



Ministry of Commerce & Industry

# Mandate to Govern E-Commerce Industry

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Ministry of Electronics & Information Technology is mandated to assist in the promotion of e-commerce. As regards trade related issues, the subject of 'Internal trade' has been allocated to Ministry of Consumer Affairs. Further, issues relating to Foreign Direct Investment (FDI) in the country are administered by Department of Industrial Policy & Promotion.

Information Technology Act 2000 provides legal recognition for the transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic Commerce", which involve the use of alternatives to paper based methods of communication and storage of information. The e-commerce companies have to comply with the Companies Act and other applicable laws of the country. Such companies with FDI can operate only in activities which are specifically permitted as per the 'Consolidated FDI Policy Circular of 2016', which is available at the website of Department of Industrial Policy and Promotion at [www.dipp.nic.in](http://www.dipp.nic.in). Further, activities of e-commerce companies inter alia involve compliance of Shops and Establishment Act of the State concerned.

Furthermore, Consumer Protection Act, 1986, has been enacted to better protect the interests of the consumers. It covers all goods and services and all mode of transactions including e-commerce. Under the provision of said Act, a three tier quasi-judicial mechanism, called Consumer Disputes Redressal Commission/ Forum, has been set up at the district, State and National levels to provide simple, quick and inexpensive redressal to consumer disputes.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

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