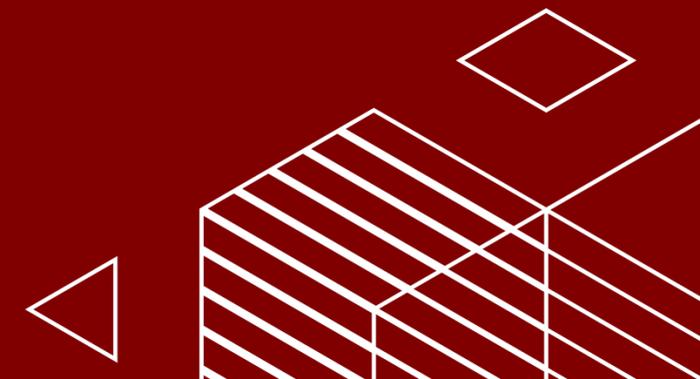


TECH LAW BYTES

LEGAL UPDATES IN TECH & DIGITAL LAWS

May 2025



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Karnataka Governor Promulgates Karnataka Platform Based Gig Workers (Social Security and Welfare) Ordinance, 2025

On May 27, 2025, the Governor of Karnataka promulgated the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Ordinance, 2025 (“**Ordinance**”), to safeguard the rights of platform-based gig workers and to institute a comprehensive legal framework for the provision of social security and welfare benefits to platform-based gig workers.

Applicability and Scope

Importantly, while the Ordinance is primarily applicable to and aimed at safeguarding the rights of Gig Workers (*as defined below*), it also extends its applicability to Aggregators (*as defined below*) and Platforms (*as defined below*). By doing so, the Ordinance establishes a comprehensive legal framework that enables effective regulation of the gig work ecosystem, ensuring accountability across all stakeholders.

Importantly, the Ordinance defines ‘**Platform**’ as any arrangement providing services through an electronic means, including organizing work at a particular location in return for payment, involving (automatic or human) decision-making systems. The Ordinance defines ‘**Aggregators**’ as a digital intermediary for a buyer of goods or user of a service to connect with the seller or the service provider. The Ordinance specifically covers all Platform and Aggregators providing services, including (but not limited to) ride-sharing, food and grocery delivery, logistics, healthcare, and content or media services.

Furthermore, the Ordinance defines ‘**Gig-Workers**’ as individuals who perform work or participate in a work arrangement for a fixed rate of pay under contract terms, and includes all piece-rate work.

Key Features of the Ordinance

- **Establishment of Welfare Board:** Under the Ordinance, the Karnataka state government must establish the Karnataka Platform-Based Gig Workers Welfare Board (“**Board**”). The Board will include representatives of both Gig Workers and Aggregators/Platforms.
- **Establishment of Welfare Fund:** The Karnataka government shall also constitute the ‘Karnataka Gig Worker’s Social Security and Welfare Fund’ (“**Fund**”), which shall, *inter alia*, receive individual contributions from Gig Workers and contribution in the form of welfare fee (between 1 to 5% of the total payout to the platform based gig-worker) imposed by the Platform in accordance with this Ordinance. The Fund shall be utilized in accordance with the rules as may be notified by the state government.
- **Registration of Aggregators/Platform and Gig Workers:** The Ordinance requires all Gig Workers operating in Karnataka, regardless of their domicile or the Platform, to register with the Board. In this regard, every Aggregator and Platform is required to register with the Board and submit a database of its Gig Workers within 45 days of the Ordinance’s commencement. Upon receipt of such database, the Board will register the Gig Workers and issue each one a unique ID.
- **Grievance Redressal Mechanism:** The Ordinance further requires for Aggregators and Platforms to establish a grievance redressal mechanism to address any internal grievances raised by Gig Workers. The grievance raised by the Gig Worker is required to be closed within 45 days of the initial filing of such grievance. Further, if the Gig Worker is not satisfied with the internal grievance redressal as offered by the Platform, the Gig Worker is entitled to also approach the Board.

Read more [here](#).

Ministry of Information and Broadcasting Issues Executive Order Blocking Pakistan Based Content

On May 08, 2025, the Ministry of Information and Broadcasting (“**MIB**”) issued an executive order (“**MIB Order**”) directing the discontinuation of Pakistan-based content on OTT platforms, media streaming platforms and intermediaries. In a similar vein, the Indian government issued an executive order to X (formerly Twitter) to block over 8,000 accounts.

Legal Basis for Blocking Orders

The MIB Order advising the blocking of Pakistan-origin content cited the Code of Ethics under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Rules**”) which mandates that all publishers of news and current-affairs material or curated online content to exercise rigorous discretion and restraint when publishing, transmitting, or featuring material that could affect India’s sovereignty, integrity, or public security. The MIB Order further relied on Rule 3(1)(b) (vii) of the IT Rules, which requires intermediaries to make reasonable efforts to prevent their users from uploading, modifying, or disseminating content that, *inter alia*, threatens the unity, integrity, sovereignty, or public order of the State. Considering the same and citing heightened tensions between India and Pakistan and the recent terror attack, the MIB deemed an executive prohibition of Pakistan-origin content on OTT and streaming platforms necessary in the interest of national security.

With respect to the Government of India’s directive to X (formerly Twitter) on blocking numerous accounts, X stated that the Ministry’s executive order did not highlight any specific posts that contravened Indian law, nor did it furnish evidentiary support or legal justification for the blocking of the 8,000 accounts.

Read more [here](#).

RBI Introduces Digital Lending Directions, 2025

On May 08, 2025, the Reserve Bank of India (“**RBI**”) released the Reserve Bank of India (Digital Lending) Directions, 2025 (“**Directions**”). The Directions seek to consolidate the digital lending framework and effectuate responsible lending, safeguard borrowers, enhance financial transparency, and uphold ethical standards in the digital lending space.

Key Features and New Additions

- **Consolidated Framework**: The Directions supersede and replace earlier directions issued by the RBI including the Guidelines on Digital Lending (“**2022 Guidelines**”), Guidelines on Default Loss Guarantee (“**DLG Guidelines**”) and Loans Sourced by Banks and NBFCs over Digital Lending Platforms: Adherence to Fair Practices Code and Outsourcing Guidelines, 2020. The Directions ostensibly seek to create a consolidated framework for digital lending as opposed to a hitherto dispersed framework.
- **Directory of Digital Lending Apps**: By June 15, 2025, all Regulated Entities (“**REs**”) must report to the Centralised Information Management System Portal (“**Portal**”) of the RBI, providing details of all the Digital Lending App (“**DLA**”) deployed or joined by them, whether self-operated or operated by the Lending Service Provider (“**LSP**”). In this regard, the RE are required to, *inter alia*, certify the following:
 - DLAs have a link to the REs website containing, *inter alia*, the requisite details of the LSP, lender, and further information about the loan products;
 - DLAs have appointed a grievance redressal officer, the details of which are prominently available on the DLA; and
 - that the data collection and storage requirements are in compliance with the Directions.

- **Data Processing:** Previously, under the 2022 Guidelines, the RBI required for all lending data to be stored within India. However, the Directions now expressly permit the offshore processing of data, subject to the condition that such data must be deleted from foreign servers and brought back to India within 24 hours of processing.
- **Due Diligence Obligations:** Under the Directions, REs must conduct rigorous due diligence prior to engaging any LSP, assessing *inter alia*:
 - technical capabilities;
 - data privacy and practices and security systems;
 - fairness in conduct with borrowers;
 - historical conduct; and
 - compliance with applicable regulations and statutes.

Furthermore, REs are required to periodically review the LSPs performance against their contractual obligations and take corrective action as and when required. Importantly, REs remain fully responsible for acts and omission by the LSP.

- **Intimation of recovery agent details:** In the case of a loan default, the details of the recovery agent authorised to approach the borrower (or change in thereof) are required to be intimated to the borrower, prior to the recovery agent establishing contact with such borrower.

Read more [here](#).

European Commission Releases Preliminary Findings on Breach of Digital Services Act by Tik Tok

On May 15, 2025, the European Commission (“**Commission**”) issued a press release recording its preliminary findings that TikTok Technology Limited’s social media application “TikTok” failed to fulfil its obligations under Article 39 of the Digital Services Act (“**DSA**”). Importantly, Article 39 requires entities to maintain a publicly accessible repository of advertisements that includes key information, such as each advertisement’s content and the demographic profile of the targeted user group, and to ensure that this repository is accompanied by a reliable, multi-criteria search functionality.

Background: TikTok’s Designation as a VLOP and Ongoing DSA Investigation

In April 2023, TikTok was formally designated as a Very Large Online Platform (“**VLOP**”) (*i.e.* platforms with more than 45 million users in the EU) under the DSA, as a consequence of which it was subjected to enhanced obligations concerning transparency and risk mitigation. Subsequently, on February 19, 2024, based on preliminary investigations conducted by the Commission and analysis of the risk assessment report sent by TikTok in September 2023, the Commission initiated formal proceedings to determine whether TikTok had contravened the DSA.

The Commission’s inquiry focused on, *inter alia*:

- negative foreseeable effects of TikTok’s algorithm leading to addictive algorithmic content spirals;
- measures to ensure minors’ privacy, safety, and security; and
- provision of a searchable, reliable repository for advertisements.

Preliminary Findings of the Commission

Under Article 39 of the DSA, every VLOP that displays advertisements is required to compile and make publicly available a repository containing, *inter alia*, the following information:

- the content of the advertisement;
- the natural or legal person paying for the advertisement and on whose behalf, it was advertised; and
- the demographic of the user group targeted.

Importantly, such online repository must be accompanied by a search functionality that enables multi-criteria queries, thereby facilitating meaningful access to, and analysis of, the advertisements stored therein.

In this regard, the Commission in its preliminary findings, observed that the advertisement repository maintained by TikTok, falls short of the core requirements mandated under Article 39 as elaborated above. Moreover, TikTok's advertisement repository did not provide for a search mechanism capable of comprehensively searching through advertisements, thereby limiting the usefulness of the tool.

As a VLOP, TikTok is entitled under Article 79(1) of the DSA to be heard in response to the Commission's preliminary findings. If the Commission's preliminary findings are ultimately confirmed, TikTok Technology Limited may be subject to a fine of up to 6% of its total global annual turnover, in addition to being placed under an enhanced period of supervisory oversight to ensure compliance with the remedial measures imposed.

Read more [here](#).

U.S Congress Introduces App Store Accountability Bill to Strengthen and Safeguard Online Safety for Minors

On May 01, 2025, Representative John James and Senator Mike Lee introduced the App Store Accountability Bill (“**Bill**”) in the US House of Representatives and the US Senate. The Bill is aimed at enhancing regulatory safeguards within online app stores. The Bill primarily focuses on strengthening restrictions around access to age-restricted content and introduces expanded parental control mechanisms to support safer digital environments for minors.

Legislative Background and Context

The Bill represents the latest iteration in a series of legislative efforts in the United States aimed at strengthening regulatory safeguards governing the operation and oversight of app stores and their developers. Representative John James previously introduced a prior iteration of the Bill in 2024 (“**2024 Bill**”), during the previous legislative term. Pertinently, the 2024 Bill empowered parents to initiate civil actions against app stores when minors were exposed to explicit content, thereby mandating age verification to restrict such access; however, it did not adequately delineate the respective obligations of app stores and app developers.

Notably, the current Bill has been introduced in the House of Representatives by Representative John James, with an identical companion bill introduced in the Senate by Senator Mike Lee. This renewed legislative momentum is contextualised by the enactment of the App Store Accountability Act in the state of Utah, which was formally signed into law by the Governor on March 26, 2025. Utah’s App Store Accountability Act, which is substantively aligned with the present Bill, entered into force in Utah on May 7, 2025.

Key Features of the Bill

- **Compliance guidance and certification by Federal Trade Commission:** Under the Bill, the Federal Trade Commission (“**FTC**”) is required to issue guidance to assist both app developers and app stores in meeting the Bill’s compliance obligations. Additionally, the Bill permits app stores to engage the FTC through a formal compliance mechanism to request a review of their internal policies. If the FTC concludes that the app store is compliant, it shall issue a certificate of compliance, valid for a period of one year from the date of issuance.
- **Obligations of Covered App Stores:** Under the Bill, “Covered App Store”, defined as any US based app store with an active user base exceeding five million, are subject to *inter alia* the following obligations:
 - at the stage of account creation, to solicit and verify the user’s age through commercially recognized or equivalently accurate verification mechanism. Where a user is verified to be a minor, the app developer is required to link the minor’s account to a verified parental or guardian account as a precondition for authorising app downloads and in-app purchases;
 - to transmit to app developers, where users are confirmed as minors, both the user’s age and the status of any verified parental consent; and
 - prominently display, in conjunction with each app listing, an age rating and a concise descriptive summary furnished by the developer.

- **Concept of significant change:** The Bill introduces the concept of significant change, which is defined as material modification to the app's terms of service or privacy policy that results in change in the nature of the data shared and collected, alters the app age rating, and changes the app's user experience or functionality in a material manner. In this regard, upon any significant change in an app, the app developer is required to notify the covered app store of such change. In turn, the covered app store upon receipt of the significant change is required to notify the user or the affiliated parental account
- **Obligations of app developers:** App developers are required to verify the user's age category through the age-verification methods or processes employed by the Covered App Store. In cases involving minor accounts, developers must also ascertain whether verifiable parental or guardian consent has been obtained. Further, app developers are also required to request age category data at the time of an app download or in-app purchases.

Read more [here](#).

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