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# TECH TALK

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## SEBI SEEKS INFORMATION ON PRO-RATA RIGHTS OF ANGEL FUND INVESTORS:

Market regulator Securities and Exchange Board of India (SEBI) in a **communique to angel funds has asked to clarify how the pro-rata rights of all investors is being maintained in all the investments.**

**SEBI has asked the funds to share the number of investors in the pool, whether investors can exit before the tenure of the fund expires, ET reported. Among other information, the market regulator has asked the angel funds to inform the 'commitment period' till when a fund can cut deals to buy into start-ups, the target corpus, and the timelines for initial and final closings of a fund. Further, the market regulator has asked details of angel funds which consist of single investors as well. SEBI is collecting the information for 'regulatory purpose'.**

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## GLOBAL TRADE BODIES EXPRESS CONCERN OVER 'ONEROUS' DIRECTIVES OF CERT-IN:

A host of global business associations have expressed concerns over the 'onerous' directives issued by the Indian Computer Emergency Response Team (CERT-In) recently. In a letter to Sanjay Bahl, the director general of CERT-In, which was seen by The Economic Times, the business associations stated that the recent directives issued by CERT-In could have a 'detrimental impact on cybersecurity' for organisations that operate in India. It further added that these requirements may also make it more difficult for companies to do business in India. The letter was signed by organisations such as the US Chamber of Commerce, the US-India Business Council, the US-India Strategic Partnership Forum, techUK, among others. The matter at the centre of debate is the mandatory requirement of reporting cybersecurity incidents within a 6-hour timeline. Other areas of concern highlighted by the trade bodies include the mandate to furnish sensitive logs to the watchdog in the event of a cyberattack and the requirement for virtual private network (VPN) providers to retain subscriber information for at least 5 years after the cancellation of service by users.

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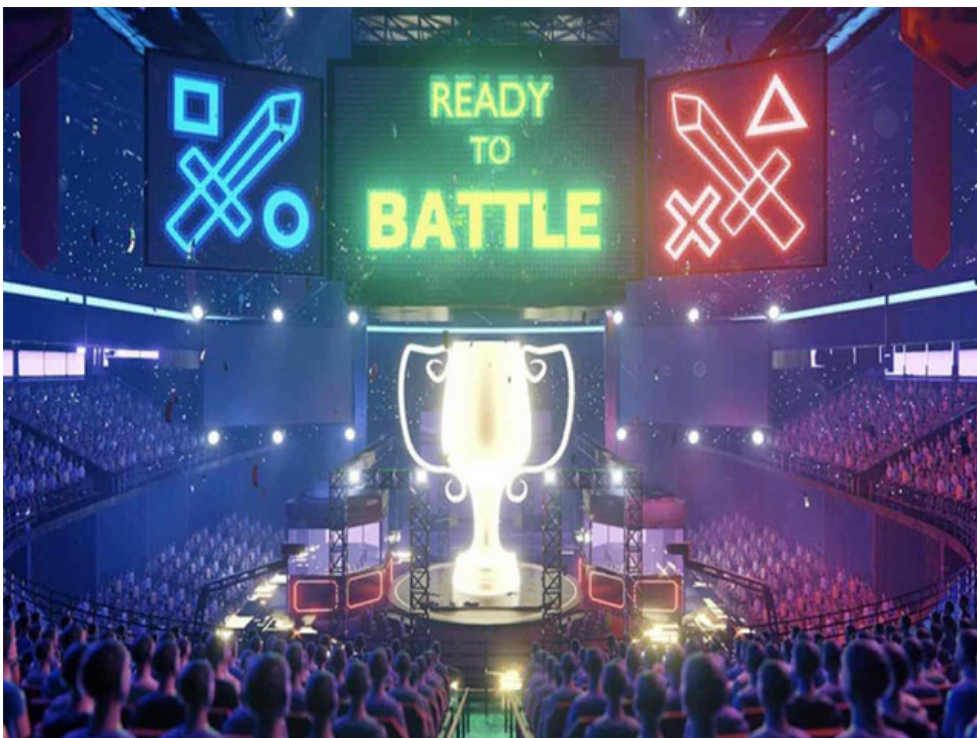


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## RAJASTHAN INTRODUCES BILL TO REGULATE E-SPORTS:

On May 17, 2022, the State of Rajasthan published a draft of Rajasthan Virtual Online Sports (Regulation) Bill (“Draft Bill”), seeking stakeholder comments. The Draft Bill purposes a licensing regime, to regulate pay-to-participate formats of (i) Fantasy Sports, (ii) E-Sports, and (iii) Derivative Formats, (i.e., formats of ‘fantasy based selection’) (collectively, “Virtual Online Sports”). Previously, the Rajasthan High Court had recognized a certain format of fantasy sport as a game of skill. The Draft Bill proposes a co-regulatory framework between the State and industry led self-regulatory bodies. The Draft Bill introduces a licensing regime for pay-to-play versions of Fantasy Sports, Derivative Formats, and E-Sports. Operators offering these games are prohibited from offering them in the absence of a license in the State of Rajasthan. The Draft Bill provides for the constitution of the Rajasthan Virtual Online Sports Commission (“Commission”) and also lays down a tentative composition of the same. Further, the Draft Bill contemplates a two-tier dispute redressal mechanism for disputes between licensees, and disputes between users and the licensees.

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## **RULES REGARDING MANDATORY REPORTING AND ALLIED COMPLIANCES HAVE BEEN REVAMPED:**

**The Indian Computer Emergency Response Team (“CERT-In”) has issued a direction to expand the scope of mandatorily reportable cyber security incidents. As per the new directions, breaches are to be reported within 6 hours of receiving knowledge of such incident. Failure to report could result in imprisonment and/or fine. Additional compliance requirements including data localization, conducting KYC of clients, data storage, appointing point of contact for cybersecurity incidents, etc. have also been introduced. The Direction will be enforced from June 28, 2022. These directions are applicable to service providers, intermediaries, data centres, body corporate and Government organisations. Some specific compliances are applicable to virtual private server (VPS) providers, cloud service providers and virtual private network service (VPN Service) providers and entities in the virtual asset ecosystem.**

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## THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY RELEASED A REVISED DRAFT NATIONAL DATA GOVERNANCE FRAMEWORK POLICY (NDGFP):

With NDGFP in place, the Government aims to create a data repository of anonymised non-personal datasets that can be used to generate data insights with the purpose to, firstly, accelerate Digital Governance, and secondly, to encourage research and aid the start-up ecosystem. It was released to replace its precursor, the February, 2022, Draft India Data Accessibility and Use Policy, 2022, which faced strong criticism from all sections as it proposed to permit the licensing and sale of public data by the government to the private sector. NDGFP shall govern non personal data of all central Government departments and entities. The State Governments shall also be encouraged to adopt NDGFP. The Government aims to create an India Datasets Platform with the help of the new NDGFP in place. In order to implement the same, an Indian Data Management Office is proposed to be set up.

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