



# Guidelines for Digital Media Regulation

## Why in News

Recently, the Centre has announced **new guidelines** for **digital news platforms**.

## Key Points

### ▪ New Guidelines:

- The government has put emphasis on compliance to the **26% Foreign Direct Investment (FDI)** cap under the government approval route in digital media.
  - 26% FDI through the government approval route in the digital media sector was brought in 2019. FDI in print media is capped at 26%, and that in TV news is 49%.
- The majority of the directors on the company's board, and the Chief Executive Officer (CEO) of the company would have to be an **Indian citizen**.
- All foreign employees working for more than 60 days would need **security clearance**.
  - If the government denies or withdraw security clearance, the digital media company will ensure that the concerned person resigns or his/her services are terminated.
- The government has given a year to digital media news entities to align their shareholding with these requirements.

### ▪ Application:

- The guidelines will be applicable to the following categories of entities registered or located in India:
  - **Digital media entities** which streams/uploads news and current affairs on websites, apps or other platforms.
  - **News agency** which gathers, writes and distributes/transmits news, directly or indirectly, to digital media entities and/or news aggregators.
  - **News aggregator**, an entity which uses software of web applications to aggregate news content from various sources, such as news websites, blogs, podcasts, video blogs, user submitted links, etc in one location.

### ▪ Benefits:

- The Ministry of Information and Broadcasting will be considering in the near future to extend the following benefits, presently available to traditional media (print and TV), to digital media entities also:
  - **Press Information Bureau (PIB) accreditation** for its reporters, cameramen, videographers enabling them with better first-hand information and access including participation in official press conferences and such other interactions.
  - Persons with PIB accreditation can also avail **Central Government Health Scheme (CGHS) benefits and concessional rail fare**.
  - Eligibility for digital advertisements through the Bureau of Outreach and

Communication.

- Similar to self-regulating bodies in print and electronic media, **entities in digital media can form self-regulating bodies** for furthering their interests and interaction with the Government.

▪ **Reason:**

- **Threat of fake news, propaganda vehicles, foreign influence and interference in India's domestic affairs is more real than ever**, particularly from **India's hostile neighbours like China and Pakistan**.
- The guidelines could help the government in **tightening the noose on Chinese and other foreign companies** who are making investments in digital media in the country.

## Foreign Direct Investment

- FDI is an **investment made by a firm or individual** in one country into business interests located in another country.
- Generally, FDI takes place when an investor establishes foreign business operations or acquires foreign business assets, including establishing ownership or controlling interest in a foreign company.
- It is different from **Foreign Portfolio Investment** where the foreign entity merely buys equity shares of a company. FPI does not provide the investor with control over the business.
- **Routes** through which India gets FDI:
  - **Automatic Route:** In this, the foreign entity does not require the prior approval of the government or the RBI.
  - **Government route:** In this, the foreign entity has to take the approval of the government.
    - The **Foreign Investment Facilitation Portal** (FIFP) facilitates the single window clearance of applications which are through approval route.
    - This portal is administered by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

[Source: IE](#)

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