CUTS Webinar
The Unease of Doing Digital Business in Digital India
July 7th, 2022 | 3:30 - 5:30 PM

Speaking Notes for Opening Remarks by PSM

1. The Indian government is attempting to facilitate a conducive environment for doing business in India by simplifying compliances, reducing regulatory burdens and decriminalising minor offences.

2. Initiatives such as the Business Reform Action Plan, Company Law Committee on Decriminalisation of Companies Act, 2013 and the Limited Liability Partnership Act, 2008 are positive steps in this direction.

3. However, similar efforts seem lacking in promoting doing digital business in India which is a critical component of achieving USD 5 Trillion economy by 2024-25. Digital businesses need respite from disproportionate and unreasonable regulations.

4. Digital businesses have voiced their concerns on multiple such developments. The amendments to the Intermediary Guidelines under the IT Act have caused a frenzy among digital businesses. In the past, India's move towards data localisation through the RBI notification on data localisation had fueled the anxiety among the business community.

5. Promoting digital technologies is important for economic growth as well as for innovation, competition and consumer welfare. Countries around the globe are attempting to leverage the opportunities that digital technologies offer to gain the economic benefits and pursue sustainable and inclusive development.

6. Given India's capacity in technologies and a large consumer base, we have the potential to become a leader in the digital landscape and enhance the ease of living for millions of people. In this regard, several government initiatives like UPI and Open Network for Digital Commerce or the ONDC are unique innovations which haven't happened anywhere in the world and showcase the knack for innovation which India has.

7. However, the regulatory framework for digital businesses has been complex and challenging. In this context, it becomes increasingly necessary to understand how the ease of doing business for digital businesses gets impacted.

8. A 2019 study conducted by Tufts University on the Ease of Doing Digital Business ranked different countries on the basis of how easy it was for digital businesses to operate in different jurisdictions. India ranked 38 out of 42 countries taken into account.

9. Not much debate has happened after that. Taking the discourse forward, CUTS initiative on the Ease of Doing Digital Business in India is an important step to broaden the understanding and shaping the discourse around doing digital businesses in India.

10. CUTS study analyses the existing and proposed regulations on parameters such as criminalising provisions, regulatory uncertainty, inadequate physical and digital infrastructure, unnecessary compliances, and restrictions on cross-border data flows including mandatory data localisation.

11. All these issues are critical in facilitating a conducive environment for doing digital business. With the exponential growth and penetration of the digitally enabled services, the regulatory framework also needs to evolve by utilising Regulatory Impact Assessment to understand the costs and benefits on different stakeholders and leveraging co-regulatory mechanisms for consumer protection, innovation and investments in the digital ecosystem.

12. CUTS hopes that the study will help create a conversation among different stakeholders including the government and the business community, about the necessity to promote the Ease of Doing Digital Business.

13. To initiate this conversation, CUTS has organised today's discussion on The Unease of Doing Digital Business in Digital India. We have Dr Saurabh Garg, CEO, UIDAI, to deliver the Keynote Address which will be followed

by a panel discussion. Today, we have an all non-male panel to discuss this important issue.

14. To capture the findings of the study, CUTS will also be shortly publishing the report "Unease of Doing Digital Business in India: A Study of Policy and Regulatory Challenges".

15. I now welcome Dr Saurabh Garg, who has been leading the Aadhar initiative to release the report and give his expert comments on the issue.