

The ICSI has always committed to explore new areas of opportunity for professionals and to undertake initiatives for their capacity building. The rapid advancement of Artificial Intelligence (AI) is not only transforming business operations but also reshaping the compliance and governance landscape. As organizations increasingly deploy AI-driven systems for decision-making, monitoring, and reporting, there is a growing demand for professionals who are aligned with the use of these AI technologies for better functioning.

AI has added new dimension to ensure ethical corporate governance including compliances, audit, risk management, data governance and oversight, requiring a blend of technical understanding as well as regulatory expertise. With the rise of AI use in corporate functioning, there is a parallel expansion in compliance and governance-oriented employment opportunities. In order to create more awareness about the AI and latest development in the field amongst the professional fraternity, the ICSI has introduced this "AI Corner" comprising facts, terminology and recent global developments in AI domain. We hope that this initiative will be useful for professionals in exploring opportunities in AI and digital governance.

AI FACTS AND TERMINOLOGY

AI is a 100-year-old concept, interspersed with long "AI winters." However, the launch of ChatGPT 3.0 (2022) has ignited interest in AI like never before. The world has since been simultaneously gripped by excitement and anxiety. The excitement stems from sudden access to a technology that seems so human-like. That, ironically, is also the root of the anxiety. For the public at large, what started as an attempt to understand how such chatbots and code-completing tools work has quickly evolved into a deeper, worrying question about what AI will do to our lives and our jobs. AI won't replace people, but people who use AI will replace people who don't.¹

AI WINTER

AI winter is a period of reduced funding and interest in AI research.

AI INCIDENT

An event where an AI system malfunctions, produces unintended outcomes, or behaves unpredictably, potentially causing harm or violating legal rights.

BIAS

Systematic difference in treatment of certain objects, people or groups in comparison to others leading to prejudiced outcomes.

DEEPMODEL

AI-generated or manipulated image, audio or video content that resembles existing persons, objects, places,

¹ https://niti.gov.in/sites/default/files/2025-10/Roadmap_for_Job_Creation_in_the_AI_Economy.pdf

entities or events and would falsely appear to a person to be authentic or truthful.

HALLUCINATIONS

Made up of data presented as fact in AI generated text that is plausible but are, in fact, inaccurate or incorrect.

RECENT DEVELOPMENTS IN AI

INDIA'S AI GOVERNANCE GUIDELINES

The Ministry of Electronics and Information Technology (MeitY), under the IndiaAI Mission, unveiled the India AI Governance Guidelines on 5th November, 2025. The guidelines were drafted by a high-level committee including senior officials from the Government of India, NITI Aayog, policy and legal experts.

The guidelines propose a robust governance framework to foster cutting-edge innovation, and safely develop and deploy AI for all while mitigating risks to individuals and society. The framework comprises four key components:

- Seven guiding principles (Sutras) for ethical and responsible AI.
- Key recommendations across six pillars of AI governance.
- An action plan mapped to short, medium, and long-term timelines.
- Practical guidelines for industry, developers, and regulators to ensure transparent and accountable AI deployment.

These are envisioned as a foundational reference for policymakers, researchers, and industry to foster greater national and international cooperation for safe, responsible, and inclusive AI adoption.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2186639>

GOVERNMENT NOTIFIES DPDP RULES TO EMPOWER CITIZENS AND PROTECT PRIVACY

The Government of India has notified the Digital Personal Data Protection (DPDP) Rules, 2025, marking the full operationalisation of the DPDP Act, 2023. Together, the Act and Rules create a simple, citizen-focused and innovation-friendly framework for the responsible use of digital personal data.

The DPDP Act establishes a comprehensive framework for protecting digital personal data, setting out the obligations of entities handling such data (*Data Fiduciaries*) and the rights and duties of individuals (*Data Principals*). It follows the SARAL design —**Simple, Accessible, Rational and Actionable**—using plain language and illustrations to support ease of understanding and compliance. The Act is guided by seven core principles including consent

and transparency, purpose limitation, data minimisation, accuracy, storage limitation, security safeguards, and accountability.

The DPDP Rules provide an **18-month phased compliance timeline**, allowing organisations time for smooth transition. They also require Data Fiduciaries to issue standalone, clear and simple consent notices that transparently explain the specific purpose for which personal data is being collected and used. Consent Managers, entities that help individuals manage their permissions, must be Indian companies. In the event of a personal data breach, Data Fiduciaries must promptly inform affected individuals in plain language, explaining the nature and possible consequences of the breach, the steps taken to address it and contact details for assistance.

Data Fiduciaries must display clear contact information such as that of a designated officer or Data Protection Officer to help individuals raise queries about personal data processing. To ensure stronger protection, Data Fiduciaries must obtain verifiable consent before processing the personal data of children, with limited exemptions for essential purposes such as healthcare, education and real-time safety. For persons with disabilities who cannot make legal decisions even with support, consent must come from a lawful guardian verified under applicable laws. The DPDP framework reinforces the rights of individuals to access, correct, update or erase their personal data and to nominate another person to exercise these rights on their behalf. Data Fiduciaries must respond to all such requests within a maximum of 90 days.

A “Data Protection Board” will also be constituted to function as a fully digital institution, enabling citizens to file and track complaints online through a dedicated platform and mobile app, promoting transparency, efficiency and ease of living.

With simplified rules, adequate transition time and a technology-neutral approach, the DPDP Act and Rules aim to strengthen privacy, enhance trust and support responsible innovation. Together, they help position India’s digital economy as secure, resilient and globally competitive.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2190014>

AI AT COP30

30th United Nations Climate Change Conference (Conference of the Parties) took place in Belém, Brazil, from November 10–21, 2025. On the first day of COP30, “**science, technology and artificial intelligence**” was explicitly listed as one of the key themes. Initiatives included the Green Digital Action Hub, a global platform to drive a greener, more inclusive digital transformation.

Additionally, there was a session introducing the AI Climate Institute. A key goal of the AI Climate Institute is to enable Global South countries to design, adapt and implement their own AI-based climate solutions.

When it comes to AI and climate change, there is a tendency for people to think about the increased environmental and climate change harms that AI will bring. A key issue is the emissions produced by data centres. AI can play a role in reducing emissions by making energy systems more efficient and certain other measures, thus reducing emissions through energy savings. Scientific research has demonstrated that machine learning can assist local governments in their decisions about options for climate adaptation. AI can be an integral part of an early warning system. It can be used to predict floods using sensor data, predict wildfires using satellite and weather data, monitor social media for disaster response and identify areas at risk of landslides.

Principle based development of AI, powered by clean energy sources, has the potential to significantly reduce carbon emissions, provide early warning to communities of climate threats, reduce the costs of adapting to a changing climate and enhance the understanding about climate change.

Source: <https://tinyurl.com/AI-at-COP30>

GOVERNMENT OF INDIA LAUNCHES ‘YUVA AI FOR ALL’

Under the IndiaAI Mission, the Government of India has launched ‘YUVA AI for ALL’, a first-of-its-kind free course that introduces the world of Artificial Intelligence (AI) to all Indians, especially the youth.

This 4.5-hour self-paced course is designed to make students, professionals and other curious learners comfortable with the basics of AI and to show how it’s transforming the world. The course is available on leading learning platforms such as Future Skills Prime and other popular ed-tech portals. Every learner who completes the course will get certificate from the Government of India. During the course, the learners will:

- Discover what AI really is and how it works.
- Learn how AI is changing education, creativity, and work.
- Understand how to use AI tools safely and responsibly.
- Explore cool, real-world AI use cases from India.
- Get a sneak peek into the future of AI and new opportunities ahead.

With this initiative, the Government of India aims to empower 1 crore citizens with foundational AI skills, helping bridge the digital divide, promote ethical AI adoption, and prepare India’s workforce for the future. Organizations, schools, and universities can partner with IndiaAI to make the course reach every corner of the country. Partners can integrate the course, promote it to learners, and co-brand certificates. The course can be accessed at: <https://www.futureskillprime.in/course/yuva-ai-for-all/>

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2191334>