India’s VPN Rules

Why in news?

With the new directives coming into effect on 28 June, VPN providers in the country have taken different approaches to ensure user privacy and compliance.

What is VPN?

- VPN stands for "Virtual Private Network" and describes the opportunity to establish a protected network connection when using public networks.
- VPNs encrypt your internet traffic and disguise your online identity.
- This makes it more difficult for third parties to track your activities online and steal data.

What is the government directive for VPN providers?

- **Maintenance of customer logs**- India’s cybersecurity agency passed a rule mandating VPN providers to record and keep their customers’ logs for 180 days.
- **Data storage**- It also asked these firms to collect and store customer data for up to 5 years.
- **Reporting cybercrimes**- It further mandated that any cybercrime recorded must be reported to the CERT within 6 hours of the crime.
- **Applicability**- The directions apply to data centres, virtual private server (VPS) providers, cloud service providers, virtual asset service providers, virtual asset exchange providers, custodian wallet providers, government organisations and firms that provide internet proxy-like services through VPN technologies.
- However, corporate entities are not under the scanner.
- **Other countries**- Though not all VPNs are officially banned in China, only government-approved VPNs are officially permitted to function.
- The countries where VPN is banned include Belarus, Iraq, North Korea, Oman, Russia and the UAE.

What is a virtual server?

- A virtual server is a simulated server environment built on an actual physical server that recreates the functionality of a dedicated physical server.
- It twin functions like a physical server that runs software and uses resources of the physical server.
- Multiple virtual servers can run on a single physical server.
- **Reallocation of resources-** Virtualising servers helps reallocate resources for changing workloads.
- **Resource efficiency-** Converting one physical server into multiple virtual servers allows organisations to use processing power and resources more efficiently by running multiple operating systems and applications on one partitioned server.
- **Less cost**- Running multiple operating systems and applications on a single physical machine reduces the cost as it consumes less space, hardware.

- **Maintenance**- Maintaining a virtual server infrastructure is low compared to physical server infrastructure.
- **Security**- Virtual servers are also said to offers higher security than a physical server infrastructure as the operating system and applications are enclosed in a virtual machine.
- This helps contain security attacks and malicious behaviors inside the virtual machine.
- **Testing**- Virtual servers are useful in testing and debugging applications in different operating systems and versions without the need for manual installation in several physical machines.
- Software developers can create, run, and test new software applications on a virtual server without taking processing power away from other users.

What will be the impact of the new rule?

According to AtlasVPN's global index, India ranks among the top 20 countries in VPN adoption with 270 million users.

- VPN users in India may face strict know-your-customer (KYC) verification process when signing up for a VPN service.
- The government said it wants these details to fight cybercrime, but the industry argues that such a move would be in breach of the privacy cover provided by VPN platforms.
- Huge number of individuals will be impacted in terms of employment.
- Nord VPN, one of the world's largest VPN providers, has said it is moving its servers out of the country.
- Two firms, Express VPN and Surfshark, said they will shut down their physical servers in India and cater to users in India through virtual servers located in Singapore and UK.
- MeiTY says the rules are applicable to any entity in the matter of cyber incidents regardless of whether they have a physical presence in India or not, as long as they deliver services to Indian users.

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