the TDSAT has jurisdiction under this Act. The offences discussed under point (ii) above are tried under a Chief Metropolitan Magistrate or a Chief Judicial Magistrate of first class under Section 42(8) of the Act and lastly, the disputes regarding right of way related issues are determined by the District Magistrate or District Judge under whose jurisdiction the property is located.

The Act rebrands the Universal Service Obligation Fund ("**USOF**") as the 'Digital Bharat Nidhi' which will act as a source of funding for supporting the research and development of telecommunication services, technologies, and products.

Further, we also see here that the Central Government is empowered to create, for the purpose of encouraging innovation and technological development, a 'regulatory sandbox'. This is a framework of special terms and conditions of a license, registration, authorization, or assignment that allows persons to conduct live testing of products and services in a controlled environment under government supervision.



We see the introduction of the regulatory sandbox as a mark of the Central Government's intention to encourage development of cutting-edge products and services in the sector. Further, a regulatory sandbox has been generally seen as a precursor to an innovation explosion in any sector. A few other examples of regulatory sandboxes in telecommunications include sandboxes introduced by the Infocomm Media Development Authority in Singapore, the Financial Conduct Authority (in the United Kingdom, Bahrain's Telecommunications Regulatory Authority, and Colombia's Ministry of Information and Communication Technologies. Such jurisdictions have implemented sandboxes covering issues such as cybersecurity, artificial intelligence, the Internet of Things ("IoT"), 5G technology, e-commerce, mobile applications, cloud computing, and consumer protection.

Implications on industry

While the introduction of the Act essentially consolidates the existing regulatory framework for telecommunication into one Act, we see that the Act contains provisions to enable continuity of the pre-existing rules and orders and further maintains sanctity of the licenses and exemptions already provided. This implies that the status quo would largely be maintained. However, we feel that deeper intricacies lie in the delegated legislation expected under this Act. The Act at no less than 40 instances delegates the prescription of standards or terms to future rules that may be prescribed by the Central Government under the Act. This is akin to the position that the Central Government took in the Digital Personal Data Protection Act, 2023 and seems to be the way forward for legal tech landscape in India. The Act also represents a transience from a business point of view for key industry players. It presents a unique opportunity for existing industry players to conduct a cost-risk-benefit analysis for maximising their transition to the new regime. The Act also presents a trigger for existing businesses which may need a new authorisation or additional authorisation/or clarifications.

OTHER UPDATES

- 1. The Department of Telecommunications ("DoT"), on October 13, 2023, [released instructions on provisioning of telecommunication services by the licensee through Franchisee, Agents and Distributors \(Point of Sale \("PoS"\)\)](#).**

In response to representations from telecom licensees regarding the "Provisioning of Telecommunication Services by the Licensees through Franchisee, Agents and Distributors (PoS)" instructions issued on August 31, 2023, the DoT has clarified that no further explanations are needed. The instructions mandate licensees to register and verify PoS before customer enrolment, emphasizing national security. Following licensee requests, the DoT has granted a one-time extension of two months for implementation, shifting the effective date from November 1, 2023 to December 1, 2023, acknowledging changes required in the licensees' IT systems.



- 2. On December 1, 2023, the DoT [released](#) a notice seeking stakeholder inputs on the Draft For Comment (“DFC”) of Indian Telecom Security Assurance Requirements (“ITSAR”) for the Equipment Identity Register (“EIR”) and UE Radio Capability Management Function (“[UCMF](#)”) in 5G.**

The notice outlines the specific requirements governing the EIR for the 5G Core, functioning as a crucial element for equipment identification and interfacing termination from Access and Mobility Management Function (“**AMF**”). Emphasizing its pivotal role, the 5G-EIR is designed to verify the Permanent Equipment Identifier status of mobile devices, ensuring the seamless provision of network services. The notice document draws upon specifications from prominent global standardization bodies in addition to country-specific security requirements. Notably, references to Telecommunication Engineering Centre (“**TEC**”)/Telecommunications Standards Development Society of India (“**TSDSI**”) within the notice signify the adoption of clauses with or without modifications. The notice commences with a comprehensive overview of the 5G system architecture, delineating the functionalities of 5G-EIR, and subsequently delves into the exploration of both common and entity-specific security requirements associated with 5G-EIR.

DoT has also provided the country-specific security requirements for the UCMF. The UCMF is a critical component of 5G and is responsible for managing UE radio Capability Identity Documents (“**IDs**”) and their mappings and storing entries for Network-assigned or Manufacturer-assigned IDs. It involves provisioning manufacturer-assigned IDs via various interfaces, including the Network Exposure Function/Service Capability Exposure Function (“**NEF/SCEF**”) and Network Management. In toto, the notice document covers the 5G system architecture, UCMF evolution, functionalities, ID structures, architecture, interfaces, protocols, services, and addresses security requirements related to various interfaces.

- 3. The DoT, on December 5, 2023, [issued](#) a notification for Discontinuation of Paper-based Know Your Customer (“KYC”) process for adequate verification of customers before enrolling them as subscribers.**

DoT had issued a Letter on August 9, 2012 (Letter No. 800-9/2010 VAS) which provided that enrolment of customers for issuing mobile connections can be done using Paper based KYC process i.e., by filling the paper Customer Acquisition Form (“**CAF**”), pasting of photograph on CAF, annexing of Proof of Identity (“**PoI**”) and Proof of Address (“**PoA**”) documents with CAF, etc. However, in light of the amendments and changes in the existing KYC framework over time, the present notification is issued. With this new notification, the use of paper-based KYC process for adequate verification of customers before enrolling them as subscribers will be discontinued. However, all the other terms and conditions outlined in the letter dated August 9, 2012 (as amended from time to time) will continue to remain in effect for KYC.

- 4. TRAI, via Press Release [dated](#) November 14, 2023, extended the last date to receive comments/counter comments on TRAI's Consultation Paper on Open and De-**



licensed use of Unused or Limited Used Spectrum Bands for Demand Generation for Limited Period in Tera Hertz Range. This consultation paper was released on September 27, 2023.

The DoT sought TRAI's recommendations through a reference dated December 08, 2022 on the 'Open and De-Licensed use of Unused or Limited Used Spectrum Bands for Demand Generation for Limited Period in Tera Hertz Range.' The reference highlighted a global trend of allowing experiments in spectrum bands beyond 95 GHz to encourage technology development. A Committee under the Chairmanship of Wireless Adviser submitted recommendations, proposing the opening of spectrum beyond 95 GHz and up to 3 THz for experiments under a 'Spectrum-Terahertz Applications License.' Specific frequency bands, including 116-123 GHz, 174.8-182 GHz, 185-190 GHz, and 244-246 GHz, were suggested for unlicensed use. TRAI was requested to provide recommendations on terms, conditions, and technical parameters for these proposals, aiming to establish a comprehensive regulatory regime for spectrum use in the Tera Hertz range. TRAI has extended last date for stakeholders to submit comments on this consultation paper.

5. TRAI, via Press Release [dated](#) November 08, 2023, extended time to submit comments/counter-comments on the Consultation Paper on Digital Inclusion in the Era of Emerging Technologies. This consultation paper was released on September 14, 2023.

TRAI has released a consultation paper addressing digital inclusion amidst emerging technologies, aiming to bridge the digital divide in India. The paper highlights initiatives like Digital Public Infrastructure, Direct Benefit Transfer, and unstructured supplementary service data ("**USSD**") gateway as examples of technologies fostering internet and digital technology usage. It briefly mentions other emerging technologies such as Augmented Reality/Virtual Reality, Machine-to-Machine ("**M2M**") robotics, cloud computing, IoT, and 5G. While lacking a clear definition of emerging technologies, the paper suggests a focus on leveraging technology for public good. TRAI extended timelines for stakeholders to provide comments on this consultation paper, reflecting TRAI's commitment to enhancing digital inclusion in India.

6. TRAI, via Press release dated September 29, 2023, [released](#) a Consultation Paper on Digital Transformation through 5G.

TRAI issued a consultation paper inviting stakeholder comments on digital transformation through 5G. The Consultation was centred around the potential benefits of 5G across sectors like agriculture, healthcare, and education, emphasizing the need for policy measures, particularly in rural areas. Challenges related to privacy and security, alongside the transformative potential of the metaverse, were discussed, with an emphasis on the role of start-ups and the necessity for regulatory frameworks.

It seeks recommendations on strengthening cross-sector collaboration for 5G use cases, identifying barriers in ecosystem development and suggesting policy interventions. The paper



also seeks input into policy measures needed for awareness and adoption of 5G and IoT technologies, particularly in rural areas. Industry 4.0 challenges, upskilling strategies, and public-private partnership models are explored, along with challenges faced by MSMEs in adopting Industry 4.0. Additionally, the consultation discusses and requests for input on areas such as IoT security guidelines, regulatory interventions for privacy, and measures to encourage research and development in various sectors. It invites insights on Metaverse-related issues, including governance mechanisms, standardization, regulatory frameworks, content moderation, and modifications to the legal framework for intellectual property rights. Stakeholders are repeatedly prompted to address a spectrum of issues, providing a holistic view of the challenges and opportunities in the evolving digital landscape.



Media and Broadcasting

MAJOR HIGHLIGHTS

1. Ministry of Information and Broadcasting (“MiB”) [introduces](#) the Draft Broadcasting (Regulation) Bill, 2023

Background

The draft Broadcasting (Regulation) Bill, 2023 (“**Bill**”) was released by MiB on November 11, 2023 for public comments till December 09, 2023. The Bill expands the scope of the present regulation and intends to bring under its purview Over-the-Top (“**OTT**”) broadcasting service operators, digital media platforms and direct-to-home operators. The Bill aims to consolidate and will govern several stakeholders such as OTT broadcasting service providers, Broadcasting Network Operator, Audience Measurement Service, Radio broadcasting services, Terrestrial broadcasting networks, IPTV services, Broadcasters of news and current affairs programmes.

Analysis

The Bill spans over six chapters covering issues like the regulation of broadcasting services (*split into three parts covering cable and satellite broadcaster under part A, radio broadcasting under part B, internet broadcasting under part C and terrestrial broadcasting under part D*), content standards, accessibility and access control measures, regulatory structure, penalties and more. Critically, the Bill presents an addition to the existing regulatory framework of applicable laws, such as the Cinematograph Act, 1952, the Copyright Act, 1957, the Information Technology Act, 2000 (“**IT Act**”), and the TRAI Act, 1997 and the Trademarks Act, 1999 will be read in addition to them.

A few key developments introduced through this Bill include self-regulation, in the form of the content evaluate committee (“**CEC**”) and the broadcast advisory council, implementation of program and advertising code, improving accessibility for persons with disabilities and scaling of penalties based on the financial capacity.

Implications on industry

A key industry concern with the introduction of this Bill is the inclusion of OTT platforms within its purview. This inclusion disregards a key difference between the manner for content delivery between OTT and traditional broadcasting services. Traditional broadcasting services send a fixed amount of content to their viewers over a set period of time whereas, an OTT platform provides any user with the flexibility to mix and match content and receive as much or as little content as they desire. Further, the Bill also implicates an underlying issue of a potential overlap in the regulatory framework. OTT platforms at present fall within the ambit of the Information



Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (**"IT Rules 2021"**) for platform regulation but after enactment of the Bill, they would depend on the Bill for regulation of content. This complexity of regulation is likely to impact the regulatory framework and the ease of doing business in the sector.

2. MiB has [issued](#) notification on decriminalizing Cable Television Networks (Regulation) Act, 1995 ("CTN Act")

Background

The Ministry of Information and Broadcasting on October 5, 2023, introduced significant amendments to the Cable Television Networks Rules (**"CTN Rules"**), governing the implementation of the recently decriminalized provisions of the CTN Act.

Analysis

Previously, the CTN Act, enacted in 1995, imposed imprisonment as a penalty for violations. The recent amendments, however, replace imprisonment with monetary fines and introduce non-monetary measures such as advisory, warning, and censure. This move aligns with the decriminalization of Section 16 of the CTN Act, which previously prescribed imprisonment for offenses. The amended rules now empower a "designated officer" to enforce these penalties, with an added provision for an appeal mechanism against decisions made by the designated officer.

Implications on industry

The amendments aim to encourage compliance and sensitivity by adopting a more educational and compliance-oriented approach rather than a punitive one. The inclusion of advisory, censure, and warnings as penalties reflects this shift in focus. Furthermore, the amended provision provides a flexible framework for penalties, allowing for a proportional response based on the nature, specificity, and severity of the contravention. This approach ensures that the enforcement process is streamlined and overseen by a designated officer, simplifying and unburdening the criminal justice system.

In addition to fostering compliance, the amendments introduce uniform definitions for common industry terms like "platform services" and "local cable operator." This marks the first time these definitions have been included, aiming to ensure consistency in their usage within the cable industry. Overall, the changes emphasize a balanced and flexible regulatory framework, incorporating both penalties and educational measures to address varied contraventions under the CTN Act.

OTHER UPDATES



1. MiB on November 30, 2023, [issued](#) Guidelines for exhibition of Public Service Awareness (“PSA”) films in cinema theatres.

This communication forwards 'Guidelines on exhibition of PSA films in cinema theatres,' which must be followed for screening such films. These Guidelines supersede previous instructions of the MiB regarding PSA /Approved Films and are effective immediately. PSA Films/Approved Films, certified or exempted under the Cinematograph Act, are scientific, educational, news-related, documentary, or indigenous films produced by Central Government Organizations. All film exhibitors, theatre owners, Digital Cinema Service Providers, and license applicants are mandated to screen PSA films/Approved films in their cinema theatres, as specified in section 12(4) of the Cinematograph Act.

2. MiB on December 29, 2023, [issued](#) Gazette Notification regarding The Press and Registration of Periodicals (“PRP”) Act, 2023

The PRP Bill, 2023 introduces key features for regulating periodicals in India. It focuses on periodical registration, excluding books, and shifts book administration to the Ministry of Human Resource and Development. The PRB Bill establishes online registration protocols, mandates Central Government approval for reproducing foreign periodicals, and introduces the role of the Press Registrar General. This official oversees registration certificates, maintains registers, and handles various aspects, including circulation figures. Further, PRP Bill allows online submissions for printing press declarations, grants authority to suspend or cancel registrations, and imposes penalties and imprisonment for non-compliance. Provisions for appeals against registration-related decisions are available before the Press and Registration Appellate Board within a designated timeframe.

3. The TRAI, via Press Release dated October 30, 2023, [extended](#) last date to receive comments on TRAI’s Pre-Consultation Paper on Inputs for Formulation of National Broadcasting Policy. This consultation paper was released on September 21, 2023.

The MiB has informed about formulating a National Broadcasting Policy, seeking inputs from stakeholders. The MiB has formally requested inputs from the TRAI under Section 11 of the TRAI Act. TRAI in this pre-consultation recommends simplifying policies for various broadcasting services, emphasizing local content promotion, piracy and content security, and technology innovation. Convergence of information technology, telecom, and broadcasting is proposed, along with exploring the need for a separate regulatory authority for broadcasting. Recommendations include a robust grievance redressal mechanism, addressing broadcasting during disasters, and ensuring transparent audience measurement. Social goals and environmental responsibility are highlighted, emphasizing diversity and safety standards. Lastly, TRAI has extended last date for stakeholders to submit comments on this pre-consultation paper.

4. The TRAI, via Press Release dated October 30, 2023, [extended](#) last date to receive counter-comments on TRAI Consultation Paper on Review of Regulatory Framework



for Broadcasting and Cable services. This consultation paper was released on August 08, 2023.

TRAI's consultation paper discusses amendments to the Telecommunication (Broadcasting & Cable) Services Interconnection (Addressable System) Regulation, 2017 ("**Interconnection Regulations**"), focusing on Regulation 15 regarding audits. The paper highlights the need for amendments to Schedule III and outlines the process initiated by TRAI, including the issuance of a draft in 2019. The proposed amendments, termed the "Draft Regulations 2022," address issues such as Digital Rights Management ("**DRM**") systems, transactional capacity, fingerprinting, and watermarking network logos for pay channels. The consultation paper specifically focuses on incorporating 'System Requirement for DRM' as a new Schedule (Schedule X) in the Interconnection Regulations. TRAI has extended last date for stakeholders to submit comments on this consultation paper.



Fintech

MAJOR HIGHLIGHTS

1. Reserve Bank of India (RBI) [issues](#) directions for regulation of Payment Aggregators- Cross Border.

Background

The RBI has issued a circular on October 31, 2023, introducing new regulations for Payment Aggregators (“**PAs**”) facilitating cross-border transactions for import and export of goods and services. These entities will now be recognized as Payment Aggregator-Cross Border (“**PA-CB**”).

The circular refers to previous guidelines and circulars on the regulation of PAs and Payment Gateways, processing and settlement of export-related receipts, and import and export-related payments facilitated by Online Payment Gateway Service Providers. The new regulations aim to bring all entities facilitating cross-border payment transactions under the direct regulation of the RBI. This includes Authorised Dealer (“**AD**”) banks, PAs, and PA-CBs involved in processing or settling cross-border payment transactions.

Analysis

Entities will be required to seek authorization for PA-CB activity in any of the following categories: Export only PA-CB (“**PA-CB-E**”), Import only PA-CB (“**PA-CB-I**”), and Export and Import PA-CB (“**PA-CB-E&I**”). Non-banks providing PA-CB services as on the date of the circular must apply to the RBI for authorization by April 30, 2024. They must adhere to guidelines on governance, merchant onboarding, customer grievance redressal, dispute management framework, baseline technology recommendations, security, fraud prevention, and risk management framework.

The circular also outlines requirements for Import only PA-CBs, Export only PA-CBs, and Import and Export PA-CBs, including maintaining separate Import Collection Account and Export Collection Account undertaking Customer Due Diligence of merchants, and ensuring transactions do not facilitate payment for import of any restricted or prohibited goods and services. The guidelines also require compulsory registration with the Financial Intelligence Unit-India (“**FIU-IND**”) to help curb illegal cross-border transactions.

Implications on industry

The new regulations mark a shift from a light regulatory framework to a fully licensed regime, intensifying the RBI's scrutiny and direct oversight of players in the digital payment's realm. This increased oversight is expected to significantly raise compliance costs for these entities.



OTHER UPDATES

1. RBI [releases](#) the final version of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023.

RBI on November 07, 2023 released its "Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices" wherein it introduced new IT Governance guidelines ("**IT Guidelines**") for Regulated Entities ("**REs**"), such as banks and finance companies. The RBI finalized the master directions for Information Technology ("**IT**") Governance, stressing the requirement for RE's to establish a robust IT governance framework that encompasses strategic alignment, risk and resource management, business continuity and disaster recovery management. The new IT guidelines set very clear expectations for the roles and responsibilities of the board of directors, board-level committees, and senior management. These new IT guidelines emphasize on IT governance and risk control and are introduced to ensure a proactive approach to addressing IT and cyber security concerns within the RE's.

2. RBI [issues](#) draft Master Direction on Managing Risks and Code of Conduct in Outsourcing of Financial Services, 2023.

RBI on October 26, 2023 issued a draft "Master Direction for Managing Risks and Code of Conduct in Outsourcing of Financial Services" ("**Master Direction**"). The RBI recognizes that RE's are increasingly using outsourcing as a means for reducing costs and availing specialist expertise not available internally. However, outsourcing exposes them to various risks that need to be managed. The Master Direction has been prepared by incorporating, updating, and harmonizing the extant directions/guidelines/instructions to enable REs to have all current instructions on outsourcing of financial services at one place for reference.

The RBI expects REs to establish a comprehensive Board-approved outsourcing policy, which should incorporate criteria for selection of activities and service providers, parameters for defining material outsourcing, delegation of authority depending on risk and materiality, and systems to monitor and review the operations of these activities. The Board/Senior Management is to have ultimate responsibility of the outsourced activity.

3. RBI [amends](#) KYC Directions to align with Financial Action Task Force ("FATF**") recommendations.**

RBI on October 17, 2023 amended its KYC directions wherein REs have to undertake Customer Due Diligence ("**CDD**"), as per the process laid out in the amendment for their customers. RBI was aiming to align this amendment with the recommendations of the FATF the global watchdog for money laundering, terrorist financing, and anti-money laundering measures. This includes Money Laundering and Terrorist Financing Risk Assessment to be conducted by RE's periodically including aligning the same with Prevention of Money Laundering Act, 2002 and related legislations.



- 4. Pension Fund Regulatory and Development Authority (“PFRDA”) on December 20, 2023, via [notification](#) allowed National Pension System (“NPS”) subscribers to deposit their contributions through the convenience of the Unified Payments Interface (“UPI”) QR code.**

Under this new mechanism, subscribers will utilise the UPI QR Code to transfer their contributions. It is important to note that the D-Remit virtual account is distinct from the Permanent Retirement Account Number (“PRAN”).

- 5. RBI’s Monetary Policy Committee, on December 8, 2023, has [announced](#) a slew of measures, major relaxations and new initiatives for the fintech industry.**

At present, the fintech industry is under a lot of regulatory scrutiny. RBI has raised the payment limits for UPI transactions for the hospitals and educational institutions from INR 1 lakh to INR 5 lakhs. It has also created a fintech repository which would be run by RBI’s Innovation Hub to better understand the developments in the fintech ecosystem. Further, RBI has decided to lay down a regulatory framework for web aggregation of loan products to enhance customer centricity and transparency in digital lending.

- 6. RBI, on November 16, 2023, [issued](#) a directive to lending institutions.**

The directive requires lending institutions to increase their risk weightage or the amount of capital to be set aside against unsecured loans disbursed by them, with the aim to curb lenders who may have followed lenient practices in loan appraisal.



E-Commerce, Social Media Intermediaries

MAJOR HIGHLIGHTS

1. **The Central Consumer Protection Authority (“CCPA”) [releases](#) “Guidelines on Prevention of Dark Patterns” (“CCPA Guidelines”).**

Background

On November 30, 2023, the CCPA introduced the CCPA Guidelines that were to apply to various entities, including platforms offering goods or services in India, advertisers, and sellers. They specifically prohibit any engagement in dark patterns by individuals or platforms.

The CCPA Guidelines aim to address the growing concerns around deceptive online practices categorising certain practices as potential violations of consumer rights. The definition specifically highlights the subversion or impairment of consumer autonomy, decision-making, or choice, leading to misleading advertisements or unfair trade practices.

Analysis

Applicability: The CCPA Guidelines are intended to apply to all platforms, systematically offering goods or services in India; advertisers; and sellers.

Prohibition: The CCPA Guidelines prohibit all persons including platforms from engaging in any dark pattern. They prescribe a list of specific practices of dark patterns (“**Specified Dark Patterns**”) and where any person engages in any such prescribed practices, it shall be assumed to be engaging in a dark pattern.

Unlike the Advertising Standards Council of India’s (“**ASCI**”) earlier identification of four dark patterns, the CCPA’s Guidelines recognize and elaborate on 13 distinct practices:

1. **False Urgency:** Misleading users with a false sense of urgency or scarcity to prompt quick actions, such as falsely inflating a product’s popularity or understating availability.
2. **Basket Sneaking:** Automatically adding extra items during the checkout process without the user’s consent, resulting in an unintended increase in the total payable amount.
3. **Confirm Shaming:** Instilling shame, guilt, or ridicule in users through various means to coerce them into making a purchase or extending their subscription.
4. **Forced Action:** Compelling users to purchase additional items, subscribe to unrelated services, or share personal information to access the initially desired product or service.
5. **Subscription Trap:** Creating barriers to cancelling paid subscriptions or coercing users into providing payment details for supposedly free subscriptions.



6. **Interface Interference:** Manipulating the user interface to emphasize specific information while concealing other relevant details, misleading users from the intended action.
7. **Bait and Switch:** Advertising a specific result tied to a user's action but deceptively delivering a different result.
8. **Drip Pricing:** Withholding or revealing price components in a misleading manner during the user experience.
9. **Disguised Advertisement:** Camouflaging advertisements as various content forms to deceive users into clicking on them.
10. **Nagging:** Subjecting users to continuous bothersome interactions to push for transactions and achieve commercial gains.
11. **Trick Question:** Using intentionally confusing language to misguide users away from the intended action or prompt specific responses.
12. **SaaS Billing:** Generating recurring payments within a software as a service ("**SaaS**") business model through positive acquisition loops.
13. **Rogue Malwares:** Using ransomware or scareware to deceive users into purchasing a fake malware removal tool.

Implications on industry

The CCPA Guidelines will require platforms, advertisers and sellers to ensure that they do not engage in dark patterns of advertising as highlighted above and therefore will have to revisit their advertising and marketing practices to avoid penalties under the Consumer Protection Act, 2023.

2. IT Rules 2021 [Advisory](#) on AI and Deepfakes

Background

The Ministry of Electronics and Information Technology ("**MeitY**") has issued a crucial advisory to all intermediaries, urging compliance with existing IT Rules 2021 issued under IT Act and addressing specific concerns related to AI-generated deepfakes. The advisory emphasizes the necessity for intermediaries to clearly communicate prohibited content, particularly as outlined in Rule 3(1)(b) of the IT Rules 2021.

Analysis

According to the advisory, intermediaries must convey information about restricted content in clear and precise language through terms of service, user agreements, and regular reminders, particularly during login and information uploading/sharing instances. Users must be explicitly informed about penal provisions, including those in the Indian Penal Code ("**IPC**") and the IT Act, in the event of Rule 3(1)(b) violations. The terms of service and user agreements should highlight



the intermediary's obligation to report legal violations to law enforcement agencies under relevant Indian laws.

These advisory echoes the principles of Rule 3(1)(b) within the due diligence section of the IT Rules, 2021 and places an obligation on intermediaries to communicate their rules, regulations, privacy policy, and user agreement in the user's preferred language. Additionally, intermediaries are required to make reasonable efforts to prevent users from engaging in activities related to the 11 listed user harms or content prohibited on digital platforms. The rule specifically targets combating misinformation, false or misleading content, and materials impersonating others, including deepfakes, by ensuring platforms promptly identify and remove such content.

Implications on industry

While the advisory mostly reiterates the due diligence obligations of the intermediaries, it also requires them to incorporate the 'agreed to' procedures to ensure that their users do not violate the restrictions on prohibited content. It will be relevant to note that in case intermediaries do not comply with the due diligence requirements as required under the IT Rules 2021, they might potentially be liable to face penalties as delineated under the IT Act along with the IT Rules 2021.

OTHER UPDATES

1. Department of Consumer Affairs ("DoCA") [holds](#) stakeholder consultation on Safety Pledge for e-commerce platforms

On November 16, 2023 the DoCA in India directed all major ecommerce platforms to take measures to prevent the sale of unsafe goods. This decision was made during a meeting chaired by Consumer Affairs Secretary Rohit Kumar. As part of this initiative, a panel has been formed to draft a 'Safety Pledge'. The panel, which includes representatives from major ecommerce firms, consumer associations, industry bodies, and National Law Universities, is expected to submit its report within two weeks. The Safety Pledge aims to standardize product safety norms across all online marketplaces in India. The proposed principles of the Safety Pledge include detecting and preventing the sale of unsafe products, cooperating with statutory authorities responsible for product safety, raising consumer product safety awareness among third-party sellers, and empowering consumers on product safety issues. This move follows a series of advisories issued by the CCPA to ecommerce platforms, prohibiting them from manufacturing, selling, or listing products that pose a danger to consumers.

2. Ministry for Commerce and Industry on December 28, 2023, [released](#) the 'E-Commerce Exports Handbook for Micro small and medium enterprises ("MSMEs")'.

The handbook, envisioned as a one-stop repository, provides detailed insights into strategies for promoting exports via e-commerce, facilitating MSMEs to venture into global markets effectively.

3. CCPA on November 29, 2023 [issued](#) a Safety Notice under Consumer Protection Act, 2019.



The aim of the Safety Notice was alerting consumers against purchase of acid on e-commerce platforms. The Safety Notice asked e-commerce platforms to immediately incorporate appropriate mechanisms to ensure that acid is not purchased on their platforms in violation to the mandatory requirements of the rules notified by the respective State Governments and, in case of absence of the same, compliance may be made of the guidelines issued by Ministry of Home Affairs on August 30, 2013.



Data Protection

MAJOR HIGHLIGHTS

1. **The Delhi High Court on December 22, 2023 [held](#) that the information about phone tapping, interception exempt from disclosure under Right to Information Act 2005 (“RTI Act ”)**

Background

In this case of *TRAI v Kabir Shankar Bose & Ors (2023) LiveLaw (Del) 1334*, the Delhi High Court grappled with the intricate legal question surrounding the disclosure of information pertaining to the interception, tapping, or tracking of phones under RTI Act. A division Bench of the Delhi High Court held that phone interception orders passed by the appropriate government are exempted from disclosure under the RTI Act. The case originated from a plea by the TRAI challenging a single-judge order that supported the Central Information Commission's (“CIC”) directions to TRAI to disclose information related to phone surveillance. The CIC had directed TRAI to collect and share information from the telecom service provider regarding whether the phone of the RTI applicant, Mr. Bose, was under surveillance, tracking, or tapping, and under whose directions. The Bench, comprising Justices Amit Mahajan and Vibhu Bakhru, quashed a single-judge order and affirmed that the TRAI does not have the power to call for information related to interception or surveillance. The division Bench emphasized that actions of interception fall under the Indian Telegraph Act and are carried out under the directions of the concerned government, not within the functions specified for TRAI in Section 11 of the TRAI Act.

Analysis

The Court grounded its reasoning in the pivotal Section 8(a) of the RTI Act, recognizing that the exemption was crucial to balance the citizen's right to information against the broader imperatives of national security and strategic interests. By emphasizing that orders for interception are rooted in the safeguarding of sovereignty, integrity, and security, the Court underscored the delicate nature of such decisions, often made in the context of ongoing investigations. The acknowledgment that disclosure might impede these investigations is pivotal, as it reflects an understanding of the nuanced interplay between transparency and the imperative to shield sensitive information. The Court acknowledged that orders authorizing such actions are typically issued by the government when an authorized officer is satisfied that it is necessary in the interest of sovereignty, integrity, security of the State, friendly relations with foreign states, public order, or for preventing the commission of an offense. Crucially, the Court noted that disclosure of such information might not only impede ongoing investigations but could also have broader implications for the sovereignty, integrity, and strategic, scientific, and economic interests of the nation.



Moreover, the Court's analysis and interpretation of Section 11(3) of the TRAI Act added depth to its analysis. By interpreting the provision, the Court signalled that TRAI's regulatory powers should not be construed broadly to encompass every action undertaken by telecom service providers. This precise delineation of regulatory authority ensures that TRAI operates within the specified confines of its mandate and does not overstep boundaries that might compromise national interests. The rejection of the argument that TRAI's powers extend to seeking information related to interception or tracking further emphasizes the court's commitment to preventing regulatory overreach.

Implications on industry

The Delhi High Court's decision holds profound implications for the intersection of information disclosure, individual privacy, and national security. By affirming that information related to phone interception falls under the protective ambit of Section 8(a) of the RTI Act, the court has set a robust precedent for cases involving the delicate balance between the public's right to know and the idea of safeguarding sensitive national interests. The ruling safeguards government actions undertaken in the interest of the nation's security, preventing potential disruption caused by premature disclosure during ongoing investigations.

The Court recognizes the nuanced balance required when handling sensitive information tied to interception orders. Further, the ruling clarifies that TRAI's regulatory authority does not extend to seeking information on interception activities undertaken by telecom service providers. This precise interpretation ensures that TRAI's powers are curtailed from potentially interfering with the functions of these service providers, aligning with the legislative intent of the TRAI Act. Hence, the Court's detailed consideration of these objectives provides a roadmap for regulatory authorities, ensuring they operate within defined parameters and do not overstep their mandate, particularly in matters involving national security.

Online Gaming

MAJOR HIGHLIGHTS

1. Goods and Service Tax (“GST”) Department [issues](#) Advisory on registration procedure for foreign gaming platforms

Background

The Central Government on October 17, 2023 issued an advisory (No. 609) (“**Advisory**”) to offshore online real money firms on the registration procedure and formalities that foreign real-money gaming platforms are required to adhere to for registering under India’s GST ecosystem.

Analysis

The Advisory states that any person located outside India and supplying online money gaming to a person in India is liable to get registered under GST laws and is required to pay tax on such supply. Further, it states that every person located outside India making such supplies of online money gaming to a person in India is also mandated to take registration/amend their existing registration and also required to furnish information regarding the supplies as prescribed.

The offshore gaming firms have been mandated to register and remit tax under the GST Laws with effect from 1 October, 2023. The government has also notified principal commissioner, Bengaluru West as the authority for issuing GST registrations to these offshore gaming entities.

Implications on Industry

The specific emphasis on the offshore gaming firms arose from the fact that offshore gaming firms were often found violating the tax laws and had been involved in money laundering. The heightened scrutiny on offshore gaming entities is largely due to their past non-adherence to tax regulations and suspected involvement in money laundering. The government has long been contemplating a structured regulatory framework for these offshore betting platforms.

Betting and gambling is illegal in the country and tax authorities have claimed that taxing does not mean accepting them as legal. These betting firms till now operated through maze of corporate structures and the new GST regime made their officials vulnerable to proceedings under the tax laws and also under general laws that prohibit betting and gambling. The revamped GST guidelines have placed officials of the foreign offshore platforms at risk of legal repercussions, not only under tax laws but also broader legislation restricting betting and gambling.

2. Madras High Court rules [that](#) Tamil Nadu Gambling Ban Cannot Apply to Rummy, Poker.

Background



The Madras High Court (“**Court**”) in **All India Gaming Federation (“Petitioners”) v. State of Tamil Nadu Through Chief Secretary (“Respondents”), 2023 SCC OnLine Mad 6973** upheld the validity of Tamil Nadu’s Prohibition of Online Gambling and Regulation of Online Games Act, 2022 (“**TN Gaming Act**”) and ruled that the ban will be restricted only to games of chance, not games like rummy and poker. The Petitioners contested TN Gaming Act, specifically objecting to the inclusion of online games like “rummy” and “poker” in the schedule of prohibited games.

Key submissions by the Petitioners: The Petitioners argued that the TN Gaming Act arbitrarily categorized games of skill such as rummy and poker as games of chance, in defiance of the already settled law in the case of **Junglee Games India Private Limited vs. State of Tamil Nadu, 2021 SCC Online Mad 2762**. Further, they argued that State only has the competence to legislate on the “betting and gambling” and therefore, includes only games of chance. Games of skill cannot be legislated by the respondent state. Therefore, the TN Gaming Act is against the Indian constitution and goes against the findings of the Court in Junglee Games. Furthermore, they argued that the state’s claim that the petitioners’ incentives for players aim solely at profits is flawed.

Key submissions by the Respondents: The Respondents argued that the State has the authority to legislate on betting on games of skill pursuant to Entry 34 of the State List and hence, the enactment of law regulating betting is not contrary to any judicial decision. The State’s interest in regulating online games is justified since there are concerns such as accessibility, addictive design, and economic impacts. Further, they argued that there is no repugnancy between the Union Law and the State Law basis the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules of 2023 and contended that the TN Gaming Act is valid as it also meets the doctrine of territorial nexus test, to protect persons within the State of Tamil Nadu from harms associated with online gambling. Further, it also safeguards mental health and therefore, the assembly is allowed to make such law.

Analysis

The Court analysed the constitutional validity of the TN Gaming Act based on two grounds: ‘legislative competence’ and ‘arbitrariness violating fundamental rights’. It recognized the state’s authority to legislate under Entry 34 of the State List, dealing with “betting and gambling”. The Court acknowledged judgments affirming “rummy” and “poker” as games of skill and considered the State’s reliance on factors like software knowledge and player identity as speculative. The Petitioners argued they maintained high-security standards and followed a code of conduct. The Court scrutinized the state’s claims, finding no evidence supporting the contention that online games differed substantially from their offline counterparts.

The Court ultimately deemed the inclusion of “rummy” and “poker” as online games of chance in the TN Gaming Act’s schedule as erroneous and against precedent. It emphasized that corruption or mischief in isolated cases could not define the entire game. The Court suggested that if the



state found any illegal activities, it could take action, but it held that considering “rummy” and “poker” as games of chance contradicted established legal principles.

In respect of 24/7 availability of online games, posing a risk to public and domestic health, the Court acknowledged the State's responsibility to protect public health and noted that the government has the authority to regulate aspects like time limits and age restrictions for playing online games.

With respect to concerns about public order, the Court clarified that not every breach of peace constitutes a disturbance to public order. The judgment concluded that the State has the authority to legislate on online games of chance but should not impose a blanket ban. Section 2(l)(iv) of the TN Gaming Act, which included games of skill like rummy and poker, was read down to exclude them from the definition of “online gambling”.

Implications on industry

This judgement, by reiterating that online game of “rummy” and “poker” are games of skill, has supported the view maintained by the online skill gaming industry that dealing in online skill games is a legitimate business activity which is protected under the Indian Constitution. This forward-looking approach, recognizing the sector's potential, instills investor confidence in the gaming space.

OTHER UPDATES

- 1. Amended legal provisions and rules for online gaming, horse racing and casinos from Sunday [came](#) into effect starting October 1, 2023, bringing into effect the 28 per cent tax at face value at entry level under the GST) regime and mandatory registration for offshore online gaming companies in India.**

The Finance Ministry has introduced amendments to the GST Rules (Central Goods and Services (“CGST”) Act 2017 and CGST Rules 2017) for online gaming and casinos. Players are now required to pay GST on the full value of their initial purchase of in-game currency, amounting to 28 percent of the first Rs 100 spent in the game. The GST rates are equally applicable to both skill-based and chance-based online games. The move comes after the Supreme Court stayed a Karnataka High Court order, and it follows the earlier decision by the GST Council to impose a 28 percent tax on online gaming, casinos, and horse racing. The taxation measure aims to generate significant revenue from the gaming industry, estimated to be 10 times the volume of the previous year.



Emerging Technologies

MAJOR HIGHLIGHTS

Health-tech

- 1. National Association of Software and Service Companies (“NASSCOM”) publishes [report](#) titled ‘Health-Tech in India - Are we there yet?’**

Background

The NASSCOM, on October 14, 2023 released a report titled 'Health-Tech in India - Are we there yet?' (“**Report**”). The Report provides a comprehensive overview of the current state of the Health-Tech industry in India, its potential for growth, and the challenges it faces.

Analysis

Some salient items discussed in the Report include: - i. statistics on the rapid growth of the Health-Tech sector in India driven by factors like increased internet penetration, rising healthcare costs, and a growing middle class with higher disposable income; ii. significant role of technology in addressing the gaps in India's healthcare system, fundamental gaps being identified as lack of access to quality healthcare in rural areas and the shortage of skilled healthcare professionals; iii. categorisation of various segments within the Health-Tech industry, involving telemedicine, electronic health records, wearable devices, and health analytics; iv. emphasizing on the role of health-tech startups in addressing the challenges of accessibility, affordability, and quality of healthcare in India and; v. statistics to the effect that 37% of startups are building IoT components into their products, while 54% are building artificial intelligence (“**AI**”) components.

Implications on industry

The findings of this Report have significant implications for the Health-Tech industry. It underscores the immense potential of this sector and the opportunities it presents for both startups and established companies while highlighting the need for continued innovation and investment in this sector to address the fundamental challenges faced by it. Further, the Report discusses the major role of government policies and regulations in shaping the future of the Health-Tech industry, thereby calling for a more conducive regulatory environment which would encourage innovation while protecting consumer interests.

The Report does provide a comprehensive and insightful analysis into the Health-Tech industry in India, successfully highlighting the potential of this sector in transforming healthcare delivery in India. However, the Report could have delved deeper into the role of public-private partnerships in driving the growth of the Health-Tech industry since such partnerships play a crucial role in leveraging the strengths of both the public and private sectors to address the



challenges in the healthcare system. Additionally, while the Report discusses the need for a conducive regulatory environment, it does not provide specific recommendations on the changes needed to be inculcated in the current regulatory framework.

Drones

2. Ministry of Civil Aviation [introduces](#) Drone (Amendment) Rules 2023.

Background

The Ministry of Civil Aviation (“MCA”) in India has recently implemented the Drone (Amendment) Rules 2023 (“**Amended Rules**”), effective from October 3, 2023, with the aim of liberalizing and promoting drone operations in the country to become a global drone hub by 2030.

Analysis

These Rules simplify the process for obtaining a Remote Pilot Certificate by allowing government-issued proof of identity and address, such as Voter ID, Ration Card, or Driving License, for those lacking a passport. This is particularly beneficial for aspiring drone pilots, especially in rural India's agricultural sector, where passport requirements were hindering participation.

The Rules are anticipated to have a substantial impact on the drone industry in India. By facilitating easier access to drone pilot certification, these Rules are expected to encourage more individuals to become drone pilots, leading to an increase in drone operations. This surge may result in additional job opportunities and investments, contributing to economic growth. Furthermore, the rules could drive expanded drone applications in agriculture, disaster management, infrastructure maintenance, and medicine delivery, bringing about significant advancements in these sectors.

Implications on industry

The Rules might pose potential challenges for the drone industry, with concerns about an influx of untrained pilots leading to safety issues. While the Rules aim to democratize the drone industry, the relaxation of guidelines for acquiring drone licenses underscores the need for careful regulation to address safety and privacy concerns. It is crucial for the government to implement appropriate measures, such as requiring warrants for surveillance drone usage, and providing training and education programs for drone pilots to ensure safe and responsible operations.

In summary, the introduction of the Rules marks a positive step in promoting drone use in India. While facilitating accessibility to drone operations, it is imperative for the government to address potential challenges and concerns through effective regulation, training programs, and privacy safeguards to ensure the sustainable growth of the drone industry.

Artificial intelligence



3. Guidelines for Secure AI System Development by the United Kingdom (“UK”) National Cyber Security Centre (“NCSC”) and the United States (“US”) Cybersecurity and Infrastructure Security Agency (“CISA”) [Guidelines](#) (“AI Guidelines”) for Secure AI System Development.

Background

The joint release of the AI Guidelines by NCSC and CISA on November 26, 2023, marks a landmark collaboration signed by 18 countries and endorsed by 23 cybersecurity organizations.

Analysis

These AI Guidelines, complementing the US Voluntary Commitments on AI safety, emphasize Secure by Design principles and are applicable to all types of AI systems. Targeting suppliers of AI systems, the AI Guidelines provide recommendations for secure design, model development, system deployment, and operation, aiming to foster a secure and responsible AI industry. Emphasizing security considerations throughout the AI system development life cycle, the guidelines promote the identification and mitigation of security vulnerabilities and risks. This approach ensures that AI systems are designed with security in mind, enhancing resilience against cyber threats.

Implications on industry

Expected to have a significant impact on the AI industry, the AI Guidelines offer a clear framework for secure AI development. Additionally, the AI Guidelines serve as a valuable resource for organizations adopting AI technologies, offering guidance and best practices for secure development and deployment. In our perspective, these AI Guidelines represent a positive step towards promoting the safe and responsible use of AI technologies. While they provide a comprehensive framework for addressing security challenges, organizations must complement them with ongoing training and education programs to equip employees with the necessary skills and knowledge. Overall, the AI Guidelines contribute significantly to promoting the secure development and deployment of AI technologies, aligning with broader efforts to ensure responsible AI use.

OTHER UPDATES

Health-tech

1. U.S. Food and Drug Administration (“FDA”) [establishes](#) a new advisory committee on Digital Health Technologies (“DHTs”).

In October 2023, the FDA announced the establishment of the Digital Health Advisory Committee (“DHAC”) to address intricate scientific and technical issues related to DHTs. This cross-cutting



initiative encompasses a wide array of technologies, including AI, machine learning, virtual reality, wearables, and concerns such as decentralized clinical trials, patient-generated health data, and cybersecurity.

The formation of the DHAC is anticipated to have a substantial impact on the DHT industry. The DHAC's recommendations may influence the development and evaluation of DHTs, potentially leading to new guidelines and regulations that shape the industry's future. The DHAC is also poised to address complex issues in clinical trials, post-market studies, personalized medicine, and cybersecurity, contributing to more robust regulations for the safety and effectiveness of DHTs. However, it is crucial for the committee to maintain a balanced approach, considering both innovation encouragement and the safety of DHTs. Overall, the DHAC's formation is a significant development, demonstrating the FDA's commitment to navigating the complex landscape of DHTs, balancing innovation with safety and effectiveness.

Artificial Intelligence

2. MeitY publishes 'IndiaAI Expert Group Report-First Edition' report ("Report").

The Report, released by the MeitY on October 14, 2023, presents a strategic vision for the widespread adoption of AI in India. This expert-crafted roadmap focuses on fostering innovation and skill development, with a mission-centric approach directed at key sectors like healthcare, agriculture, education, and public services. The Report's emphasis on AI startups as instrumental for innovation and its commitment to a balanced approach, utilizing AI for inclusive growth and social good, positions it as a pivotal document in shaping India's role as a global AI leader.

Anticipated to have a profound impact on the industry, the Report provides clear guidance for stakeholders, including businesses and policymakers, navigating the AI landscape in India. Notably, the Report addresses the industry's skill gap through the 'IndiaAI FutureSkills' initiative, and it underscores the importance of regulatory frameworks to support a conducive environment for AI innovation. While the Report is a commendable step, successful implementation will require coordinated efforts across government, industry, academia, and civil society. An area for further consideration is the ethical dimensions of AI, including privacy, bias, and transparency, to ensure responsible and trustworthy AI use in India's evolving technological landscape.

3. Biden administration issues executive order on safe, secure, and trustworthy Artificial Intelligence.

On October 30, 2023, United States President Biden signed a landmark executive order ("**order**"), setting new standards and guidelines for the responsible development and deployment of AI. The order aims to manage risks associated with certain AI applications, fostering innovation and growth across sectors. While it encourages innovation and presents new opportunities for businesses and researchers, it also introduces regulatory considerations, emphasizing the importance of safe, secure, and trustworthy AI development, potentially leading to stricter



regulations and standards. This could pose challenges, particularly for smaller businesses, in terms of compliance and adaptation. The implementation of this order must strike a balance between the need for innovation and the necessity for regulation. Excessive regulation may impede innovation, while inadequate oversight could lead to AI misuse and potential harm. The impact of this order hinges on its implementation, and ongoing dialogue along with collaboration is essential for ensuring the responsible and beneficial use of AI in the industry.



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