

Security & Data Privacy

Indian companies as well as the government have been active in adhering to international security standards such as ISO 17799, BS7799, COBIT and ITSM. The government has laid down the required legal framework.

From individual companies to various associations, the government, proactive measures are being taken to ensure that India is viewed as a destination for trustworthy outsourcing and is aligned with those legislatures that govern the US. Also NASSCOM - National Association of Software Services Companies intends to have the security practices of all its member companies audited by international accounting firms. The government has also taken initiatives to focus on the issues of data privacy, information security and Intellectual Property Rights (IPR).

Companies have set up advanced systems to monitor phone conversations, guard data, and watch workers' every move. Employee background checks are a regular feature of the recruitment process. In a recent study by Hill & Associates, an enterprise security and risk management consultancy firm, Bangalore, Hyderabad and Mumbai have been found to be low risk outsourcing locations. These measures work well towards alleviating concerns of privacy and information security of customers wishing to source services of Indian KPO vendors.

Government Policies

The government of India recognizing the vast potential of the ITES industry has introduced various measures in order to promote the growth of the same. Some such measures are easy accessibility of foreign technology, relaxation of restrictions on investment, simplification of the process of investment, friendly tax structures and minimal licensing requirements. In addition to this the respective

States governments have come up with policies governing their state exclusively.

The Government of India has allowed total income tax exemption on export of IT enabled outsourcing services (Sections 10A/10B of the Income Tax Act). Tax holidays, concessions for companies involved in scientific R&D, Duty-free imports of capital goods permitted for BPO companies (under the Export Promotion of Capital Goods scheme) are just some of the steps to create a pro-growth environment.