

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 1338.
TO BE ANSWERED ON TUESDAY, THE 03RD DECEMBER, 2024.**

E-COMMERCE POLICY

1338. SHRI PRAVEEN KHANDELWAL:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the current e-commerce policy in the country, including key provisions aimed at regulating e-commerce platforms and protecting consumer interests;
- (b) the details of rules established under the Consumer Protection Act, particularly those that apply to e-commerce entities and ensure fair practices in online transactions;
- (c) the manner in which the Government plan to address issues related to misleading advertisements, unfair trade practices, and data privacy in the e-commerce sector to safeguard consumer rights: and
- (d) the details of measures taken by the Government are in place to support small and medium-sized businesses in adapting to the e-commerce ecosystem while complying with consumer protection regulations?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a): The e-commerce sector is governed by a comprehensive legislative framework. Some of the Acts applicable to e-Commerce Sector are Consumer Protection Act, 2019; Consumer Protection (E-commerce) Rules, 2020; Competition, Act, 2002; Central Goods and Services Act (CGST) Act, 2017; Information Technology Act, 2000; Payment and Settlement Systems Act, 2007; Companies Act, 2013; Copyright Act, 1957 etc. FDI policy and Foreign Exchange Management Act, 1999 contain provisions related to Foreign Direct Investment (FDI) in e-Commerce Sector.
- (b): Consumer Protection Act, 2019 has been enacted to provide a framework for governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc. The Department of Consumer Affairs has notified the Consumer Protection (E-commerce) Rules, 2020 under the provisions of the Consumer Protection Act, 2019 to safeguard consumers from unfair trade practices in e-commerce. These rules, inter-alia, outline the responsibilities of e-commerce entities and specify the liabilities of marketplace and inventory e-commerce entities, including provisions for consumer grievance redressal.

Further, the Bureau of Indian Standards (BIS) has notified framework on 'Online Consumer Reviews — Principles and Requirements for their Collection, Moderation and Publication' on 23.11.2022 for safeguarding and protecting consumer interest from fake and deceptive reviews in e-commerce.

The Central Consumer Protection Authority, in exercise of the powers conferred by Section 18 of the Consumer Protection Act, 2019, has issued "Guidelines for Prevention and Regulation of Dark Patterns, 2023" on 30th November, 2023 for prevention and regulation of dark patterns listing 13 specified dark patterns identified in e-Commerce sector.

(c): The following acts/rules and the authorities thereunder provide the means and manner to address issues related to misleading advertisements, unfair trade practices and data privacy in the e-commerce sector to safeguard consumer rights:-

- i. Consumer Protection Act, 2019
- ii. Central Consumer Protection Authority (CCPA)
- iii. Consumer Protection (E-commerce) Rules, 2020
- iv. Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022
- v. Information Technology Act, 2000
- vi. Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Rules, 2021")
- vii. Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011
- viii. Digital Personal Data Protection Act, 2023

(d): The Department for Promotion of Industry and Internal Trade (DPIIT) has pioneered the initiative of Open Network for Digital Commerce (ONDC). The initiative aims at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks.

ONDC protocols standardize operations like cataloguing, inventory management, order management and order fulfilment. Thus, small and medium-sized businesses can use any ONDC compatible applications instead of being governed by specific platform centric policies. This provides multiple options to them to be discoverable over network and conduct business. It also encourages easy adoption of digital means by those currently not on digital commerce networks.

ONDC makes e-Commerce more inclusive and accessible for consumers. All existing Laws and regulations of India, related to e-commerce are applicable to ONDC and the Network Participants on ONDC Network.
