

AIRTTKC 2026 ARTIFICIAL INTELLIGENCE AS A RESEARCH TOOL: TRANSFORMING KNOWLEDGE CREATION

A STUDY ON THE EVER-CHANGING REGULATORY LANDSCAPE IN THE CREATOR ECONOMY

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Overview:

Since the past 2- 3 years, digital media has witnessed a boom and has evolved rapidly. Beginning from traditional newspapers and radio channels to the advent of influencers, micro influencers, podcasters and the entire creator economy, media has witnessed a significant shift. The way citizens today across the country and the globe are consuming news has completely evolved. This real time nature of news and content consumption has its own advantages and disadvantages. While it provides freedom of speech, it does land the creator in trouble if the information is unfiltered.

Taking the recent case of the popular 'Ranveer Allahbadia' was a massive shakeup to the overall creator economy. In February 2025, Allahbadia appeared on comedian Samay Raina's YouTube show, *India's Got Latent*, where he made an obscene hypothetical question to a contestant. Multiple police complaints were filed against Allahbadia, Raina, and others involved in the show. The Mumbai Police initiated an inquiry, and the issue was raised in the Indian Parliament, with calls for stricter regulations on online content. Maharashtra Chief Minister Devendra Fadnavis stated that while everyone has freedom of speech, it ends when it encroaches upon others' freedom. Therefore, this outrage over this Indian YouTuber has raised various social media regulation concerns.

In 2024, the influencer marketing industry witnessed significant transformations with new regulations redefining ethical practices. The evolving rules that spanned across financial influencers facing stricter SEBI guidelines and the rise of cryptocurrency endorsements as well as on surrogate advertising.

Here is a breakdown of key regulations and guidelines that influencers must follow. These regulations aim to ensure transparency, protect consumers from misleading advertisements, and promote ethical practices in influencer marketing:

1. Advertising Standards Council of India (ASCI) Guidelines for Influencer Advertising in Digital Media:

- **Core Principle:** The fundamental aim is to ensure that advertising content, even when disseminated through influencers, is honest, truthful, and does not mislead consumers. The "material connection" between the influencer and the brand must be transparent.
- **Latest Developments (Early 2025):**
 - **Emphasis on Native Advertising Disclosures:** ASCI has been increasingly focusing on ensuring that disclosures are not just present but are also prominent enough to be noticed by consumers in the context of native advertising formats (content that blends in with the platform's regular content).

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They have issued clarifications emphasizing that disclosures should not be easily missed due to font size, color contrast, placement within the content flow, or the use of ambiguous language. **Stricter Interpretation of "Material Connection"**: ASCI is taking a broader view of what constitutes a "material connection." This now explicitly includes long-term ambassadorships, equity stakes, or any ongoing financial or personal relationship that could influence the influencer's opinion.

- **Focus on Specific Platforms**: ASCI has provided more granular guidance for emerging platforms and content formats, such as short-form video platforms (beyond just stating general rules). For instance, they have reiterated that for very short video clips, the disclosure must be visible for a significant portion of the duration to be effective.
- **Monitoring of Virtual Influencers**: With the rise of virtual influencers, ASCI has been actively monitoring compliance with the rule requiring clear disclosure of their non-human nature. There is an increased emphasis on ensuring that consumers are not misled into believing they are interacting with a real person.
- **Increased Scrutiny of "Healthwashing" and "Greenwashing"**: ASCI is paying closer attention to influencers promoting products with health or environmental claims. They are requiring evidence that is more robust and disclaimers to prevent misleading "healthwashing" (implying health benefits without sufficient proof) or "greenwashing" (misleading claims about environmental benefits).
- **Details for Local Content Creators**: The ASCI guidelines apply equally to all influencers operating within the Indian digital space, regardless of their scale or the language of their content. Local content creators producing content in regional languages must ensure their disclosures are also in the same language and are equally prominent and understandable to their audience. ASCI has emphasized that using English hashtags when the content is in a regional language might not be sufficient for clear disclosure to that specific audience.

2. Consumer Protection Act, 2019 and Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022: ¹

- **Core Principle**: This legal framework aims to protect consumers from unfair trade practices, including misleading advertisements. Influencers, as endorsers, have a responsibility to ensure their endorsements are truthful and not deceptive.
- **Latest Developments (Late 2024 - Early 2025)**:
 - **Increased Enforcement Actions**: The Central Consumer Protection Authority (CCPA) has been more active in taking suo moto cognizance of misleading endorsements by influencers. There have been reported cases of notices being issued and penalties being levied on influencers who failed to disclose sponsored content or made unsubstantiated claims, particularly in sectors like finance and health.
 - **Clarity on Due Diligence**: The CCPA has further clarified the expectation of "due diligence" from influencers. This includes not just taking the brand's word but also making reasonable efforts to verify the claims being made, especially for products or services that can impact consumer health or financial well-being. Simply stating "as per the brand" might not be considered sufficient due diligence.

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- **Focus on Financial Misinformation:** Given the rise of "influencers," the CCPA is working closely with SEBI to address the issue of misleading financial advice and promotions. Influencers making financial claims without proper registration or with unrealistic promises are under greater scrutiny.
- **Impact of Disclaimers:** While disclaimers are important, the CCPA has emphasized that a disclaimer will not absolve an influencer of liability if the core endorsement is inherently false or misleading. The disclaimer must be clear, prominent, and directly related to the claim being made.
- **Details for Local Content Creators:** The Consumer Protection Act and its guidelines are applicable nationwide. Local content creators endorsing products or services to their specific regional audience are equally responsible for ensuring their endorsements are not misleading. The language of the endorsement and any disclaimers must be in a language understood by their target audience. For instance, if promoting a local product in Marathi, the disclosure and any necessary warnings should also be in Marathi.

3. Additional Influencer Guidelines for Health and Wellness Celebrities, Influencers and Virtual Influencers (Ministry of Consumer Affairs):

- **Core Principle:** Recognizing the sensitive nature of health and wellness information, these guidelines aim to prevent the spread of misinformation and ensure that endorsements in this domain are responsible.
- **Latest Developments (Late 2024):**
 - **Stricter Definition of "Health and Wellness":** The Ministry has provided a broader definition of what constitutes "health and wellness" to include not just physical health but also mental well-being, dietary supplements, alternative therapies, and related products/services. This means more content creators now fall under these specific guidelines.
 - **Emphasis on Qualified Experts:** The guidelines are being more strictly enforced regarding who can present themselves as experts. General influencers sharing health advice without relevant qualifications are facing increased scrutiny. The requirement for qualified practitioners to disclose their credentials is being emphasized.
 - **Regulation of "Immunity Boosting" Claims:** In the wake of the pandemic, there's a heightened focus on claims related to "immunity boosting." Influencers are being cautioned against making definitive statements about products enhancing immunity without credible scientific backing and proper disclaimers.
 - **Virtual Influencers in Health:** The application of these guidelines to virtual influencers in the health and wellness space is being clarified. Even though they are not real individuals, if they are presented as offering health advice or endorsing related products, they must adhere to the same disclosure and disclaimer requirements.
- **Details for Local Content Creators:** For local influencers focusing on regional health practices or promoting local remedies, it's crucial that they still adhere to the principles of these guidelines. If they are not qualified health practitioners, they must include clear disclaimers stating that their advice is not a substitute for professional medical consultation. Promoting local products with health claims requires the same

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level of caution and the inclusion of appropriate disclaimers in the local language.

4. Guidelines by the Securities and Exchange Board of India (SEBI) for Financial Influencers ("Finfluencers"):

- **Core Principle:** SEBI aims to protect investors from misleading financial advice and fraudulent schemes promoted through social media and other digital platforms by unregistered individuals.
- **Latest Developments (Late 2024 - Early 2025 - Significant Updates):**
 - **Strict Enforcement of Registration:** SEBI has significantly ramped up its efforts to identify and take action against unregistered individuals providing investment advice. There have been multiple warnings issued to the public against following advice from unregistered "finfluencers," and actions taken against those found to be in violation.
 - **Complete Ban on Using Live Market Data for Educational Purposes (with potential to influence):** This is a crucial recent development. SEBI has prohibited unregistered finfluencers from using real-time or even slightly delayed (within three months) market data in their educational content if it could be construed as providing investment advice or influencing investment decisions. They can only use significantly older, historical data.
 - **Restrictions on Endorsements by Regulated Entities:** SEBI-registered entities (like brokers, mutual funds) are facing stricter rules regarding their association with unregistered finfluencers for marketing purposes. They are now held responsible for ensuring that the finfluencers they collaborate with are compliant with SEBI regulations.
 - **Emphasis on Risk Disclosures:** Any discussion of investment opportunities by even registered advisors through influencer channels must include prominent and clear risk disclosures in a language easily understood by the audience. Generic risk warnings might not be sufficient.
 - **Scrutiny of "Get Rich Quick" Schemes:** SEBI is actively monitoring and cracking down on influencers promoting dubious "get rich quick" schemes or providing unrealistic return promises.
- **Details for Local Content Creators:** For local content creators providing financial education or advice in regional languages, the same SEBI regulations apply. If they are giving investment advice, they must be registered with SEBI and disclose their registration number clearly in their local language content. The restrictions on using live market data and making specific stock recommendations apply regardless of the language of the content. It is crucial for local "finfluencers" to be aware of these regulations to avoid severe penalties and legal repercussions.

Key Takeaway for Local Content Creators: The regulations and guidelines discussed apply to all influencers operating within India, irrespective of their scale, niche, or the language of their content. Local content creators must pay close attention to ensuring their disclosures, disclaimers, and the substance of their content comply with these rules to protect their audience and themselves from legal and reputational risks. Language should not be a barrier to compliance; all necessary information must be conveyed clearly in the language of their primary audience. Staying informed about the latest updates from ASCI, the Ministry of Consumer Affairs, and SEBI is crucial for all content creators in India.

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5. Navigating the Crypto Landscape

- Core Principle: SEBI aims to protect investors from misleading financial advice and fraudulent schemes promoted through social media and other digital platforms by unregistered individuals.
- **Latest Developments (Late 2024 - Early 2025 - Significant Updates):** To the extent that crypto influencers provide advice, recommendations, or discuss the performance of specific cryptocurrencies as financial assets, they fall under the purview of SEBI's regulations for finfluencers.
- **Key Implications:**
 - **Registration Requirement:** If a crypto influencer provides investment advice on cryptocurrencies that are considered securities (the classification of cryptocurrencies under securities law is still somewhat ambiguous in India), they may need to be registered with SEBI as investment advisors.
 - **Restrictions on Unregistered Advisors:** Unregistered crypto influencers are prohibited from giving investment advice or making claims about returns without SEBI authorization.
 - **Ban on Live Price Data:** Similar to stock market finfluencers, unregistered crypto influencers are now restricted from using real-time or recent (within three months) price data of cryptocurrencies if it can be seen as offering trading tips or influencing investment decisions. They should only use historical data older than three months for educational purposes.
 - **Due Diligence and Truthfulness:** Influencers must ensure that any claims or information they provide about cryptocurrencies are factual and not misleading.

2. Tax Regulations:

- **30% Tax on Gains:** India levies a flat 30% tax on income from the transfer of any virtual digital asset (VDA), which includes cryptocurrencies. Crypto influencers who earn income from promoting specific cryptocurrencies or platforms will have this tax implication on their earnings.
- **1% TDS:** A 1% Tax Deducted at Source (TDS) applies to crypto transactions exceeding ₹50,000 in a financial year (₹10,000 in some specified cases). This would apply to influencers receiving payments in cryptocurrency or promoting platforms where such transactions occur.

3. Prevention of Money Laundering Act (PMLA):

- **VASPs as Reporting Entities:** Since March 2023, Virtual Asset Service Providers (VASPs), which include cryptocurrency exchanges and potentially platforms used by influencers, are considered "Reporting Entities" under the PMLA. This means they must comply with anti-money laundering standards, including Know Your Customer (KYC) requirements.
- **Implications for Influencers:** While not directly regulated under PMLA, crypto influencers promoting specific VASPs should be mindful of the platform's compliance with these regulations. Promoting non-compliant or suspicious platforms could lead to legal and reputational risks.

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4. Lack of Specific Crypto-Influencer Guidelines (Yet):

- **No Tailored Rules:** As of now, there are no specific guidelines issued by Indian regulatory bodies (like ASCI or the Ministry of Consumer Affairs) that are exclusively for cryptocurrency influencers.
- **General Influencer Guidelines Apply:** However, the general guidelines for influencer advertising (disclosure of material connection, no misleading claims, due diligence) are still applicable to crypto influencers promoting exchanges, tokens, or related products. Clear disclosure of any sponsorships or partnerships is essential.

5. Government Stance and Potential Future Regulations:

- **Cautious Approach:** The Indian government and the Reserve Bank of India (RBI) have generally maintained a cautious stance towards cryptocurrencies due to concerns about volatility, investor protection, and potential use for illicit activities.
- **CBDC Focus:** The government is actively working on its own Central Bank Digital Currency (CBDC), the e-Rupee, indicating a preference for a state-controlled digital currency over private cryptocurrencies.
- **Evolving Regulatory Landscape:** The regulatory framework for cryptocurrencies in India is still under discussion. The "Cryptocurrency and Regulation of Official Digital Currency Bill, 2021," which proposed a ban on most private cryptocurrencies, has not yet been passed but indicates the government's potential direction. Recent statements suggest a re-evaluation of the crypto stance in light of global developments.
- **Potential for Stricter Rules:** Given the regulatory uncertainty and the inherent risks associated with cryptocurrencies, it's possible that more specific and stringent regulations for crypto influencers could be introduced in the future, potentially aligning with or even exceeding the current "finfluencer" guidelines.

Implications for Crypto Influencers:

- **Transparency is Important:** Clearly disclose any sponsorships, partnerships, or financial interests in the cryptocurrencies or platforms they promote.
- **Exercise Due Diligence:** Understand the risks related with the cryptocurrencies and platforms being promoted and avoid making unsubstantiated claims or guarantees.
- **Stay Informed:** The regulatory landscape for cryptocurrencies and their promotion is dynamic. Crypto influencers need to stay informed about the latest laws, guidelines, and government announcements.
- **Focus on Education (Carefully):** If providing educational content, avoid giving direct investment advice and strictly adhere to SEBI's restrictions on using recent price data if unregistered.
- **Consider Legal Advice:** Given the complexities and potential risks, it would be prudent for crypto influencers to seek legal counsel to ensure compliance.

In conclusion, while there aren't specific "crypto influencer regulations" distinct from general influencer and "finfluencer" rules, those promoting cryptocurrencies in India must navigate the existing framework related to advertising, financial advice, taxation, and anti-money laundering. The evolving nature of cryptocurrency regulation in India necessitates a cautious and compliant approach for crypto influencers.

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Will 2025 become more regulated?

The situation becomes even more regulated after the Ranveer Allahabadi controversy. Further scrutiny after the government, digital creators with at least 50 lakh subscribers or followers may soon have to undertake age- based classification of their content and provide disclaimers over their uploaded content. The new prescriptions could form a part of code of ethics for digital creators currently under consideration by the Indian Government.

In addition to the Central Government, states like Goa, Uttar Pradesh, Rajasthan, Karnataka, and Bihar have rolled out social media influencer policies, aiming to promote state welfare schemes through such creators. In most cases, influencers have been divided based on follower/subscriber count and remunerated accordingly. Taking the policy a step further, the UP government also sought to penalise creators posting ‘anti-national’, ‘obscene’, or otherwise ‘inflammatory’ content, further raising concerns of stifling dissent and voices critical of the Government.

Impact of DPDP

The Digital Personal Data Protection (DPDP) Act, 2023, is set to significantly impact influencer marketing in India, emphasizing user consent, data minimization, and transparency. Here is how it will affect influencers and brands:

Key Impacts on Influencer Marketing

1. Mandatory User Consent

Influencers and brands must obtain explicit, informed consent from users before collecting or processing their personal data. This includes clear communication about data usage, storage, and sharing practices. Emphasis on First-Party Data

The reliance on third-party data for targeted advertising will diminish. Influencers and brands will need to focus on collecting and utilizing first-party data—information gathered directly from their audience.

2. Data Minimization

Only essential data should be collected for specific purposes. This aligns with the principle of data minimization, reducing the volume of data gathered and processed.

3. Parental Consent for Users Under 18

Users below 18 years old will require verifiable parental consent to access social media platforms. This provision may affect influencer strategies targeting younger audiences. [The Economic Times](#)

4. Data Breach Notifications

In the event of a data breach, influencers and brands must inform affected users within 72 hours, detailing the nature of the breach and measures taken.

5. Compliance Costs

Adapting to the DPDP Act may incur additional costs for influencers and brands, including investments in data management systems and compliance measures.

Strategic Adjustments for Influencers

- **Transparency:** Clearly disclose data collection and usage practices to build

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trust with the audience

- **Data Collection Practices:** Implement mechanisms to obtain and manage user consent effectively.
- **Content Strategy:** Develop content that encourages voluntary data sharing, such as surveys or contests.
- **Platform Utilization:** Leverage owned platforms like personal websites or email lists to gather first-party data.
- **Engagement Metrics:** Shift focus from traditional metrics to engagement quality and audience authenticity

In summary, the DPDP Act necessitates a shift towards ethical and transparent data practices in influencer marketing. By embracing these changes, influencers and brands can foster stronger, trust-based relationships with their audiences

Launch of India Influencer Governing Council launches

The India Influencer Governing Council (IIGC) was launched in February 2025. IIGC aims to set up clear industry guidelines, supporting influencer rights and promoting responsible content creation. IIGC will take a consumer-first approach in content moderation to control the spread of misinformation and ensure credibility. It will also address issues such as unfair compensation and transparency in brand collaborations for creators. For brands, IIGC aspires to build responsible marketing practices that give more importance to authenticity over mere reach. IIGC will work alongside the government to bridge the gap between consumers, influencers, brands, agencies and platforms, safeguarding compliance while driving innovation in influencer marketing.

IIGC has been divided into seven different pods, including, agencies, banking and finance, consumer durables, CPG, creators, fashion and lifestyle and mobile and technology, to ensure industry-led insights form its guidelines. With marketers on the board, like Swiggy, Maruti Suzuki, Campus, Perfetti, Nestlé, Bata, Parle, LT Foods, Taco Bell, Hero, MRF, Disney+ Hotstar, PepsiCo, Philips, Reckitt, Spotify, Samsung, and more are actively involved. IIGC has appointed 65+ board advisors, including influencers and brand leaders, to contribute to policy-making.

Conclusion

Although some brands and influencers are dedicated to ethical practices, striking a balance between creative freedom and regulatory compliance remains difficult. Increasing pressure on influencers to blur the line between genuine content and advertising highlights the urgent need, according to experts, for stricter enforcement and broader awareness of these important guidelines.

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