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Digital Personal Data Protection Act, 2023

Impact on
Stock Brokers

Who are Stock Brokers?

SEBI registered intermediaries under the SEBI (Stock Brokers) Regulations 1992 who have trading rights in any recognised stock exchange.

Data Fiduciary

Stockbrokers would be data fiduciaries under the DPDPA as they collect, analyse, and determine the means and purpose of data processing of data in order to facilitate trades for data principals.

What are Leads?

Details of the client as mentioned in the account opening form or any other information pertaining to the client.

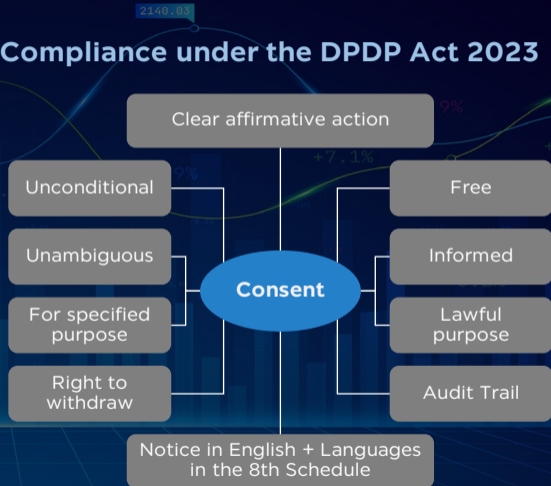
What is Personal Data?

Data of an individual who is identifiable by or in relation to such data

Existing Compliance Requirements

- Consent is required for sharing client information.

Compliance under the DPDP Act 2023



Existing Compliance Requirements

- Ensure client information is not discussed with other persons
- Ensure that details of personal investments of clients are not improperly used

Compliance under the DPDP Act 2023

- Protection of personal data in possession or control
- Reasonable security standards to prevent breach
- Reporting data breaches to the Data Protection Board and the Data Principal

Existing Compliance Requirements

- Ensure that client information is disclosed only legal requirements or by prior explicit consent of the client.

Compliance under the DPDP Act 2023

- For any sharing of personal data to a third party (Data Processor or another Data Fiduciary), ensuring accuracy, correctness and completeness of the data
- Requirement of a valid contract for engaging a Data Processor

Existing Compliance Requirements

- Client must notify the stockbroker in writing if there is any change in the information provided in the account opening form at the time of account opening.

Compliance under the DPDP Act 2023

- Not to impersonate another person
- Not to suppress any material information while providing personal information

Certain additional compliances under the DPDP Act

- Amendment of the existing privacy policy and customer agreements in line with the DPDP Act
- Establishing a grievance redressal mechanism
- Provide privacy notice for consent received for processing of personal data prior to the date of enforcement of the DPDP Act