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Data Governance Framework for Data Exchange Operators

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Let's define...



DATA GOVERNANCE

- ▷ organizations are directed and controlled.
- ▷ distribution of rights and responsibilities of stakeholders
- ▷ rules and procedures for decision making

DATA EXCHANGE OPERATORS (DXO)

- ▷ governments and private entities to disseminate, source, exchange, share, and commercialise data
- ▷ orchestrate data ecosystems and powerful data alliances in a data exchange platform.

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- ▷ Who are Data players?
- ▷ DXO Involvement



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Regulatory Functions

Registering Data
Players

Registering
Collaborative Data
Schemes

Regulating Data
Takeover bids

Auditing data from
data providers

Protective Functions

Prohibition of
fraudulent & unfair
trade practices

Controlling insider
trading

Steps for
consumer
protection

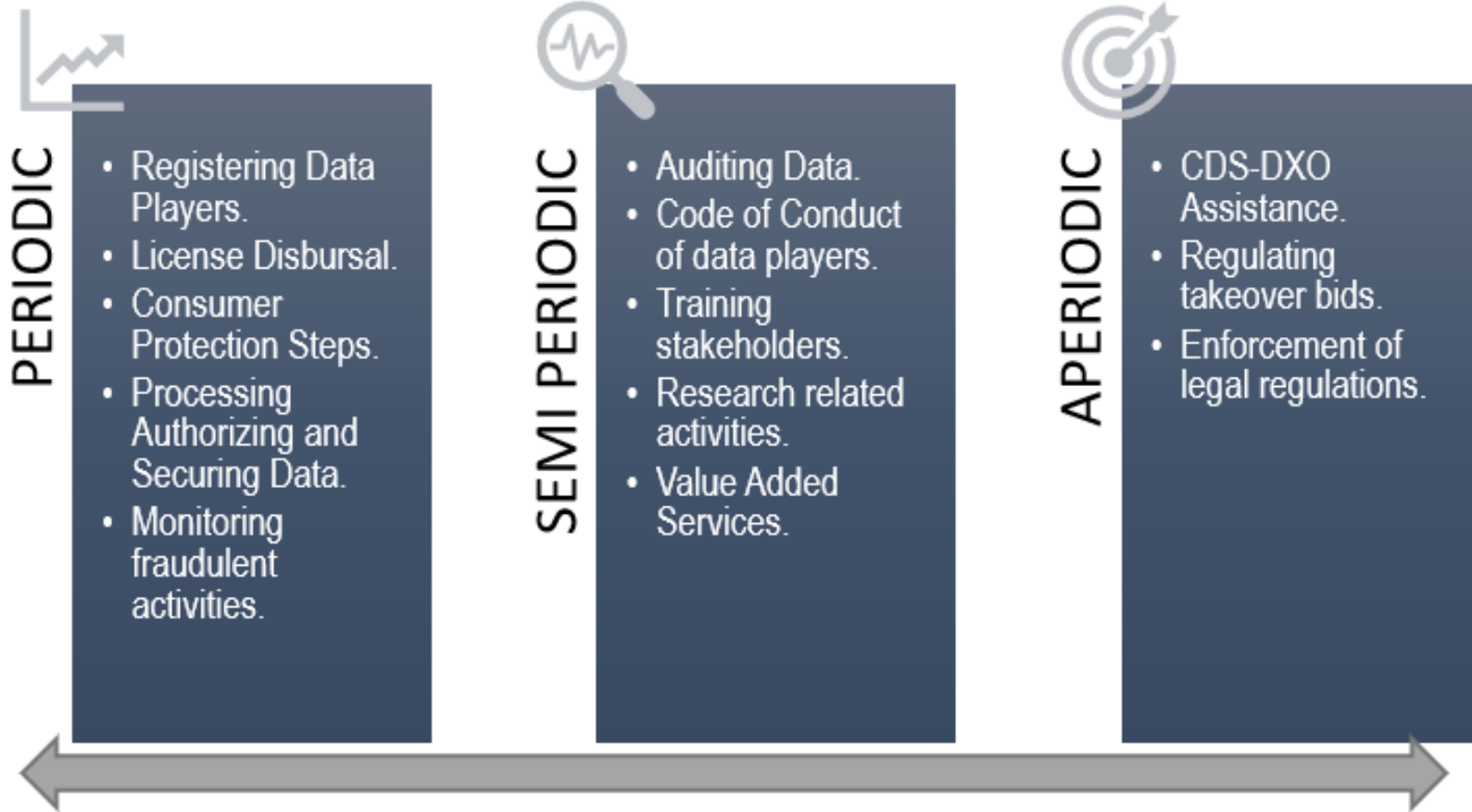
Developmental Functions

Training

Rersearch

Value added
services

Timescales of Governance Activities



1.

REGULATORY FUNCTION

Regulatory functions involve in the making or enforcement of controls such as by-laws, orders, standards etc.

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Principles

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- ▶ Purpose Limitation
- ▶ Data Accuracy
- ▶ Data Accountability

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Regulatory functions



Registering
Data Players



Registering
Collaborative
Data Schemes



Regulating
Data
Takeover bids



Auditing data
from data
providers

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Licensing

- ▷ License for selling
- ▷ License for buying
- ▷ License for selling and buying

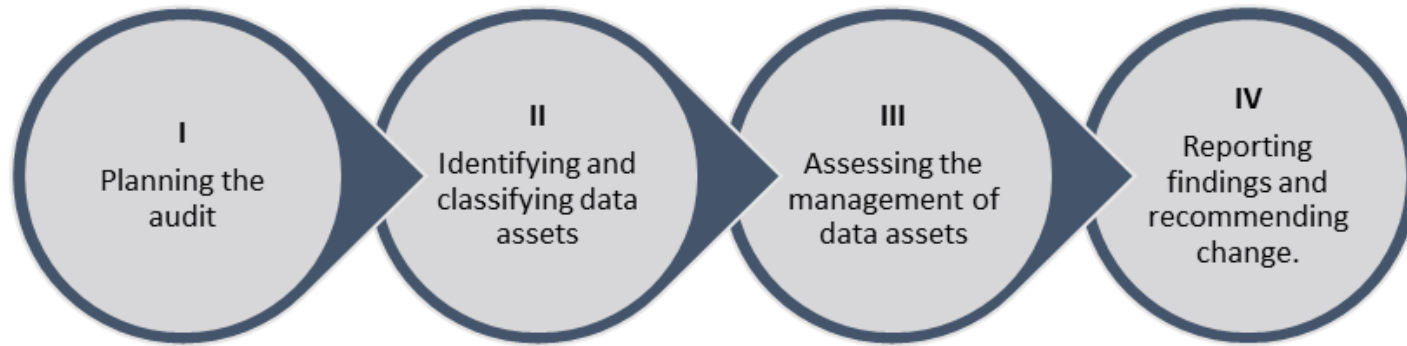


Licensing Agreements

- ▷ Buying Agreement & Selling Agreement
- ▷ Authenticity Agreements
- ▷ Fair Usage policy.
- ▷ Additional Service Agreement
- ▷ Continuity Agreement.
- ▷ Lawful processing agreement

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Auditing Data from Data Providers



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- Verification during registration: Video call to check for human
- Pricing data: Dynamic pricing
- Information required during registration: Bank Details
- Checks of data: Customer/buyer does due diligence
- Checks on sellers: Authority to make changes and budget to undertake data cleansing activities.
- Registering Collaborative Data Schemes: Voluntary, if sellers would like to collaborate, but the ecosystem is not present

Minimum Involvement

- Registration of Data Business and Data Players
- Information required during registration: Name/Business name, OTP mobile/company email verification, Aadhaar/Certificate of Incorporation, PAN/GSTIN
 - License clauses: Buying and Selling Clauses, Lawful Processing clauses, Fair Usage clauses
- Pricing data:
 - Platform recommends base pricing only
 - Takes fixed % in selling price as a fee
- Checks on sellers: Must have one member in the top management team to be an Indian, and is not subjected to disciplinary proceedings under the rules, regulations

Voluntary Governance Regulation

- License clauses: Additional Services clauses, Continuity clauses
- Verification during registration: Mobile and email; PAN/Aadhaar card; Certificate of Incorporation; GSTIN number; Business Address; Bank details; Ensuring all documents and information are inline
- Pricing data: Dynamic pricing
- Information required during registration: Business details - Type of business, partners etc.
- Checks of data: Platform checks Source or Legitimacy, Relevance, Quality, Accuracy, Accessibility, Completeness, Consistency, Timeliness
- Registering Collaborative Data Schemes: Platform also to be involved in developing apps. Honorarium shared between Data Players + DXO; Ecosystem is present, and platform is proactive; Application is **scrutinised** for past experience, technical skillset, requisite manpower for addressing customer traffic

Maximum Involvement

Essential Governance Regulation

- License clauses: Authenticity clause
- Pricing data: Shares honorarium to the data owner
- Checks of data: Seller claims - Source or Legitimacy, Relevance and Quality, Platform could voluntarily check but not mandatory
- Rule 5(6) of the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 mandates permitting Data Principals to review any information they may have provided to an **organisation** or corporate body that is processing the said data
- Checks on sellers: Whether seller has necessary technical and managerial infrastructure and demonstrates the technical and managerial capabilities
- Auditing data: As per IT Act 2000, DXO has to implement IS/ISO/IEC 27001 standard and also comply with reasonable security practices and procedures. Must be certified or audited on a regular basis by an independent auditor, duly approved by the government. Audits at least once a year or whenever significant upgradation of its process and computer resource take place.

2.

PROTECTIVE FUNCTION

Protective functions ensure safety of all the stakeholders involved with the DXO.

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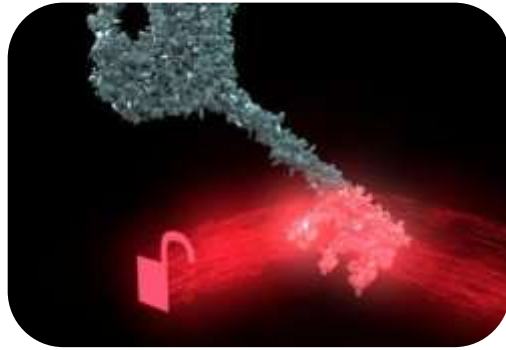
Principles

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- ▷ Lawfulness, Fairness and Transparency
 - ▷ Integrity and Confidentiality

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Protective functions



Prohibition of
fraudulent & unfair
trade practices



Controlling insider
trading



Steps for
consumer
protection

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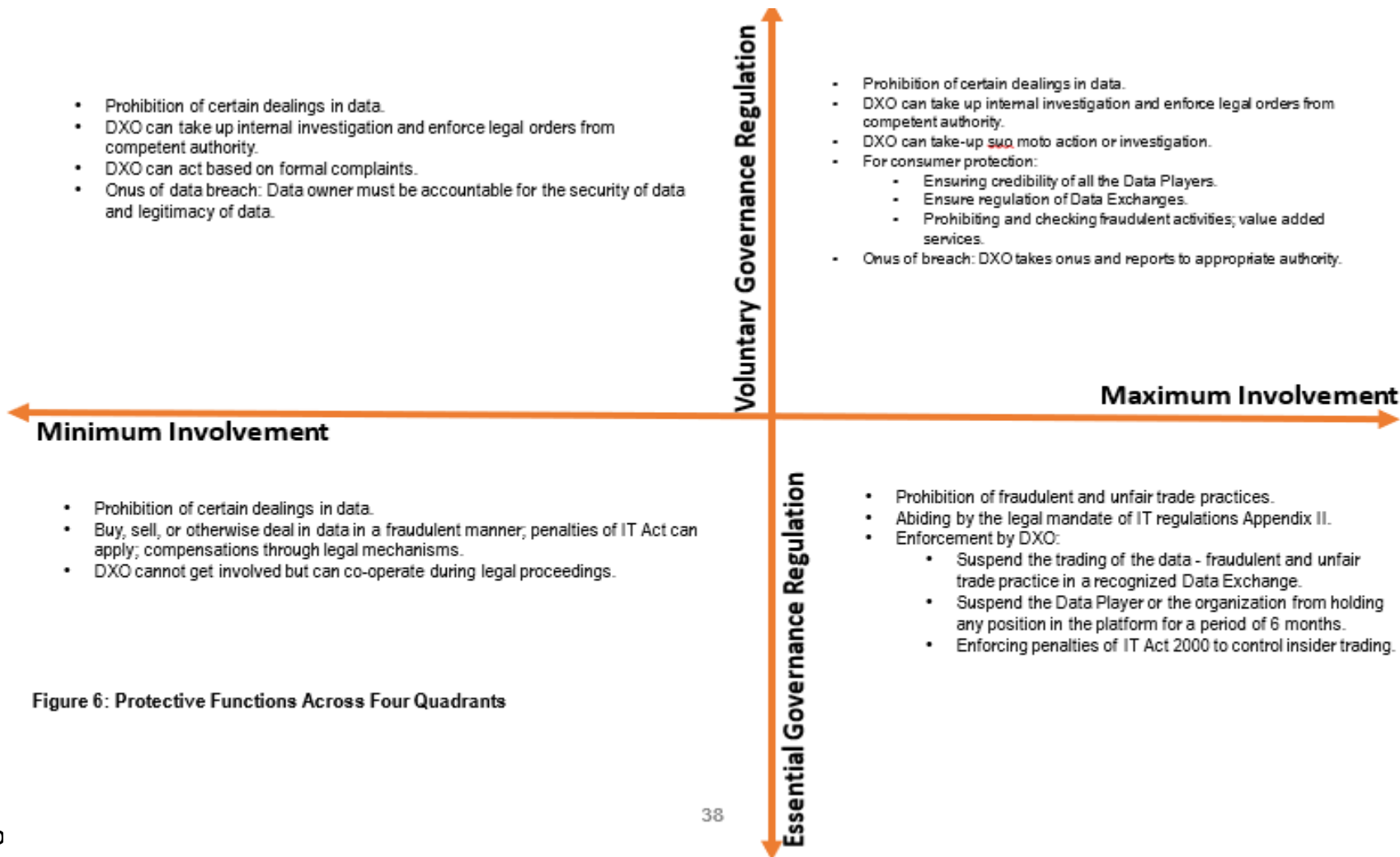


Figure 6: Protective Functions Across Four Quadrants

3.

DEVELOPMENTAL FUNCTION

Developmental functions refer to the steps taken by DXOs in order to provide stakeholders with a knowledge of the Data Market and related entities and develop the data exchange ecosystem.

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Developmental functions



Training



Research



Value-Added
Services

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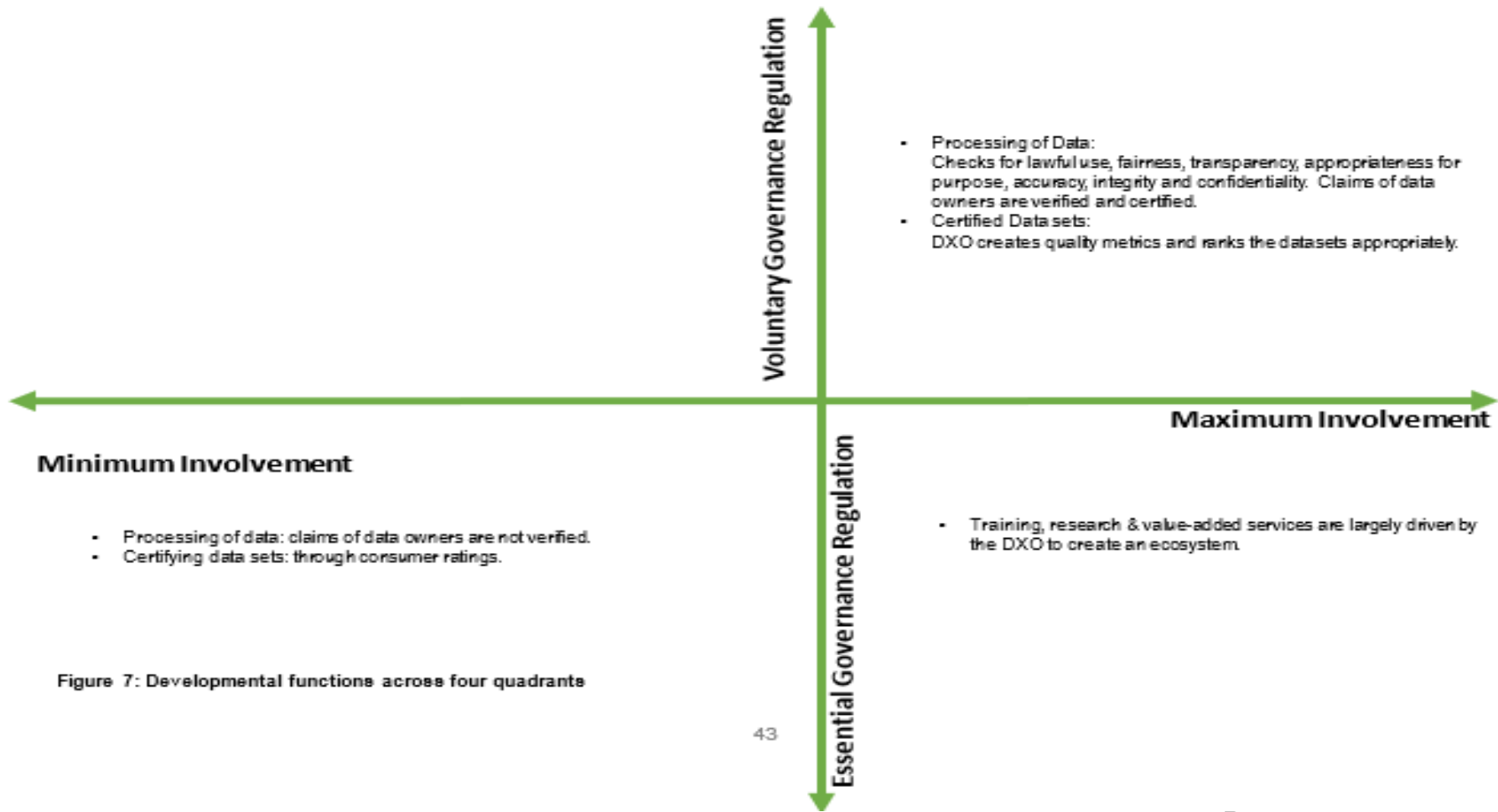


Figure 7: Developmental functions across four quadrants





THANK YOU

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