



# Digital Personal Data Protection Act (DPDP) PART – V

**OZA PATEL & DOSHI**  
CHARTERED ACCOUNTANTS

# Significant Data Fiduciary

- The Act introduces both **general obligations** for all Data Fiduciaries and **additional obligations** specifically targeted at Significant Data Fiduciaries. We have already discussed general obligations of Data Fiduciaries in Pat IV. In Part V, we will explore the Additional Obligations which are required to be fulfilled by Significant Data Fiduciary.
- **Additional obligations** mainly includes appointment of a Data Protection Office, appointment of a Independent data auditor, periodic Data protection Impact Assessment, periodic audit and other measures required by the Act.

# Significant Data Fiduciary

- The **Central Government** has right to **notify** any **Data Fiduciary** or **class of Data Fiduciaries** as **Significant Data Fiduciary** on the basis some **factors**, including; (The list is not exhaustive, CG may hotify any Data Fiduciary or class of Data Fiduciaries on the basis of factors not mentioned below)
  - a) Volume and Sensitivity of personal data processed;
  - b) Risk to the rights of Data Principal
  - c) Potential impact on sovereignty and integrity of India
  - d) Risk to electoral democracy
  - e) Security of State
  - f) Public Order

# Significant Data Fiduciary

- **Example**

In 2020, the Government of India using its power under Information Technology Act decided to block 118 mobile application since in the CG's view that they are engaged in activities prejudicial to sovereignty and integrity of India, defence of India, security of state and public order. The Ministry of Electronics and Information Technology (MeitY) had received complaints including several reports about misuse of some mobile apps for stealing and transmitting users' data in unauthorized manner to locations outside India. Those apps raised serious concerns that collect and share data in surreptitious manner and compromise personal data and information of users that can have a severe threat to security of the State. If similar instance happens after commencement of this Act, CG may exercise its right to notify Data Fiduciary as Significant Data Fiduciaries.

# Additional Obligations of Significant Data Fiduciary

- Significant Data Fiduciaries are required to **appoint a Data Protection Officer** to address the concerns and questions of the Data Principals about processing of personal data. The Data Protection Officer is required to be based in India and will be responsible to the board of directors or any similar governing body of the Significant Data Fiduciary. The Data Protection Officer will also be the point of contact for a Data Principal for the purpose of grievance redressal under this Act.
- Significant Data Fiduciaries are required to **appoint Independent data auditor** to carry out data audit.
- Significant Data Fiduciaries shall also undertake **periodic audit, periodic Data Protection Impact Assessment,** assessment and management of the risk to the rights of the Data Principals and such other measures as may be prescribed.


# Penalty for breach of Provision


- If any breach is found in the observance of additional obligations of Significant Data Fiduciary the penalty may extend to One hundred and fifty crore rupees.



# THANK YOU!

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