

Centre mulls changes in draft e-commerce rules

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In news– Centre is considering several changes to the e-commerce rules.

Key changes proposed-

- **Ban on fraudulent flash sales and mis-selling, and appointment of chief compliance officer/grievance redressal officer** are among key amendments proposed to the Consumer Protection (e-commerce) Rules, 2020, on which the government had sought public comments by July 6.
- The Ministry of Consumer Affairs is considering **changes to the consumer protection rules on e-commerce** that may include **redrafting related party sales and clarity on flash sales**, after consultation with industry and e-commerce players.
- A **“flash sale” is defined as a sale organised by an e-commerce entity at significantly reduced prices**, high discounts or any other such promotions or attractive offers for a predetermined period of time.
- As per the proposed rules, **e-commerce companies will not be allowed to organise a flash sale where goods or services are sold at significantly reduced prices and high discounts.**
- The final rules are expected to give clarity on issues such as what constitutes flash sales, finer details and issues regarding appointment of resident grievance officers, among others.
- According to the current draft, **country of origin norms for e-commerce players will be tightened to push the sale of locally produced goods on their platforms.**
- Towards this, e-tailers cannot mislead consumers by

manipulating search results on their platforms.

- They will have to ensure that marketplaces do not use any information collected through its platform for unfair advantage of its associated enterprises.
- While the **government has maintained that rules aim to protect the interests of consumers and make e-commerce companies more accountable and responsible**, some sections of the industry are worried about changes in their business structure if the rules were to be implemented in the current shape.

Consumer Protection (E-Commerce) Rules 2020 shall apply to:

- All goods and services bought or sold over digital or electronic networks including digital products.
- All models of e-commerce, including marketplace and inventory models of e-commerce.
- All e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats.
- All forms of unfair trade practices across all models of e-commerce.

Extra

reading: <https://journalsofindia.com/consumer-protection-e-commerce-rules/>