

Disclosures by Seller Apps for differential treatment to Buyer Apps

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1. Context

Fair search and discovery is a fundamental requirement to keep an open network healthy and competitive. On the buyer-side, fair search and discovery is achieved by mandating Buyer Apps to be transparent about their parameters for sorting and filtering search results, and also requiring them to apply those parameters in a non-discriminatory manner.¹

On the seller-side, Seller Apps have certain obligations to ensure fair search and discovery. Clause 2.4.6 of Chapter 2 Business Rules² requires Seller Apps to

“ensure that all goods or services that are listed on their platform are discoverable on other Buyer Side Apps on the ONDC Network and will ensure that End Users always have access to the entire catalogue of goods or services offered by the Seller Side Apps.”

This obligation is intended to ensure Sellers and their catalogues are discoverable through all Buyer Apps, which is an essential requirement for an open network.

While sellers have full discretion to decide with whom they wish to transact (including whether they want to respond to a search query), in practice, the choice may actually be exercised by Seller Apps on the Sellers' behalf. So Seller Apps may refuse to respond to a search queries or offer differential transaction terms or selectively offer add-ons/features to certain Buyer Apps and not to others. There may be valid reasons to refuse to transact (or respond to a search) such as store not serviceable, inventory stock out, system down, buyer finder fee not acceptable etc. While Seller Apps do need to be given discretion, this discretion cannot be absolute since it can be misused to engage in anti-competitive practices such as collusion with specific Buyer Apps. Consequently, the open network may turn into a closed, oligopolistic network.

While, as a principle, ONDC does not curtail Network Participants' choices, it is of the view that if Network Participants want to engage in differential treatment of other Network Participants, they should be transparent about it. This has already been mandated for Buyer Apps³, with respect to search and discovery. ONDC is now introducing reciprocal obligations for Seller Apps. To wit, Seller Apps will be required

¹ [Clause 2.3.3 \(k\), Chapter 2 Business Rules, version 1.1](#)

² [Chapter 2 Business Rules, version 1.1](#)

³ [Proviso Clause 2.3.3 \(k\), Chapter 2 Business Rules, version 1.1](#)

to disclose their terms (if any) for refusing to respond to search requests or offering differential transaction terms or features to certain Buyer Apps.

2. Notification

Accordingly, Clause 2.4.6 of Chapter 2 Business Rules⁴ is amended and erstwhile Clause 2.4.6 will now be Clause 2.4.6 (a) and Clause 2.4.6 (b) will be added (indicated in blue). The new Clause 2.4.6 (a) and Clause 2.4.6 (b) will read as follows:

2.4.6 Seller Side Apps

- (a) *ensure that all goods or services that are listed on their platform are discoverable on other Buyer Side Apps on the ONDC Network and will ensure that End Users always have access to the entire catalogue of goods or services offered by the Seller Side Apps.*
- (b) *must publish their criteria for refusing to respond to search requests, or for giving any differential treatment to Buyer Side Apps in terms of their offer which includes different prices, transaction terms, different features/add-ons, or refusing certain parts of the offer to certain Buyer Side Apps, and apply such criteria consistently and fairly to all the Buyer Side Apps.*

3. Queries/Concerns

For any queries, concerns, or requests related to this notification, you may write to network.policies@ondc.org

⁴ [Chapter 2 Business Rules, version 1.1](#)