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Privacy Policy Abuse by WhatsApp Penalized

Consultation Paper on Assigning Responsibility for the Use of AI Tools in Securities Markets

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In Competition Commission of India v. Meta Platforms Inc. (2024), the Learned Competition Commission of India (CCI) addressed whether WhatsApp's 2021 privacy policy update constituted an abuse of its dominant position in the messaging market. The dispute in this case arose following a suo motu investigation into the policy's terms, which allowed sharing user data with other Meta entities.

The Learned CCI found that the policy imposed unfair conditions on users by mandating acceptance of data-sharing terms as a prerequisite for continuing to use the service. It further held that the policy created barriers to market access and leveraged WhatsApp's dominance in the messaging market to strengthen Meta's position in online advertising.

The CCI imposed a penalty of ₹213.14 crore (~USD 25 million) on Meta Platforms Inc. and prohibited WhatsApp from sharing user data with other Meta entities for advertising purposes for five years. It also mandated that WhatsApp ensure detailed user consent for data sharing, provide an opt-out option, and allow users to modify data-sharing preferences through account settings.

This decision underscores the CCI's focus on regulating dominant platforms to protect user autonomy and market competition. By prohibiting anti-competitive data-sharing practices, the order reinforces the importance of consumer rights and fair competition in India's digital markets.

Consultation Paper on Assigning Responsibility for the Use of AI Tools in Securities Markets

The Securities and Exchange Board of India (SEBI) has published a consultation paper proposing amendments to its regulations to assign clear responsibilities for the use of artificial intelligence (AI) tools by Market Infrastructure Institutions (MIIs), registered intermediaries, and other regulated entities. The objective is to ensure accountability, safeguard investor interests, and maintain data privacy and integrity amidst the increasing use of AI-driven systems in securities markets.

The paper highlights the growing adoption of AI/ML (Machine Learning) tools in investor-facing products, compliance mechanisms, and market operations. While acknowledging their benefits—such as enhanced efficiency, accuracy, and risk management—the paper emphasizes the need to address risks related to data security, compliance, and investor protection.

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