

Draft guidelines related to e-commerce

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Source: *Monthly Policy Review of PRS*

The Department of Consumer Affairs has released draft guidelines on e-commerce for the protection of consumers under the Consumer Protection Act, 1986. The draft guidelines have been issued as a model framework to prevent unfair trade practices and protect consumers in e-commerce. **The guidelines will be applicable to B-to-C (business to consumer) e-commerce businesses**

Key Highlights

- **Conditions for doing business:** E-commerce entities will be required to comply with certain conditions within 90 days from the date of notification of the guidelines. These conditions include:
 1. The entity should be a registered legal entity in India
 2. The promoters or key management personnel should not have been convicted of any criminal offence in the last five years, and
 3. Required details of sellers, such as the legal name of their business, products they sell, and their contact information should be displayed on the website.
- **Liabilities of e-commerce entities:** An e-commerce entity shall not:
 - Directly or indirectly influence the price and shall maintain a level playing field
 - Adopt any unfair or deceptive practices that may influence the decisions of consumers, and
 - Falsely represent themselves as consumers and post reviews, or misrepresent the quality or features

of goods and services.

- **Other liabilities of e-commerce entities include:**
 - Displaying terms of the contract between them and the sellers
 - Ensuring advertisements of goods and services are consistent with the actual characteristics, and
 - Ensuring personally identifiable information of customers is protected and its usage complies with the legal provisions.
- **Liabilities of sellers:** Liabilities of sellers (who advertise or sell on e-commerce platforms) include:
 - Displaying all the charges associated with sale of products, such as delivery charges and taxes
 - Stating upfront the policies regarding shipping, exchange, return, refund, and warranty, and
 - Complying with statutory provisions for display and sale of products.
- **Grievance redressal:** E-commerce entities are required to:
 - Publish details of the grievance redressal process and grievance officer on website
 - Provide facilities for filing complaints through phone, email, and website
 - Redress complaints within one month, and
 - Facilitate convergence of the process with grievance redressal process of government (National Consumer Helpline).

Significance

The e-commerce sector in India has been witnessing explosive growth fuelled by the increase in the number of online users, the growing penetration of smartphones and the rising popularity of social media platforms. Thus the draft guildiles may help to protect the interests of consumers.