

LOK SABHA

SYNOPSIS OF DEBATES
(Proceedings other than Questions & Answers)

Wednesday, December 11, 2019 / Agrahayana 20, 1941 (Saka)

THE PERSONAL DATA PROTECTION BILL, 2019

THE MINISTER OF LAW AND JUSTICE; MINISTER OF COMMUNICATIONS AND MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

moved that leave be granted to introduce a Bill to provide for protection of the privacy of individuals relating to their personal data, specify the flow and usage of personal data, create a relationship of trust between persons and entities processing the personal data, protect the rights of individuals whose personal data are processed, to create a framework for organisational and technical measures in processing of data, laying down norms for social media intermediary, cross-border transfer, accountability of entities processing personal data, remedies for unauthorised and harmful processing, and to establish a Data Protection Authority of India for the said purposes and for matters connected therewith or incidental thereto.

SHRI ADHIR RANJAN CHOWDHURY *opposing the Motion for introduction of the Bill, said:* I would like to oppose the introduction of the Bill. It is an omnibus legislation. Our privacy is already under threat. When our privacy is under threat and when people are fighting cases in the Supreme Court on the issue of privacy, I think, this kind of Bill should be examined thoroughly. The Government should not bring this Bill in such a supercilious manner. That is why, I propose to the Government that this Bill should be referred to Standing Committee on Information Technology instead of the Joint Parliamentary Committee.

PROF. SOUGATA RAY: I beg to oppose the introduction of the Personal Data Protection Bill, 2019. The personal data protection is ensured by the judgement of the Supreme Court which has declared that the right to privacy is a fundamental right. So, there is no necessity for this Bill. The problem of privacy can be dealt with under existing laws of the country, taking a cue from the Supreme Court judgement. The setting up of an authority called the Data Protection Authority of India will further make matters complicated and lead to bureaucratic hassles. Therefore, I wholly oppose the introduction of this Bill, which will not give us the protection from snooping by foreign companies and indigenous companies on our personal data.

SUSHRI MAHUA MOITRA: My primary object is that Parliament lacks legislative competence on account of this Bill being violative of Article 14 and

Article 19 of the Constitution of India. Most importantly, it fails to provide adequate data protection to our citizens and is violative of the fundamental right to privacy as upheld by the Supreme Court. I also oppose the Bill in its current form and request that it should be referred to the Standing Committee on Information Technology for a thorough examination.

SHRI RAVI SHANKAR PRASAD *replying said:* I would like to very respectfully convey to this House that the Members are right that the Supreme Court had held that privacy is a fundamental right. But the Supreme Court has also added that any terrorist and a corrupt person has no right to privacy. Secondly, the Supreme Court in the Aadhaar case itself has emphasized that they must come up with the data protection law. So, I would like to say that we have not come up with this Bill suddenly. For this purpose we set up a Committee. It had the widest consultations in the entire country. In this regard, 2000 recommendations came. Thereafter, we discussed it and we have come here. Through this Data Protection Bill, we are safeguarding the rights of Indians. We have got 130 crore population. We generate a lot of data, but a lot of data is also important for development of economy. One thing I would like to convey to this august House that we have decided to put data into three categories. Critical data cannot go out of India at all. Sensitive data can go out of India only with the consent of the individual and with the approval of the authority. Again, we have decided that Joint Select Committee of both the Houses would consider it which will be created before the next Budget

session. This Joint Select Committee will be dedicated only and only for the Data Protection Law. So, let the parliamentary process examine this in the most detailed manner possible.

The Bill was introduced.

THE CODE ON SOCIAL SECURITY, 2019

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI SANTOSH KUMAR GANGWAR) moved that leave be granted to introduce a Bill to amend and consolidate the laws relating to social security of the employees and the matters connected therewith or incidental thereto.

SHRI N. K. PREMACHANDRAN *opposing the Motion for introduction of the Bill, said:* I would like to oppose the introduction of the 'Code on Social Security, 2019' on three grounds. The first ground is that various provisions of the Bill curtails the existing benefits of workers that is against the mandate of the ILO Convention. Number two, it is violating Article 42 and 43 of the Constitution. So, social security welfare legislation should comply with the principles of Article 42 and 43. Lastly, the Bill is not circulated two days prior to the introduction of the Bill which violates the Rules of Procedure. This is a Bill having 163 clauses and six schedules. If a big Bill comes today morning in my office, how can I read the

entire Bill. So, I oppose the introduction of the Bill. So, kindly give a specific direction once again reiterating the situation that all the Bill should be circulated two days prior to the introduction of the Bill. Moreover, it is against the working class of this country.

PROF. SOUGATA RAY: This Bill says that it is a follow up of the Labour Conference in 2003. The Government want to put various Acts like EPF Act, ESI Act in the same Bill. This was what was wanted by the capitalists, industrialists and Chambers of Commerce of the country. No central trade union has ever demanded the social security legislation should be brought under one umbrella. Now, they have linked this to the Insolvency and Bankruptcy Code whereas under the Insolvency and Bankruptcy Code, the NCLT is not able to deal with all the problems. So, it should be immediately referred to the Standing Committee on Labour.

SHRI SANTOSH KUMAR GANGWAR *replying said:* I would like to apprise this august House that this Bill has been brought to remove the complexities of various labour laws. I would also like to submit that all the legislations are brought in this House after having discussions in threadbare. This Bill has been brought after removing the complexities of various labour laws after having discussions with labour unions. I would like to assure that apprehensions of hon. Members would be dispelled during the discussions.

The Bill was introduced.

***MATTERS UNDER RULE 377**

- (1) **SHRI RAMESH BIDHURI** laid a statement regarding need to undertake demarcation of submergence area in Delhi.
- (2) **SHRIMATI REKHA ARUN VERMA** laid a statement regarding setting up of a steel factory in Dhaurahra Parliamentary Constituency, Uttar Pradesh.
- (3) **DR. MANOJ RAJORIA** laid a statement regarding need to set up a Kendriya Vidyalaya in Karauli-Dholpur Parliamentary Constituency, Rajasthan.
- (4) **SADHVI PRAGYA SINGH THAKUR** laid a statement regarding need to set up a bench of Jabalpur High Court in Bhopal.
- (5) **SHRI GAJENDRA UMRAO SINGH PATEL** laid a statement regarding need to provide fertilizer to farmers in Madhya Pradesh.
- (6) **SHRIMATI DARSHANA VIKRAM JARDOSH** laid a statement regarding need to include persons suffering from colour blindness under PH category.

* Laid on the Table as directed by the Speaker/Chair.

- (7) **DR VIRENDRA KUMAR** laid a statement regarding need to set up a medical college in Tikamgarh Parliamentary Constituency, Madhya Pradesh.
- (8) **DR. SUJAY VIKHE PATIL** laid a statement regarding upper Pravara (Nilwande-II) project of Maharashtra.
- (9) **SHRI RAJIV PRATAP RUDY** laid a statement regarding water from Western Gandak Canal to Bihar.
- (10) **SHRI JANARDAN SINGH SIGRIWAL** laid a statement regarding need to allocate 5% seats in trains for general public under HO/EQ on the recommendation of Members of Parliament.
- (11) **SHRI JOHN BARLA** laid a statement regarding mode of payment of wages to tea garden workers in West Bengal.
- (12) **SHRI BHAGIRATH CHOUDHARY** laid a statement regarding need to reduce the rate of GST on marble and granite.
- (13) **DR. ARVIND KUMAR SHARMA** laid a statement regarding need to set up CGHS dispensaries in Rohtak and Jhajjar districts, Haryana.
- (14) **SHRI PRADEEP KUMAR CHOUDHARY** laid a statement regarding need to construct approach road on both sides of Yamuna river bridge in Kairana Parliamentary Constituency, Uttar Pradesh.

- (15) **SHRI GIRISH BHALCHANDRA BAPAT** laid a statement regarding need to ensure toilet facilities and their regular cleanliness at petrol pumps across the country.
- (16) **SHRI RAKESH SINGH** laid a statement regarding need to start construction of sanctioned flyover in Jabalpur, Madhya Pradesh.
- (17) **SHRI NARENDRA KUMAR** laid a statement regarding need to extend Rewari-Sikar train no. 59728/29 upto Jaipur and also run train no. 12955/56 through Reengas, Sikar, Jhunjhunu, Surajgarh and Loharu.
- (18) **SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR** laid a statement regarding issues pertaining to farmers of Chandrapur district of Maharashtra.
- (19) **ADV. ADOOR PRAKASH** laid a statement regarding problems being faced by fishing community.
- (20) **SHRI DEEPAK BAIJ** laid a statement regarding need to extend the benefit of Pradhan Mantri Kisan Samman Nidhi scheme to forest dwellers and Adivasi people of Chhattisgarh.
- (21) **DR. D. RAVIKUMAR** laid a statement regarding proper implementation of e-waste law.
- (22) **KUMARI GODDETI MADHAVI** laid a statement regarding need to remove the condition of number of habitations for construction of

roads under PMGSY in Araku Parliamentary Constituency, Andhra Pradesh.

- (23) **SHRIMATI CHINTA ANURADHA** laid a statement regarding sea erosion along coastline of Andhra Pradesh.
- (24) **SUSHRI NUSRAT JAHAN RUHI** laid a statement regarding need to request Government to Bangladesh to start dredging in Icchamati river, flowing from Bangladesh into India.
- (25) **SHRIMATI PRATIMA MONDAL** laid a statement regarding need to protect Sundarbans in West Bengal.
- (26) **SHRI PRATAPRAO JADHAV** laid a statement regarding need to provide specialist doctors and dialysis centre in Buldhana Parliamentary Constituency, Maharashtra and also provide safe drinking water in the constituency.
- (27) **SHRI DINESH CHANDRA YADAV** laid a statement regarding need to start telecast of programmes from Doordarshan Kendra at Diwari sthan in Saharsa district, Bihar.
- (28) **SHRI BHARTRUHARI MAHTAB** laid a statement regarding sharing of coal cess between Centre and States.
- (29) **DR. G. RANJITH REDDY** laid a statement regarding setting up of a AYUSH hospital in Vikarabad, Telangana.

(30) **SHRI K. SUBBARAYAN** laid a statement regarding Budgetary allocation for Mahatma Gandhi Rural Employment Guarantee Scheme.

MOTION

Re: Reference of Personal Data Protection Bill, 2019 to Joint Select Committee

THE MINISTER OF LAW AND JUSTICE; MINISTER OF COMMUNICATIONS AND MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

moved that the Bill to provide for protection of the privacy of individuals relating to their personal data, specify the flow and usage of personal data, create a relationship of trust between persons and entities processing the personal data, protect the rights of individuals whose personal data are processed, to create a framework for organisational and technical measures in processing of data, laying down norms for social media intermediary, cross-border transfer, accountability of entities processing personal data, remedies for unauthorised and harmful processing, and to establish a Data Protection Authority of India for the said purposes and for matters connected therewith or incidental thereto be referred to a Joint Committee of the Houses consisting of the following 20 Members from this House, namely, Shrimati Meenakashi Lekhi, Shri P. P. Chaudhary, Shri S.S.

Ahluwalia, Shri Tejasvi Surya, Adv. Ajay Bhatt, Col. Rajyavardhan Rathore, Dr. Sanjay Jaiswal, Dr. (Prof.) Kirit Premjibhai Solanki, Shri Arvind Dharmapuri, Dr. Heena Vijaykumar Gavit, Shri Uday Pratap Singh, Shri Rajiv Ranjan Singh ' Lalan', Shri Gaurav Gogoi, Sushri S Jothimani, Prof. Sougata Ray, Shrimati Kanimozhi, Shri P.V. Midhun Reddy, Dr. Shrikant Eknath Shinde, Shri Bhartruhari Mahtab, Shri Ritesh Pandey and 10 Members from the Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of Members of the Joint Committee;

that Committee shall make a report to this House by the first day of the last week of the Budget Session, 2020;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committee shall apply with such variations and modifications as the Speaker may make;

that this House recommends to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of the Members to be appointed by Rajya Sabha to the Joint Committee; and

that the Speaker shall appoint one of the Members of the Committee to be its Chairperson.

Amendment was put to vote and negatived.

The Motion was adopted.

THE INTERNATIONAL FINANCIAL SERVICES CENTRES

AUTHORITY BILL, 2019

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN) *moving the Motion for consideration of the Bill, said:* A Committee appointed by the Minister of Finance in 2008, headed by an eminent person called Shri Percy Mistry had gone through the entire issue of Financial Services. Even at that time, it was felt that US \$50 billion will be spent on International Financial Services by the Indian Companies by 2015 and that amount would obviously be going outside of the country because we do not have an International Financial Services Centre. Therefore, from then, the necessity of having a Financial Services Centre in India was recognized. In 2011, a Section in the SEZ Act, namely, Section 18 was brought in distinctly for establishing a Financial Services Centre. It was made completely operationalized by 2015 because the various regulators who deal with various financial institutions such as the RBI, the SEBI, the PFRDA and so on started issuing their notifications to regulate those institutions, which are now functioning in the GIFT-City of Ahmedabad, which we in short refer to as International Financial Services Centre. Now, through this Bill, we are largely doing two things. One, we are bringing several of these regulators together as one unit to the limited extent of having to deal with the various institutions, which are present in the IFC. Together with it, we are also making it clear and defining as to what are the actual businesses, which

are being recognized there. We are defining the various financial products whether they are services or institutions. We are also defining IT enabled services in the financial sector. They alone, in that IFSC, are providing employment to more than 10,000 people all of whom are engaged actively in the backroom processing of financial matters for global companies. Therefore, in short, what I would like to say is that this Bill is something, which was foreseen a long time ago. We want a unified authority to deal with a particular specialised financial services hub which will in this country have something similar to London or Singapore in terms of international financial hub which will be giving the opportunities to Indian companies to be able to access international markets and deal with international markets through this centre. It has already been given quite a few tax concessional benefits. This Bill was earlier proposed in the Rajya Sabha but however because it was meant to be tabled only in Lok Sabha, being the Finance Bill, we had to withdraw from Rajya Sabha in spite of having obtained the Cabinet's approval in February, 2019. We have now come before Lok Sabha for consideration of Bill.

SHRI KARTI P CHIDAMBARAM *initiating said:* Economics is not only about numbers. Numbers sometimes do not tell the whole story. Numbers can be antiseptic. But the real story is the human story. When business is down, when people are not selling enough, there is human cost. When people are less employed, it means they have less money in their wallets. The Government really should be focusing on the demand side and not on the supply side. I understand

the Government's desire to create an economic hub of international standards in India. It is indeed a laudable goal. When you think about the provisions of this Bill, it will only be applied to the thousand acres of land in India's favourite State, and to the GIFT city in Gandhi Nagar. What this Government needs to realize is that it is not just enough to create institutions, build tech parks and offer tax rebates, the reason New York, Singapore and London are what they are because of the societal infrastructure. For business to thrive, you need to attract global talent. When I say global talent, I do not mean just NRIs but truly non-Indian global talent from the biggest universities. This Gift City is also marred in controversy and delays. This Bill is applicable to only one place. Therefore, it is imperative for this House to understand the viability and the status of this project. In efforts to get rid of multiple layers of bureaucracy, the creation of the IFSC Authority should not lead to turf wars between the new and the old authorities of RBI, SEBI and IRDA. Financial hubs require transparency and clarity in processes. I urge this Government to first focus on to create social infrastructure. Otherwise, dreams of competing with IFSC Singapore and London would simply be farfetched.

SHRI P. P. CHAUDHARY: I rise to support this Bill. The international Financial Services Centre Authority Bill is in fact a game changer for our country. The impact of this Bill is immense. This is the first time that this Bill is before this august House. Out of 196 countries in the world, around 80 countries have developed the International Financial Services Centres but in India, it is too late.

So, bringing this Bill is the need of the hour. We will need excellent infrastructure and best regulatory practices. I request the hon. Minister to kindly see that in this Centre we have sufficient capital and excellent infrastructure of world standard. I think sufficient safeguards have been provided in the Bill itself for enabling the best regulatory practices. I would like to say that India is a hinterland economy. Places like Singapore and Dubai lack this facility. The Finance Ministry has taken an initiative in this direction and we have to compete with Dubai, Singapore and Hong Kong. It can boost the economy on this count also and generate employment. In India, we have seen that so many financial sectors are there like commercial banks, insurance companies, non-banking financial companies, co-operative, pension funds and mutual funds. So, there is a need to remove this dichotomy. This Bill is going to unify all these sectors and whatever powers are being exercised by those regulators will be exercised by this particular Authority. So, it would be very easy and convenient and enhance the ease of doing business. Earlier the work allocation with respect to various regulators and various sectors was not so well defined. Therefore, sometimes, there was overlapping, sometimes, disputes arose. On account of the regulatory gaps in various sectors and various regulators, people had been cheated. The ponzi schemes were not regulated by any of the existing agencies. Apart from the Authority, the Performance Review Committee has also been provided in the Bill. Tax exemption has also been provided. I support this Bill.

SHRI D. M. KATHIR ANAND: A lot of manufacturing is happening in the South. Andhra Pradesh has got its automobile industry. Karnataka has Infosys and software technology parks, then why this Centre is being set up in Gandhinagar in Gujarat? An investment target of Rs. 78,000 crore had been set for the Special Economic Zone. The city has attracted only Rs. 9800 crore. How will the new Bill attract more investors when there is an overall economic slump? The main partner of GIFT is in huge financial trouble and its future is uncertain. The fact that the members of the Authority itself are in-charge of reviewing the working of the Authority is a matter of concern and such a thing could lead to biased decisions. Though I support the need for establishment of such an Authority that creates special provisions for the Financial Services Centre, I also firmly believe that it should be independent and be able to make its own policy decisions. Today is the birth anniversary of our great Tamil poet, Bharathiyar and I feel so happy and privileged to give my debut speech here on this occasion.

PROF. SOUGATA RAY: There is nothing to oppose in the International Financial Services Centres Authority Bill, 2019. The only point is, this Bill is overdue. The decision to set up this institution in Gujarat was entirely a political decision. The GIFT City project is in dire trouble, because the new Board of ILFS, admitted that they will not be able to pay off their debt to their financial creditors. So, the basic financial infrastructure of the GIFT City is collapsing. Little places like Singapore, London and New York have become international trading hubs.

Now Dubai and Shanghai are coming up, but in 70 years of independence, we have not been able to make a trading hub in this country. So, I want the Finance Minister to plug all the loopholes that are present in the GIFT City.

SHRI SRIDHAR KOTAGIRI: I support the International Financial Services Centres Authority Bill, 2019 with no reservations. Until 2015, Indian corporate entities continued to seek international financial services and transactions in offshore financial centres. However, with the arrival of an IFSC in Gujarat, we have emerged as a progressively competitive financial centre. India is hungry for the kind of capital whose cost is at par with the rest of the world. While Indians need access to internationally diversified investments, foreign investors need smooth access to the growing domestic economy. We need to grow as an economy to match our aspiring population. My own Parliamentary constituency, Eluru, has several issues concerning infrastructure. I must mention that a 500 kms freight canal was proposed by the Central Government between Kakinada and Puducherry almost five years ago, but there is no sign of progress due to lack of funds. I would also like the Government to create a stronger atmosphere of confidence and ease of doing business in India. I do hope, Andhra Pradesh stands next in line for the next centre. The initiative to regulate the IFSCs should, by no means, slow down business interests.

SHRI RAHUL RAMESH SHEWALE: IFSCs would certainly aid in improving the current economic climate, by attracting inflow of financial resources

into India. It would also increase the demand for INR in the international market along with new business opportunities of providing financial services to the global market. Though I support the need to set up a single regulatory body but I disagree with the Government's view of the Authority's role. Having 2 Members in the Performance Review Committee from the Authority will lead to conflict of interest. Any review of performance must be carried out by an independent third party agency. I would like to propose to the Minister to set up an IFSC in Mumbai as it enjoys all the necessary requirements to set up an international financial centre and is home to the Bombay and the National Stock Exchanges. Also, country's first IFSC in Gujarat has not been able to take off in the manner that the Government assumed it would.

SHRI B. B. PATIL: It would provide Indian corporates easier access to global financial markets and promote further development of financial markets in India. Currently, the banking, capital markets and insurance sectors in IFSC are regulated by multiple regulators like RBI, SEBI and IRDAI. Hence, there is a need for having a unified regulator for IFSCs in India. This would also be essential from an 'ease of doing business' perspective. The establishment of a unified financial regulator for IFSCs will result in providing world-class regulatory environment. This would also generate significant employment in the IFSCs. I am requesting the hon. Finance Minister to establish an IFSC centre in South India and Hyderabad is a suitable and centrally located place for this.

SHRI KAUSHLENDRA KUMAR: This Bill will strengthen the financial market and increase the employment opportunities in India. My suggestion to the Government is to provide a robust monitoring system to detect scams. Stringent punishment should be given in the event of any deceitfulness. Such person can even be banned for lifetime. We should also ensure fast track decisions in this regard.

SHRI PINAKI MISRA: With regard to the concept of the IFSC, I must say that the idea to locate it in the Gandhinagar GIFT city is wrong as the long-pending application of the Bandra Kurla Complex has been ignored by the Government. No one knows as to when and how GIFT city is going to take off. The state is dedicated to prohibition and it will not allow such type of international agency to flourish. I think you have to give a massive slew of incentives in order for people to come there. The Government should liberalize the entire process and fast-track applications. Plus, I think we should internationalize our operations to ensure that international market are integrated with Indian markets. The Bill provides that no member shall hold office without prior approval of the Central Government for a period of two years. I think the Government should adhere to this restrictive clause. As regard, the Performance Review Committee, the audit must be conducted by an outside agency. The Minister should tell us whether the Right to Information Act will apply to this or not. As regard, the dispute resolution, the Government must follow the Dubai International Financial Centre.

SHRI RITESH PANDEY: It is clear from the Bill that all the powers with regard to the functioning of the IFSC have been concentrated in the Government. Independent and robust financial institutions are imperative for a strong economy. But if the Government holds arbitrary power to change the system at any time, the investors will panic and flee the country. We should have long term economic policies in our country.

SHRIMATI SUPRIYA SADANAND SULE: The hon. Finance Minister in her opening remarks said that about 10,000 jobs were created because of the back-office work. I feel that we must do the cost-benefit analysis of the amount of investment that we have put in and the return that we are getting. We must ask ourselves whether IFSC is a good option or IT Infotech Parks are better than that. I would also like to say that Mumbai should not have been denied this opportunity. In fact they could have had Gandhinagar and Mumbai both. Further, it is said that it will flourish only when GDP is over ten per cent and the public debt is lower. I would also like to know the definition of on-shore and off-shore investment. A lot has been said about Singapore and London but those are different economies. I understand that there is no need for disclosure. If it is so, then this is money laundering. I hope that the hon. Minister will clear our doubt in this regard. We do not need tax haven in this country. What we need is a transparent and a fair taxation system.

SHRI KESINENI SRINIVAS: I would like to request the hon. Finance Minister to clarify what the criteria will be for selection of two members who will be appointed on the recommendation of the Selection Committee. I would also like to ask the hon. Finance Minister whether plans of giving tax cuts and other incentives are in place to attract units to come to India. The Minister should take steps for popularizing the cross-border transactions in the rupee terms. The Government should set up an IFSC in Amravati, the capital of Andhra Pradesh.

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SNEHLATA SHRIVASTAVA
Secretary General

**Supplement covering rest of the proceedings is being issued separately.

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NOTE: It is the verbatim Debate of the Lok Sabha and not the Synopsis that should be considered authoritative.

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