SMALL BUSINESS, NEW RESPONSIBILITIES: DOES EVERY CUSTOMER NEED A CONSENT FORM?

India will have a new data protection framework by May of 2027 that is substantially different from the existing regime.

While large organisations have dedicated significant resources in understanding the way they collect and handle personal data, SME/MSMEs will also need to plan readiness given the significant financial consequence.



PIC : AI-GENERATED IMAGE



One topical question on everyone's mind is if consent is required at the time of collecting personal data from any individual or any purpose? The simple answer is not necessarily. While the law sets out consent as the primary basis for collection and processing of personal data, it also permits collection without consent for 'legitimate use'. These legitimate uses are for instances such as, voluntary submission or employer-employee relationship or access to information.

While legitimate use is valid ground for processing, other rights and responsibilities will have to be discharged and perhaps most importantly, businesses will need to critically look at the various processing activities they do on personal data to determine if they can indeed take advantage of this exception.

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As with any new legal regime, businesses will need to adapt existing ways of doing business, but perhaps most importantly most businesses will need to critically see why they collect personal data and do they really need to for their business operations.

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