## **E-COMMERCE SECTOR**

1. *What is the e-commerce sector?*

Online shopping preferences have altered as a result of e-commerce expansion and developing trends. Through cost reductions, competition, and improved manufacturing process organisation, e-commerce boosts productivity and expands the range of options. The OECD updated its 1999 recommendations for consumer protection in 2016 in light of the technology advancements, internet penetration, widespread smartphone use, and social media penetration that drove the e-commerce boom. In its notes-2017, the United Nations Conference on Trade and Development (UNCTAD) acknowledges comparable issues with consumer protection in e-commerce.

Consumer protection is a pressing concern in global e-commerce. With the growth of e-commerce, the demand for increased consumer protection is becoming more acute. Technology has brought about a significant transformation in India's marketplace and consumer culture.

1. *What are the grounds for complaint available?*

* Product delivered is damaged/ defective
* Product has been delivered later than the time mentioned without any justifiable reason.
* Product does not match with the description on website
* If the seller refuses to entertain any such grievances and retains refund
* Manipulation of prices of the goods or services
* If information to the consumer/buyer about return, refund, exchange, warranty and guarantee of the product, when they will deliver the product, how they will take payment of such product, by which security method they will take the payment, what will be the redressal mechanism in the case of default, and moreover country of origin of that product of product or goods is not provided.
* Any form of restrictive or unfair trade practice.
* Product Liability- if a consumer buys any goods or any kind of services and if he suffers any damage due to product itself or inefficiency of service.
* any kind of misrepresentation or misleading advertisement

1. *When would complaints not be accepted?*

There are various situations which might cause the complaint to be rejected. These include situations where the consumer is unable to file an appeal against an order within a period of three months, where the complaint is based on a frivolous cause of action, where the complaint falls outside the jurisdiction of the authority approached, and when the complaint has been filed under wrong sections of the act, and other such situations. This requires careful reading of all acts and regulations.

1. *What are the modes or methods of complaint available?*
2. CHIEF COMPLIANCE OFFICER

As per the Consumer Protection (E-commerce) Rules, 2020 there must be an appointment of Chief Compliance Officer, a nodal contact person for 24x7 coordination with law enforcement agencies, officers to ensure compliance to their orders and Resident Grievance Officer for redressing of the grievances of the consumers on the e-commerce platform. If a consumer has made any complaint regarding the product or service then these platforms have to address such complaint within 48 hours and have to redress such complaint within one month from the receipt date of the complaint. And such e-commerce entities have to appoint a grievance officer for the purpose of consumer grievance redressal.

1. Approaching the **National Consumer Helpline**

<https://consumerhelpline.gov.in/#:~:text=%232990100%20%2D%20Excellent.,and%20resolving%20at%20the%20earliest>.

For Grievances Related to Cyber Financial Fraud Only- 1930 or visit [www.cybercrime.gov.in](http://www.cybercrime.gov.in)

For Grievance Related to Bureau of Indian Standards (BIS) [www.bis.gov.in](http://www.bis.gov.in) .

1. Approaching any other appropriate **judicial or quasi-judicial body:**

The complainant is free to take the service provider to a court or any other suitable venue (judicial or quasi-judicial). The proceedings in consumer commissions are not mired by the niceties of procedure, allowing the complainant to file a complaint for himself. As a consumer, the aggrieved party can take the service provider to the appropriate consumer commission, based on the pecuniary and territorial jurisdiction. The jurisdictions of the various consumer commissions are as follows-

*a) District Commission:* The aggrieved consumer can reach out to the District Commission under section 34 of the CPA, 2019, which provides that the district commission shall entertain matters where the value of the goods or services paid as consideration does not exceed more than one crore rupees.

*b) State Commission:* In cases where the value of the goods or services paid as consideration is more than one crore, but less than 10 crores, the consumer can approach the State Commission. Moreover, in cases of unfair contracts, the State Commission has original jurisdiction and the consumer can be directly approached. An appeal against the order of the District Commission can also be made under section 47 of the CPA, 2019.

*c) National Commission:* The National Commission can entertain matters where the value of goods or services paid as consideration exceeds 10 crores. Section 58 also provides that complaints against unfair contracts can be entertained by NCDRC when the amount of value paid exceeds 10 crores. The NCDRC also has appellate jurisdiction against the orders of any State Commission and Central Authority.

Moreover, it must also be kept in mind that section 100 of the CPA, 2019 provides that the remedy under CPA is in addition and not in derogation of other available remedies.

1. **Central Consumer Protection Authority**

If the commission finds violations of rights of consumers or in notice of trade practices which is unfair it can inquire or cause an inquiry, either on receipt of complaint or suo moto or as directed by Central Government. If the commission finds after preliminary inquiry of an existence of a prima facie case of consumer rights violation or it is in notice of any unfair trade practice or any wrong or inaccurate advertisement which is prejudicial to public interest or to the interests of the consumers,it can order an investigation by the District Collector or by Director General.

The consumer can complain to the District Collector of the respective district for investigation and subsequent proceedings by the CCPA. He/she/they can also submit a complaint via email, at [com-ccpa@nic.in](mailto:com-ccpa@nic.in).

1. *What are the regulatory bodies in this sector?*

Different e-commerce entities are currently being regulated by different entities, resulting in a piecemeal approach and creating confusion among various stakeholders. There is no specialised authority to deal with e-commerce disputes. **Department for Promotion of Industry and Internal Trade**- every e-commerce entity operating in India be required to register itself with it.

**Competition Commission of India**- the primary purpose of regulating competition in the market, plays a significant role in protecting the interests of consumers.

**Ministry of Electronics and Information Technology**

**Ministry of Consumer Affairs, Food & Public Distribution**

1. *What are the rules, Acts, and Guidelines that govern this sector?*

1. Consumer Protection Act, 2019

2. Consumer Protection (E-commerce) Rules, 2020- <https://consumeraffairs.nic.in/en/theconsumerprotection/consumer-protection-e-commerce-amendment-rules-2021>

3. Competition Act, 2002- <https://www.mca.gov.in/Ministry/actsbills/pdf/The_competition_Act_2002.pdf>

4. Income Tax Act, 1961- <https://incometaxindia.gov.in/pages/acts/income-tax-act.aspx>

5. Information Technology Act, 2000- <https://eprocure.gov.in/cppp/rulesandprocs/kbadqkdlcswfjdelrquehwuxcfmijmuixngudufgbuubgubfugbububjxcgfvsbdihbgfGhdfgFHytyhRtMjk4NzY=>

6. FDI Policy on E-COMMERCE and FOREIGN EXCHANGE management Act, 1999- <https://legislative.gov.in/sites/default/files/A1999-42_0.pdf>

7. Payment and Settlement Systems Act 2007- <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/86706.pdf>

8. Companies Act, 2013- <https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>

9. Laws related to Goods and Services Tax

1. *What are the landmark judgements in this sector?*
2. **HDFC Bank Limited and Ors. v. Hemant Narayan Devande**

NCDRC observed that the denial of the transaction on a phone call by the Complainant shows that the petitioner bank must have come to know that the transaction was disputed. The Petitioner should have stopped the payment. NCDRC held deficiency in service on the part of the bank.

1. **Renaissance Hotel Holdings, Inc. v. B.Vihaya Sai & Anr.**

Regarding territorial jurisdiction- The place of business and place of work has to be understood not by looking at the booking through e-mails but where the actual physical business of hospitality is being done.

1. **Spicejet Limited v. Ranju Aery**

The Supreme Court ruled that consumers opting for online purchase of products through websites can file a consumer complaint before any consumer court for deficiency in services.

8. What is the format of the complaint to be made?

<https://cdrc.gujarat.gov.in/images/pdf/1-CC-Eng.pdf> - DCDRC format.

<https://cdrc.gujarat.gov.in/images/pdf/1-CC-Eng.pdf> - SCDRC format.

<https://ncdrc.nic.in/cc.html> - NCDRC format.

*9. What are the important links and resources?*

More info on e-commerce- <https://consumerhelpline.gov.in/faq-details.php?fid=E-Commerce>

*E-Commerce FAQs*

1. What is e-commerce?

"e-commerce" means buying or selling of goods or services including digital products over digital or electronic network;

2. What is an e-commerce entity?

An e-commerce entity” means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity;

3. Who is an electronic service provider?

An "electronic service provider" means a person who provides technologies or processes to enable a product seller to engage in advertising or selling goods or services to a consumer and includes any online market place or online auction sites;

4. What are the models of e commerce in India?

In India, there are three types of e-commerce business model:

Inventory base model of e-commerce

· Marketplace base model of e-commerce

· The hybrid model of inventory based and marketplace model.

Marketplace and Inventory-Based Model

· Marketplace based model of e-commerce means providing an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between the buyer and seller.

· In a marketplace model, the e-commerce firm is not allowed to directly or indirectly influence the sale price of goods or services and is required to offer a level playing field to all vendors.

· Inventory based model of e-commerce means an e-commerce activity where the inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

5. How does the Consumer Protection Act 2019 seek to deal with e-commerce?

The Act prescribes Rules for preventing fraud and unfair trade practices in e-commerce sector. Covers E-Commerce Transactions: The New Act has widened the definition of 'consumer'. The definition now includes any person who buys any goods, whether through offline or online transactions, electronic means, teleshopping, direct selling or multi-level marketing. The earlier Act did not specifically include e-commerce transactions, and this lacuna has been addressed by the New Act.

6. Which type of e commerce models are covered under the rules notified?

Under the E-Commerce Rules an "e-commerce entity" is defined broadly to mean any person who owns, operates, or manages digital or electronic facility or platform for e-commerce.

7. What is the scope and applicability of the Rules notified on e - commerce?

These rules shall apply to:

(a) All goods and services bought or sold over digital or electronic network including digital products;

(b) All models of e-commerce, including marketplace and inventory models of e-commerce;

(c) All e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; and

(d) All forms of unfair trade practices across all models of e-commerce: Provided that these rules shall not apply to any activity of a natural person carried out in a personal capacity not being part of any professional or commercial activity undertaken on a regular or systematic basis.

(e) e-commerce entity which is not established in India, but systematically offers goods or services to consumers in India.

(f) Apply to all e-commerce transactions involving goods or services

8. How does market place platform model differ from inventory models?

In Inventory model the entity owns the goods while in Market place model they don't own the goods sold or displayed by sellers. In inventory models FDI is not permitted.

9. Why an e-commerce rule has been found necessary when already IT act contains provisions to regulate them?

The Intermediary due diligence Rules under IT Act do not cover or regulate Unfair trade practices and protect consumer rights. In the new Consumer Protection Act a Central Consumer Protection Authority has been established to regulate Unfair Trade practices in online and offline business.

10. How does it differ from proposed National framework policy on e-commerce?

These Rules have been finalised after taking inputs from the Department for Promotion of Industry and Internal Trade, under the aegis of the commerce ministry, so that they gel with the overall National e-commerce policy. The National E-Commerce Policy being drafted by DIPIT lays down strategies to address issues pertinent to the sector. Consumer protection, data privacy and maintenance of a level-playing field are some of the crucial issues that will find place therein.

11. What change has been made to definition of Goods?

The 2019 Act includes the definition of "food" as defined under the Food and Standards Act, 2006 under the definition of “goods”. This has expanded the definition of "goods" under the 1986 Act.

12. Is MRP on products should be same online and offline?

Yes. Always check MRP while buying products online and compare with offline prices.

13. Is it compulsory for e-commerce companies to have refund or return policy?

It is preferable that all e-commerce companies should have refund or return policy but there is no such law which enforces it. However, if there is any deficiency, the consumer is protected under Consumer Protection Act and can seek redressal for the same.

14. What precautions should be taken while doing online shopping?

Whenever you shop online, read the fine print carefully. Make sure you are aware of shipping charges, delivery time, and cancellation and return policies, as well as the warranty clauses. Keep your financial information and passwords safe and always make payment through secured gateways like "https and lock image" in its url. If you are shopping on the website for the first, opt for cash on delivery payment option. Always check if the website has a landline phone and postal address.

15.What are the benefits of purchasing through E-Commerce?

Convenience, Better choice of similar products, Discounted or competitive prices, Door delivery, Return policy, Refund policy, Comparison of Prices, Crowd Free Shopping.

16.What are the Product Liability & Penal Consequences for ecommerce sector?

The New Act has introduced the concept of product liability and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation. The term 'product seller' is defined to include a person who is involved in placing the product for a commercial purpose and as such would include e-commerce platforms as well. The defense that e-commerce platforms merely act as 'platforms' or 'aggregators' will not be accepted.

17. Which E-Commerce entities are entitled to conduct e-commerce business in India?

· e registered under Indian laws and must certify compliance with the proposed Rules;

· Not be promoted or managed by (which includes all key members of the management team) anyone convicted of a criminal offense carrying a punishment of 5 years by any Court of competent jurisdiction. This applies globally and is not restricted to India

· Comply with the provisions of IT (Intermediaries Guidelines) Rules, 2011

· Must confirm to Reserve Bank of India (RBI) guidelines for payment facilities.

18. What are the Duties of e-commerce entities?

1. An ecommerce entity shall

a) Be a company incorporated under the Companies Act, 1956 (1 of 1956) or the Companies Act, 2013 (18 of 2013) or a foreign company covered under clause (42) of section 2 of the Companies Act, 2013 (18 of 2013) or an office, branch or agency outside India owned or controlled by a person resident in India as provided in sub-clause (iii) of clause (v) of section 2 of the Foreign Exchange Management Act,1999 (42 of 1999); and

b) Appoint a nodal person of contact or an alternate senior designated functionary who is resident in India, to ensure compliance with the provisions of the Act or the rules made thereunder.

c) Provide the following information in a clear and accessible manner on its platform, displayed prominently to its users, namely:--

ü legal name of the e-commerce entity;

ü principal geographic address of its headquarters and all branches;

ü name and details of its website; and

ü contact details like e-mail address, fax, landline and mobile numbers of customer care as well as of grievance officer.

2. Every e-commerce entity shall establish an adequate grievance redressal mechanism having regard to the number of grievances ordinarily received by such entity from India, and shall appoint a grievance officer for consumer grievance redressal, and shall display the name, contact details, and designation of such officer on its platform.

Every e-commerce entity shall ensure that the grievance officer referred to in sub-rule (4) acknowledges the receipt of any consumer complaint within forty-eight hours and redresses the complaint within onement from the date of receipt of the complaint.

Where an e-commerce entity offers imported goods or services for sale, it shall mention the name and details of any importer from whom it has purchased such goods or services, or who may be a seller units platform.

Every e-commerce entity shall endeavor on a best effort basis to become a partner in the convergence process of the National Consumer Helpline of the Central Government.

3.No e-commerce entity shall,

ü Shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise.

ü Impose cancellation charges on consumers cancelling after confirming purchase unless similar charges are also borne by the e- commerce entity, if they cancel the purchase order unilaterally for any reason.

ü Record the consent of a consumer for the purchase of any good or service offered on its platform where such consent is expressed through an explicit and affirmative action, and no such entity shall record such consent automatically, including in the form of pre-ticked checkboxes.

ü manipulate the price of the goods or services offered on its platform in such a manner as to gain unreasonable profit by imposing on consumers any unjustified price having regard to the prevailing market conditions, the essential nature of the good or service, any extraordinary circumstances under which the good or service is offered, and any other relevant consideration in determining whether the price charged is justified;

ü Discriminate between consumers of the same class or make any arbitrary classification of consumers affecting their rights under the Act.

19. What are the Liabilities of marketplace e-commerce entities?

(1) A marketplace e-commerce entity which seeks to avail the exemption from liability under sub-section (1) of section 79 of the Information Technology Act, 2000 (21 of 2000)shall comply with sub-sections (2) and (3) of that section, including the provisions of the Information Technology(Intermediary Guidelines) Rules, 2011.

(2) Every marketplace e-commerce entity shall require sellers through an undertaking to ensure that descriptions, images, and other content pertaining to goods or services on their platform is accurate and corresponds directly with the appearance, nature, quality, purpose and other general features of such good or service.

(3) Every marketplace e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users:

(a) details about the sellers offering goods and services, including the name of their business, whether registered or not, their geographic address, customer care number, any rating or other aggregated feedback about such seller, and any other information necessary for enabling consumers to make informed decisions at the pre-purchase stage:

Provided that a marketplace e-commerce entity shall, on a request in writing made by a consumer after the purchase of any goods or services on its platform by such consumer, provide him with information regarding the seller from which such consumer has made such purchase, including the principal geographic address of its headquarters and all branches, name and details of its website, its email address and any other information necessary for communication with the seller for effective dispute resolution;

(b) a ticket number for each complaint lodged through which the consumer can track the status of the complaint;

(c) information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions;

(d) information on available payment methods, the security of those payment methods, any fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options,

(e) all information provided to it by sellers under sub-rule (5) of rule 6; and

(f) an explanation of the main parameters which, individually or collectively, are most significant in determining the ranking of goods or sellers on its platform and the relative importance of those main parameters through an easily and publicly available description drafted in plain and intelligible language.

(g) Every marketplace e-commerce entity shall include in its terms and conditions generally governing its relationship with sellers on its platform, a description of any differentiated treatment which it gives or might give between goods or services or sellers of the same category.

(h) Every marketplace e-commerce entity shall take reasonable efforts to maintain a record of relevant information allowing for the identification of all sellers who have repeatedly offered goods or services that have previously been removed or access to which has previously been disabled under the Copyright Act, 1957 (14 of 1957), the Trade Marks Act, 1999 (47 of 1999) or the Information Technology Act, 2000 (21 of 2000):

20. What are the Duties of sellers on marketplace. ?

(1) No seller offering goods or services through a marketplace e-commerce entity shall

· Shall adopt any unfair trade practice whether in the course of the offer on the e-commerce entity's platform or otherwise

· falsely represent itself as a consumer and post reviews about goods or services or misrepresent the quality or the features of any goods or services.

· refuse to take back goods, or withdraw or discontinue services purchased or agreed to be purchased, or refuse to refund consideration, if paid, if such goods or services are defective, deficient or spurious, or if the goods or services are not of the characteristics or features as advertised or as agreed to, or if such goods or services are delivered late from the stated delivery schedule:

(2) Any seller offering goods or services through a marketplace e-commerce entity shall:

(a) have a prior written contract with the respective e-commerce entity in order to undertake or solicit such sale or offer;

(b) appoint a grievance officer for consumer grievance redressal and ensure that the grievance officer acknowledges the receipt of any consumer complaint within forty-eight hours and redresses the complaint within one month from the date of receipt of the complaint;

(c) Ensure that the advertisements for marketing of goods or services are consistent with the actual characteristics, access and usage conditions of such goods or services.

(d) Provide to the e-commerce entity its legal name, principal geographic address of its headquarters and all branches, the name and details of its website, its e-mail address, customer care contact details such as fax, landline, and mobile numbers and where applicable, its GSTIN and PAN details.

(3) Any seller offering goods or services through a marketplace e-commerce entity shall provide the following information to the e-commerce entity to be displayed on its platform or website:

(a) All contractual information required to be disclosed by law;

(b) total price in single figure of any good or service, along with the breakup price for the good or service, showing all the compulsory and voluntary charges such as delivery charges, postage and handling charges, conveyance charges and the applicable tax, as applicable;

(c) All mandatory notices and information provided by applicable laws, and the expiry date of the good being offered for sale, where applicable;

(d) All relevant details about the goods and services offered for sale by the seller including country of origin which are necessary for enabling the consumer to make an informed decision at the prepurchase stage;

(e) The name and contact numbers, and designation of the grievance officer for consumer grievance redressal or for reporting any other matter;

(f) Name and details of importer, and guarantees relate

23. What are the Investment restrictions in e commerce sector?

The Foreign Exchange Management Rules, 2019 currently recognise the marketplace and inventory model.

· It permits 100% FDI under the automatic route to marketplace entities as also to those engaged in single-brand retail.

· Foreign investments, up to 51%, are permitted in multi-brand retail with prior government approval.

· As per the non-debt rules, entities engaged in single-brand retail are permitted to undertake retail trading through e-commerce.

· However, single-brand retail trading through e-commerce has to open a brick-and-mortar store within two years from the date it commences online retail.

· Retail trading, in any form, by means of e-commerce, is not permissible for entities engaged in inventory-based multi-brand retail trading and having foreign investment.

24. What kind of E-commerce business is allowed in India?

E-commerce can be carried out for both wholesale trade or for retail trade (sale towards final consumption).

It can be either Business to Business (B2B) trading or Business to Consumers (B2C) trading.

There is no restriction on conducting e-commerce per se in India. However, certain restrictions exist, if e-commerce is being done by companies receiving FDI.

In India, 100% FDI under automatic route is allowed in Business to Business e-commerce since 2000.

A distinction is made between single brand retail (selling products of a single brand) and multi-brand retail with respect to permission for FDI and e-commerce

25. What is the need for a new e-commerce policy?

The e-commerce market is expected to reach US$ 64 billion by 2020 and US$ 200 billion by 2026. Thus there is a need for clearly laid-down rules for electronic commerce in the country.

· E- commerce is currently regulated by multiplicity of government departments such as IT Department, industrial policy, revenue, and RBI. Hence, a national e-commerce policy would consolidate the various norms and regulations to cover all online retailers.

· With the increasing online frauds, there is a need to strengthen the regulatory regime for protecting the consumer in the context of e-commerce

26. What are the new rules on e-commerce entities issued dipp?

New e-commerce rules restrict players from selling the products of companies in which they have a stake and capping the percentage of inventory that a vendor can sell through a marketplace entity (IT platform of an e-commerce entity) or its group companies.

Also, it curbs the practice of deep discounts, the government said they cannot directly or indirectly influence the price of goods and services, and also brought in a new set of rules that bar the sale of products exclusively in one marketplace.

The first restriction explicitly disallows e-commerce marketplace companies from selling private labels that are brands they directly or indirectly own, on their platforms.

E-commerce companies would be barred from selling products sourced from firms in which they have a stake in or control over.

From the point of view of the vendor too, the clarification said that an entity with an equity stake owned by an e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.

E-commerce entities will have to maintain a level playing field, and ensure that they do not directly or indirectly influence the sale price of goods and services. The policy mandates that no seller can sell its products exclusively on any marketplace platform.

27. What are the Government Initiatives Regarding e-Commerce in India?

In February 2019, a draft National e-Commerce policy has been prepared and placed in the public domain, which addresses six broad issues of the e-commerce ecosystem viz. e-commerce marketplaces; regulatory issues; infrastructure development; data; stimulating domestic digital economy and export promotion through e-commerce.

The Department of Commerce initiated an exercise and established a Think Tank on ‘Framework for National Policy on e-Commerce’ and a Task Force under it to deliberate on the challenges confronting India in the arena of the digital economy and electronic commerce (e-commerce).

The Reserve Bank of India (RBI) has decided to allow "interoperability" among Prepaid Payment Instruments (PPIs) such as digital wallets, prepaid cash coupons and prepaid telephone top-up cards. RBI has also instructed banks and companies to make all know-your-customer (KYC)-compliant prepaid payment instruments (PPIs), like mobile wallets, interoperable amongst themselves via Unified Payments Interface (UPI).

28. What are FDI guidelines for e-Commerce?

In India 100% FDI is permitted in B2B e-commerce, however, No FDI is permitted in B2C e-commerce.

· 100% FDI under automatic route is permitted in the marketplace model of e-commerce, while FDI is not permitted in inventory based model of e-commerce.

· India allows 100 percent foreign direct investment (FDI) in the marketplace model of e-commerce, which it defines as a tech platform that connects buyers and sellers.

· India has not allowed FDI in inventory-driven models of e-commerce. The inventory model, which Walmart and Amazon use in the United States, is where the goods and services are owned by an e-commerce firm that sells directly to retail customers.

· The restriction is aimed largely at protecting India’s vast unorganized retail sector that does not have the clout to purchase at scale and offer big discounts.

· In order to increase the participation of foreign players in the e-commerce field, the Government has increased the limit of foreign direct investment (FDI) in the e-commerce marketplace model for up to 100% (in B2B models).

Anyvendor who purchases 25% or more of its inventory from an e-commerce group company will be considered to be controlled by that e-commerce company, and thereby barred from selling on its portal.

The policy mandates that no seller can sell its products exclusively on any marketplace platform and that all vendors on the e-commerce platform should be provided services in a “fair and non-discriminatory manner”. Services include fulfilment, logistics, warehousing, advertisement, payments, and financing among others.