

Chapter [4]: CODE OF CONDUCT & ETHICS

PURPOSE OF THIS CHAPTER

This chapter is intended to capture the overarching rules related to ethical behaviour by Network Participants and Ecosystem Participants with respect to their activities in the ONDC Network.

4.1. General Guidelines

A Network Participant must:

- 4.1.1. report any breaches or compliance evasions by Ecosystem Participants associated with it, of any applicable provision of this Network Policy or other applicable policies framed by ONDC, in relation to the activities carried out on the ONDC Network, to ONDC.
- 4.1.2. provide accurate information to Buyers, Sellers, and every interested party about the ONDC Network and its features.
- 4.1.3. respect intellectual property rights, including copyrights, patents, trademarks and trade secrets of ONDC and all Network Participants and Sellers.
- 4.1.4. not deliberately destroy or diminish the value or effectiveness of the ONDC Network through acts of commission or omission.

4.2. Honesty, Fair Network Practices and Network Relationships:

- 4.2.1. Network Participants and Ecosystem Participants must endeavour to deal with customers, partners, suppliers, competitors and other directors, officers and staff of other Network Participants and ONDC in a non-discriminatory manner.
- 4.2.2. Network Participants must ensure that all statements, communications, and representations made to ONDC are accurate, complete, and truthful and made by authorised officials. Network Participants and Ecosystem Participants must refrain from making or attempting to make any misrepresentation, unauthorised commitments to or on behalf of ONDC.
- 4.2.3. Network Participants must not impersonate any person or organization, or misrepresent or conceal their ownership or primary purpose.
- 4.2.4. Network Participant shall not disguise the origin of any information transmitted on or through the ONDC Network for any transaction on the ONDC Network
- 4.2.5. Network Participant must use the information that it may receive during the course of its business from other Participants' in accordance with Applicable Law.

Provided that nothing contained in this clause shall restrict the entry by Network Participants in their agreements with End Users or other Network Participants to determine and define their reciprocal rights and obligations in relation to ownership, use, storage, transfer and processing of any such information.

4.3. Anti-Bribery & Anti-Corruption

- 4.3.1. ONDC has a *zero-tolerance policy* with respect to *any* form of bribery or corruption. Network Participants and Ecosystem Participants should not engage in any form of bribery or corruption, whether directly or indirectly through a third party.
- 4.3.2. Without limitation to the situations described herein below, Network Participants and Ecosystem Participants:
 - (i) are prohibited from directly or indirectly offering / promising / authorising bribes, commissions, or other similar improper payments or anything of value to anyone in any form to any person, including government officials, private persons, Buyers,

Sellers, or their representatives, for the purpose of wrongfully obtaining an advantage while transaction on the ONDC Network or otherwise.

- (ii) shall not influence or attempt to influence ONDC onboarding process through any kind of gift, payment, remuneration or entertainment to ONDC employee or their Relatives or friends.
- (iii) are required to implement monitoring and enforcement procedures to ensure compliance with anti-corruption laws.
- (iv) are required to raise invoices and claims in line with the agreed services and supplies, along with all supporting documentation.

4.4. Conflicts of Interest

All Network Participants should strive to avoid situations where a conflict of interest might occur or appear to occur. In the event a Relative of an Key Managerial Personnel of Ecosystem Participant or Network Participant is an executive or director of ONDC or its shareholders and is in a position to influence the business decisions related to the Ecosystem Participant or Network Participant, it must disclose this information to ONDC. Further, conflicts of interest may arise when a director or executive of ONDC has, including but not limited to:

- 4.4.1. significant ownership or interest in a Seller or Ecosystem Participant or Network Participant; or
- 4.4.2. consulting relationship with such Ecosystem Participants or Network Participants or Seller.

4.5. Protecting Confidential Information

- 4.5.1. Network Participants may receive Confidential Information pertaining to other Network Participants or their End Users as a part of their routine business. Network Participants must never disclose Confidential Information (except where required by law or regulation, or as may be required for dispute resolution or for investigation by ONDC). Network Participants should maintain a confidentiality policy with which all its directors, officers, consultant advisors and staff are required to confirm compliance on a regular basis.
- 4.5.2. Clause 4.7.1. will not prevent disclosure of any Confidential Information that is reasonable to disclose to (a) a Network Participant's employees, agents, sub-contractors, advisors or consultants with a need to know such information for its regular business activities (such as information shared by Network Participants as part of a transaction, through the ONDC Protocol), or (b) any Competent Authority having jurisdiction over the relevant Network Participant.
- 4.5.3. Network Participant must ensure that all Ecosystem Participants engaged by it are in compliance with the confidentiality and privacy obligations; and that such confidentiality should be maintained even after the agreement between the Network Participant and Ecosystem Participant expires or is terminated.

4.6. Operational Principles

Every Network Participant must ensure that:

- 4.6.1. any personnel who engage with ONDC have the necessary authority to do so;
- 4.6.2. employees are adequately trained in operating in the relevant areas they are assigned to and are aware of their own, and their organisation's responsibilities as well as the relevant statutory acts governing the Network Participant, the Network Policies, as amended from time to time; and

- 4.6.3. no Ecosystem Participant or Network Participant or person associated with the ONDC Network shall make illegal or fraudulent use of the ONDC Network.

4.7. **Enforcement**

- 4.7.1. If a Network Participant or Ecosystem Participant is in violation of the requirements of this Code of Conduct & Ethics, ONDC expects the Network Participant to inform ONDC immediately and remedy any such violation in a timely and sensitive manner.
- 4.7.2. Failure by a Network Participant to remedy the violation may lead to a review, suspension or termination of the Network Participant's relationship with ONDC. Specific terms for non-compliance with this Code of Conduct & Ethics will generally be covered within the Network Policy and/or the respective agreements.
- 4.7.3. The failure or omission by ONDC to insist upon strict performance and compliance with any of the provisions of this Code of Conduct & Ethics at any time shall not be construed as a waiver of ONDC's rights under this Code of Conduct & Ethics, the Network Policy, the respective agreement, at law, or in equity.
- 4.7.4. ONDC has the right to revoke any membership to the ONDC Network in the event that the Network Participants violate Applicable Laws and/or prescribed Network Policies or the ONDC Agreement or engages in conduct that discredits or disgraces the reputation of ONDC and the ONDC Network.

Definition

Ecosystem Participant shall mean any participant in the ONDC ecosystem, other than Network Participants, and includes the Technology Service Providers (TSPs), Sellers and other ONDC Network participants who may not have any direct contractual relationship with ONDC, but are engaged by the Network Participants in relation to activities carried over the ONDC Network.

Relative with reference to any person, means anyone who is related to another, if— (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; or (iii) if he or she is related to another in the following manner, namely:-

- a. Father: Provided that the term “Father” includes step-father;
- b. Mother: Provided that the term “Mother” includes the step-mother;
- c. Son: Provided that the term “Son” includes the step-son;
- d. Son’s wife;
- e. Daughter;
- f. Daughter’s husband;
- g. Brother: Provided that the term “Brother” includes the step-brother; or
- h. Sister: Provided that the term “Sister” includes the step-sister.

Version History

Version	Date	Description
0.3	14th June 2022	Released to NPs
1.0	15th September 2022	<ul style="list-style-type: none"> - Changed Chapter Number from '11' to '4'. Changed numbering for clauses and sub-clauses accordingly - Clarified that sharing Confidential Information as part of Transactional Documents for the completion of a transaction is permissible
2.0	15th February, 2024	Simplified and Rationalised Chapter released to NPs
2.1	05 th December, 2024	<ul style="list-style-type: none"> - Revised clause 4.2.5 to clarify that NPs have flexibility to define reciprocal rights - Clarified conflict of interest clause is applicable to KMPs