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GDPR Compliance: A Challenge for Boards & Directors in India

With the European Union's (EU) General Data Protection Regulation (GDPR) which came into effect beginning May 2018, Multinational companies need frameworks on Data Protection in place to ensure compliance on GDPR. GDPR would regulate the export of personal data outside EU, in addition to protecting the data of individuals in EU. GDPR further requires any breach of personal data impacting any resident of EU to be reported within 72 hours.

As per the provisions of GDPR, in order to establish a compliance programme that meets national data protection laws, the company must identify all the countries in which processing activities take place or may be likely to take place in the future. The company should examine local data protection laws to ensure specific compliance wherever its operations are located. Since the GDPR came into force on 25 May 2018, it is therefore advisable to base a compliance programme on the standards mentioned therein.

Failure to comply with provision of the GDPR could result in a hefty fine. If there is any breach at the part of the company that compromises an EU citizen's data, the penalty could be up to 20 million euros or four percent of an enterprise's worldwide revenue, whichever is larger. In view of this, a large enterprise could be fined hundreds of millions of euros for a single breach.

With EU's GDPR becoming effective from 25 May 2018, Boards need to ensure the Data Protection frameworks of Companies are far deeper aligned to data protection regimes in other jurisdictions to meet accountability cast on the Boards under Indian Law. Interestingly, the provisions of the Companies Act, 2013 have already put the onus on the Boards and Directors of Indian companies to sign off legal compliance and therefore require Indian Boards and Directors to be pro-active and drive compliance of the provisions of GDPR.

[Click here](#) to know what the major areas are where Boards and Directors need to focus in a way to best comply with best GDPR in India.