PART ONE · THE DPDP ACT & THE GST DESK

You Run a GST Practice. The Law Now Calls It a Data Business.

An eye-opener on how the Digital Personal Data Protection Act, 2023 quietly redraws the everyday work of a tax practice — read one file, one workflow at a time.

Ask a GST consultant what business they are in, and the answer is instant: tax. Registrations, returns, refunds, notices, audits, appeals. That is the practice. Now open any single client folder in the office and look at what is actually inside it.

A PAN card. An Aadhaar copy. A photograph. A cancelled cheque carrying a bank account number. A mobile number and an email on which the entire correspondence runs. For a company, the same set again for every director and authorised signatory. And as the engagement deepens — bank statements, an employee's statement recorded during an audit carrying his father's name and residential address, a WhatsApp thread where the client simply sent everything across because it was faster.

That folder is not incidental to the practice. That folder *is* the practice. And every item just listed is, in law, personal data.

> **A GST practice is, in the eyes of the DPDP Act, a data business. Some of the largest small-scale data operations in the country run quietly out of tax offices — and the law has now arrived at that door.**

What the Act says, seen from a GST desk

Strip away the vocabulary, and the DPDP Act rests on three simple ideas.

SECTION 2(t)
Personal Data

Any data about an individual who can be identified from it — not "sensitive" data alone. A name beside a phone number already qualifies. Our files are built almost entirely out of it.

SECTION 2(j)
Data Fiduciary

Whoever decides the purpose and means of handling that data. Tell a client "send me your PAN and Aadhaar" and you have decided the purpose. You are the Fiduciary — no turnover, headcount or "only a professional" relief.

SECTION 2(k)
Data Principal

The person whose data we hold. No longer merely a client who trusts us — he now carries enforceable rights to be told, to correct, to erase, and to complain to a Board that can impose penalties up to ₹250 crore.

The Act quietly hands us a role. The moment we tell a client "send me your PAN and Aadhaar, I need it for the registration," we have decided the purpose — and become the Data Fiduciary. The proprietor with forty clients and the firm with four thousand stand on exactly the same footing.

Trust used to be the entire arrangement. Now trust sits inside a statute.

A change — not merely a fresh form to file

For years the working assumption in most offices has been simple: collect whatever the client can give, keep all of it forever because it "might be needed one day," and move it wherever the work happens to require — the junior's laptop, the co-counsel's inbox, a WhatsApp group, and lately, an AI tab kept open in the browser.

Collect less
Only what the purpose genuinely needs — not everything the client can hand over.

Keep less
Only for as long as a law requires it to be kept — and then let it go.

Move carefully
Every forward, upload and share is now an act that carries a consequence.

The DPDP Act quietly reverses each of those old instincts. That is not a form. That is a change in how the practice works day to day.

The clock — and the runway

None of this is hypothetical any longer. The DPDP Rules were notified in November 2025, and the rollout is phased.

NOVEMBER 2025
Rules notified · the machinery comes alive
The institutional framework and the Data Protection Board become operational first.

AROUND NOVEMBER 2026
Consent Manager registration
The consent infrastructure of the Act begins to take shape.

MID-MAY 2027 · ENFORCEABLE
The substantive obligations bite
Notice, consent, reasonable security safeguards, breach reporting, retention limits — and the Data Principal's rights — all become enforceable.

So there is a runway. But a runway is not the same as time to spare, because what has to change here is structural — and structure in a practice does not turn on a date. It turns slowly, over the months that come before it.

This note is not written to frighten anyone. It is written to do what the Act is really asking of the profession: to look, honestly, at what we hold — and to begin handling it like something held in trust. Because in law, it now is.

Where do you think your practice is most exposed — in the data you collect, the data you keep, or the data you share?

This is the first in a series in which we read the DPDP Act the way it actually reaches a tax practice — one file, one workflow at a time. **We begin with the registration file.**