



# CAIIB PAPER-4

# Module-D Unit-27

**BANKING REGULATIONS AND  
BUSINESS LAWS (BRBL)**



## CAIIB Paper 4 (BRBL) Module D Unit 27-Information Technology Act, 2000

### Introduction

- Information Technology Act 2000, was enacted consequent to the adoption of the **Model Law on Electronic Commerce adopted by the United Nations Commission on International Trade Law in 1997.**
- This Act aims to provide the legal infrastructure for e-commerce in India which involves the use of alternatives to paper based methods of communication and storage of information and also to facilitate electronic filing of documents of Government agencies.
- The Information Technology Act, 2000 also aims to provide the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means.

### Electronic Governance

- Chapter III of the Act deals with electronic governance and gives legal recognition to electronic records (section 4) and electronic signatures (Section 5) including in Government and its agencies (Section 6).
- It also provides that information or any other matter shall be in writing or in the typewritten or printed form, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is rendered or made available in an electronic form; and accessible so as to be usable for a subsequent reference.
- The Chapter also deals with Delivery of Services by Service Providers used for efficient delivery of services in electronic form by the Government (Section 6A) and retention of electronic records (Section 7).

### Certifying Authorities

The Act envisages a Controller of Certifying Authorities who shall perform the function of exercising supervision over the activities of certifying authorities as also laying down standards and conditions governing the certifying authorities as also specifying the various forms and content of Digital Signature Certificates.

#### **Section 18 enumerates the functions to be carried out by the Controller-**

- Exercising supervision over the activities of the Certifying Authorities
- Certifying public keys of the Certifying Authorities
- Laying down the standards to be maintained by the Certifying Authorities
- Specifying the qualifications and experience which employees of the Certifying Authority should possess
- Specifying the conditions subject to which the Certifying Authorities shall conduct their business

- Specifying the contents of written, printed or visual materials and advertisements that may be distributed or used in respect of a electronic signature Certificate and the public key
- Specifying the form and content of a electronic signature Certificate and the key
- Specifying the form and manner in which accounts shall be maintained by the Certifying Authorities
- Specifying the terms and conditions subject to which auditors may be appointed and the remuneration to be paid to them
- Facilitating the establishment of any electronic system by a Certifying Authority either solely or jointly with other Certifying Authorities and regulation of such systems
- Specifying the manner in which the Certifying Authorities shall conduct their dealings with the subscribers
- Resolving any conflict of interests between the Certifying Authorities and the subscribers
- Laying down the duties of the Certifying Authorities
- Maintaining a data base containing the disclosure record of every Certifying Authority containing such particulars as may be specified by regulations, which shall be accessible to public.

### **Penalties**

In terms of Chapter IX – Section 43 of the said Act, “if any person without the permission of the owner or any other person who is in charge of a computer, computer system or computer network:-

- Accesses or secures access to such computer, computer system or computer network or computer resource
- Downloads, copies or extracts any data, computer data base or information from such computer including information or data held or stored in any removable storage medium
- Introduces or causes to be introduced any computer contaminant or computer virus into any computer, computer system or computer network
- Damages or causes to be damaged any computer, computer system or computer network, data, computer data base or any other programs residing in such computer
- Disrupts or causes disruption of any computer, computer system or computer network
- Denies or causes the denial of access to any person authorized to access any computer by any means
- Provides any assistance to any person to facilitate access to a computer in contravention of the provisions of this Act
- Charges the services availed of by a person to the account of another person by tampering with or manipulating any computer, computer system, or computer network.

- Destroys, deletes or alters any information residing in a computer resource or diminishes its value or utility or affects it injuriously by any means
- Steal, conceal, destroys or alters or causes any person to steal, conceal, destroy or alter any computer source code used for a computer resource with an intention to cause damage,

he shall be liable to pay damages by way of compensation to the person so affected. **The Act provides for appointment of any officers not below the rank of a director to the Government of India or an equivalent officer who shall adjudicate whether any person has made a contravention of any of the provisions of the Act or rules framed there under. The said adjudicating officer has been given the powers of a Civil Court.**

### **Appeal**

- **The Telecom Disputes Settlement and Appellate Tribunal** established under section 14 of the Telecom Regulatory Authority of India Act, 1997 shall, be the Appellate Tribunal for the purposes of this Act
- Any person aggrieved by an order made by controller or an adjudicating officer under this Act may prefer an appeal to a Appellate Tribunal having jurisdiction in the matter.
- No appeal shall lie to the Appellate Tribunal from an order made by an adjudicating officer with the consent of the parties.
- **Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Controller or the adjudicating officer is received by the person aggrieved and it shall be in such form and be accompanied by such fee as may be prescribed.**
- On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit
- The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned Controller or adjudicating officer.
- The appeal filed before the Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavor shall be made by it to **dispose of the appeal finally within six months from the date of receipt of the appeal.**

### **Critical Information Infrastructure – Protected System**

- In accordance with Section 70 of the statute, The appropriate Government may, by notification in the Official Gazette, declare any computer resource which directly or indirectly affects the facility of Critical Information Infrastructure, to be a protected system.
- The appropriate Government may, by order in writing, authorize the persons who are authorized to access protected systems notified under sub-section (1).
- Any person who secures access or attempts to secure access to a protected system in contravention of the provisions of this section shall be punished with

imprisonment of either description for a term which may extend to ten years and shall also be liable to fine.

- The Central Government may, by notification published in the Official Gazette, designate any organization of the Government as the national nodal agency in respect of Critical Information Infrastructure Protection.

### **Application Of The Act To Electronic Cheque And Truncated Cheque**

- As per Section 81A of the Act, The provisions of this Act, shall apply to, electronic cheques and the truncated cheques subject to such modifications and amendments as may be necessary for carrying out the purposes of the Negotiable Instruments Act, 1881 by the Central Government, in consultation with the Reserve Bank of India, by notification in the Official Gazette.
- Every notification made by the Central Government under sub-section (1) shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be.
- The Act (Section 88) also provides for the constitution of the **Cyber Regulation Advisory Committee** which shall advise the Government as regards any rules or for any other purpose connected with the said Act.

### **Documents Or Transactions To Which The Act Shall Not Apply**

**The First Schedule to the statute enumerates the documents or transactions to which the Act does not apply.**

- A negotiable instrument (other than a cheque) as defined in section 13 of the Negotiable Instruments Act, 1881.
- A power-of-attorney as defined in section 1A of the Powers-of-Attorney Act, 1882
- A trust as defined in section 3 of the Indian Trust Act, 1882
- A will as defined in clause (h) of section 2 of the Indian Succession Act, 1925
- Any contract for the sale or conveyance of immovable property or any interest in such property.

**However the Central Government has vide a notification dated September 26, 2022, amended the aforesaid schedule. The First Schedule has been amended to:**

- Exclude demand promissory notes and bills of exchange issued in favour of or endorsed by an entity regulated by the Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India and Pension Fund Regulatory and Development Authority from the entry relating to negotiable instruments, in addition to cheques which was already excluded from the first schedule.
- Exclude those powers-of-attorney which empower an entity regulated by the Regulatory Authorities to act for, or on behalf of, and in the name of the person executing them, from the entry relating to a power of attorney.

- Omit contracts for sale or conveyance of immovable property or any interest in such property.
- ✓ **Join CAIIB Telegram Group**
- ✓ **For Mock test and Video Course**  
**Visit: [course.ambitiousbaba.com](http://course.ambitiousbaba.com)**
- ✓ **Join Free Classes: JAIIBCAIIB BABA**
- ✓ **Download APP For Study Material: Click Here**
- ✓ **Download More PDF**

[Click here to get Free Study Materials Just by Fill this form](#)



**CAIIB MAHACOMBO PACKAGE**

**100%** Best in INDIA for JAIIB

- Video Classes (Unit Wise + Case Study)
- Mock Tests (Unit Wise + Case Study + Previous year)
- ✓ Capsule PDF
- ✓ 100% Success

₹ 3999  
**₹ 1999**  
Only

**PREMIUM QUALITY GUARANTEE**

 **ambitious baba**

[Buy CAIIB MAHACOMBO PKG](#)