

India's Data Gambit: Navigating the Transatlantic AI Regulatory Divide

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Abstract: This paper analyses the regulation of artificial intelligence which has turned into a signature geopolitical struggle, with the binding, rights-affirmative AI Act of the European Union, and the deregulation, first-mover ideology of the United States. In this transatlantic schism, India has become a rational third force. India is building a principle-based, iterative governance model, tactically leveraging its immense data commons, sovereign compute infrastructure and AI talent pool as a source of normative and geopolitical power, through the Draft Digital Personal Data Protection Rules, 2025 and the India AI Governance Guidelines published on 5 November 2025. It is the thesis of this paper that the regulatory decisions of India are a form of determined data gambit, a gambit whose aim is to create a third pole in the global AI regulation, especially in the Global South, and balancing considerable structural tensions between sovereignty, enforcement, and attracting investment.

Keywords: Digital Personal Data Protection, AI Governance, European Union, Regulatory Divide

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