

**NASSCOM's feedback  
on the  
Proposed amendments to Consumer Protection (E-Commerce) Rules, 2020  
to  
Department of Consumer Affairs  
Ministry of Consumer Affairs, Food & Public Distribution**

**July 21, 2021**

Our comments are organised in three parts:

- 1) *Overall Comments*: A summary review of the proposed amendments and our approach to this consultation.
- 2) *Specific Comments*: A clause-by-clause review of the proposed amendments with suggested approach wherever needed.
- 3) *Track mode Changes*: In line changes to the text of the *Consumer Protection (e-Commerce) Rules, notified on July 23, 2020 (e-Commerce Rules)*, based on some of the proposed amendments, in track-mode, for ease of reference. We found this exercise to be a useful way to suggest changes to the e-Commerce Rules. We believe these suggested changes shall address the concerns of both the Department of Consumer Affairs (**DoCA**), as well as the industry.

We trust our comments and suggestions will assist the DoCA in strengthening the Rules.

**Part 1: Overall Comments**

The Consumer Protection Act, 2019 (**COPA19**) and the rules issued thereunder, are intended to serve two objectives, i.e., protection of the rights and interests of consumers, and providing a mechanism for efficient redressal of consumer disputes.<sup>1</sup> Further, Sections 94 and 101(zg) of the COPA19, dealing with the issuance of rules relating to e-commerce, are qualified to address issues of: (a) preventing unfair trade practices<sup>2</sup> in e-commerce; and (b) protecting the interests of consumers vis-à-vis e-commerce and direct selling.<sup>3</sup>

Taken in this context, the e-Commerce Rules are intended to regulate e-commerce entities to the extent of safeguarding consumer interests and addressing demand-side practices that directly impact the consumer.

Given this, our feedback is focused on two sets of proposed amendments:

One, where the proposed amendments ostensibly cover matters within the scope of Section 94 of the COPA19, for example, amendments that seek to address issues of:

- misleading information,
- require the provision of accurate information to consumers,
- require the appointment of dedicated officials to address grievances and ensure compliance with the e-Commerce Rules.

*In relation to such provisions in the draft rules, we have attempted to highlight the disproportionate and ambiguous nature of some of the proposed amendments that seem to have disregarded the uniqueness of different models of e-commerce entities in the market.*

Two, where the proposed amendments appear to be outside the scope of the rule-making subject matter prescribed under Section 94 of the COPA19. Examples of such supply-side interventions proposed under the amendments to the e-Commerce Rules, *inter alia*, include:

- regulation of data management practices for cross-selling by e-commerce entities,
- regulating behaviour of entities not directly engaged in e-commerce business with a consumer,
- regulating competition in the market, etc.

In relation to such provisions, we have attempted to make them consistent with the Section 94 of the COPA19. It is important to note that these issues, i.e., that impact entities operating in the supply-side of the e-commerce market, are dealt with under the Competition Act, 2002 (**CA02**). The CA02 enables the Competition Commission of India (**CCI**) to make interventions in the supply-side of the market, in a manner which sustains competition at various levels of the supply chain, thereby ensuring the availability of choices to consumers, and consequentially resulting in an increase in overall consumer welfare.<sup>4</sup> Under Section 19 of CA02, CCI is required to take into account several supply side elements as well as consumer benefits into account before determining whether certain arrangements are anti-competitive or amount to abuse of dominance.

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<sup>1</sup> See, Preamble to the Consumer Protection Act, 2019; "An act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto."

<sup>2</sup> See, s.2(47) of the Consumer Protection Act, 2019, Definition of Unfair Trade Practice.

<sup>3</sup> See, ss. 94 and 101(zg) of the Consumer Protection Act, 2019; "For the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the manner as may be prescribed."

<sup>4</sup> See, Preamble to the Competition Act, 2002. "An Act to provide, keeping in view of the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto."

Certain obligations under the proposed amendments also seek to regulate matters which are comprehensively dealt with under special statutes enacted to deal with such issues. For instance, the prohibition on making available any information to any third party without the express and affirmative consent of the consumer is already regulated under applicable data protection laws, such as, Sections 72 and 72A of the Information Technology Act 2000 (as amended in 2008).

*In such cases where applicable provisions already exist in other laws, a duplication should be avoided.*

## **Part II: Specific Comments**

1. Under **Rule 3(b)** of the e-Commerce Rules, the amendments propose to include 'related parties' within the scope of the definition of "e-commerce entities" for the purposes of the e-Commerce Rules. Further, the definition of related parties includes: "entity engaged by such person for the purpose of fulfilment of orders". In this regard it is unclear as to:
  - a. What are the reasons for inclusion of related parties within the scope of 'e-Commerce Entities', given especially that such related parties might not be engaged in the business of e-commerce (i.e., buying or selling of goods or services including digital products over digital or electronic network)?
  - b. Assuming that the related party of the e-commerce entity is engaged in e-commerce at a business-to-business level (such as a related party providing inventory management services), wherein it has no privity or direct association with the end consumer, why would such related parties continue to be covered within the scope of the e-Commerce Rules?
  - c. How will a related party that merely provides, for example, delivery services to an e-commerce platform, ensure fulfilment of different obligations imposed on the e-commerce platform?
  - d. What is the scope of 'fulfillment of orders' under the revised definition? (as it is a wide term which could encompass, services such as warehousing, logistics, delivery, installation services, and even brick-and-mortar stores that supply goods via an e-commerce platform).

**To illustrate:** If a brick-and-mortar store is selling through an online platform, would it get covered under this definition (as being the source of goods, it could be covered within 'fulfillment of orders') and therefore, be required to comply with all obligations of an e-commerce entity?
  - e. Given that entities such as logistics service providers could also be engaged by e-Commerce entities 'for the purpose of fulfilment of orders', would such entities also be treated as e-commerce entities despite not being engaged in the business of e-commerce?
  - f. What is the unfair trade practice or consumer interest being protected by adding related parties in the scope of the definition of an e-commerce entity?
  - g. Why is a definition for e-commerce entity which is contrary to the definition under other laws such as the Foreign Exchange (Non-debt Instruments) Rules, 2019 ("**Non-**

**Debt Rules**”) being introduced? The definition under the Non-Debt Rules do not treat service providers of e-commerce entities as e-commerce entities<sup>5</sup>.

- h. At present the technology entities that own the digital platform are also included in the definition of e-commerce entity. These technology entities license / provide the platform to e-commerce companies. e-Commerce entities in turn operate and manage the front-end platforms. Therefore, the definitions should only include entities that operate and manage the e-commerce platforms. The word “own” should be dropped from the definition.

**Suggestion:** Retain the definition of e-commerce entity as it exists under the e-Commerce Rules, 2020, with the only change of removing the term “own”. Refer to NASSCOM’s Suggested Change No. 5

*(for all the changes, refer to Part III of this document where we have provided changes in track-mode in the existing e-Commerce Rules).*

2. Through the inclusion of **Rule 3(c)** and **Rule 5(12)** under the e-Commerce Rules, the proposed amendments seek to introduce certain disclosure requirements about data management practices adopted by e-commerce entities for the purposes of cross-selling. In this regard, it is unclear as to:
  - a. What constitutes ‘data of such entity used for cross-selling’? Cross-selling practices typically rely on multiple sources of information, for example, information generated by consumers’ interaction with e-commerce platforms. Is the intention to ask e-commerce entities for disclosing the basis on which goods and services are being pitched for cross-selling to a consumer? If yes, this rule will need to be re-drafted appropriately.

**Suggestion:** Re-draft this obligation as per NASCOM’s Suggested Change No. 22; and let CCPA examine specific allegations of cross selling that may amount to unfair trade practice as per NASCOM’s Suggested Change No. 49 .

3. Through the inclusion of **Rule 3(d)** and **Rule 6(9)** under the e-Commerce Rules, the proposed amendments introduce a ‘fall-back liability’ upon e-Commerce entities, to cover for any “loss to consumer” due to the negligent conduct, omission, or commission of acts by the seller of a marketplace e-Commerce entity. In this regard, it is unclear as to:
  - a. Since the liability is arising due to non-delivery of goods / services, how is the term ‘loss to consumer’ intended to be defined? Is it to the extent of the refund of the product/service in a timely manner, as already given under Rule 5(13)?
  - b. Whether the intent of the proposed amendments is to introduce an additional liability upon marketplace e-commerce entities, which goes beyond the existing obligations of marketplace e-commerce entities, to process refunds in a timely manner (as per Rule 5(13))?
  - c. Alternatively, is the intention to hold an e-commerce entity liable for the default by a registered seller in fulfilling its duties as per Rule 7?

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<sup>5</sup> 15.2.3 (a) E-commerce' means buying and selling of goods and services including digital products over digital & electronic network;

(b) 'E-commerce entity' means a company incorporated under Companies Act 1956 or the Companies Act, 2013.

- d. Whether the introduction of 'fall-back liability' discharges sellers from their obligation under the existing e-Commerce Rules (Rule 6(3) of the existing Rules) to mandatorily accept returns and process refunds?

**Suggestion:** Refer to NASCOM's Suggested Change No. 34 .

4. Through the inclusion of the proposed **Rules 3(e)** and **5(16)** under the e-Commerce Rules, the amendments prohibit the conduct of flash-sales by e-commerce entities. The term 'flash-sale' has been 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* on selective goods and services or otherwise, with an *intent to draw large number of consumers*. Provided such sales are organised by *fraudulently intercepting the ordinary course of business using technological means* with an intent to enable only a specified seller or group of sellers managed by such entity to sell goods or services on its platform.' In this regard, it is unclear as to:
  - a. How 'flash-sales' can be distinguished from any other promotional/ discount offering by e-commerce entities, since all promotional offers are generally intended to 'draw large number of consumers', for a 'predetermined period of time' on 'selective goods and services'?
  - b. How a prohibition on flash-sales would protect consumer interests, given especially that promotional offers/ sales are usually welfare enhancing for consumers in the form of lower prices?
  - c. How the following phrases are to be interpreted and determined:
    - i. '*Significantly reduced prices*' or '*high discounts*' - How will these be determined?
    - ii. '*Fraudulently intercepting the ordinary course of business using technological means*' - Does it mean that for a 'flash-sale' to be prohibited there needs to be an element of fraud on the consumer involved?
  - d. The restriction on flash sales has been proposed to apply to all e-commerce entities alike. It is unclear as to why a ban on 'flash-sales' extends to those e-commerce entities that sell only single brands online?

**Suggestion:** Remove this obligation and let CCPA examine specific allegations that some flash sales may amount to unfair trade practice etc. Refer to NASCOM's Suggested Change No. 49.

5. The proposed amendments, under **Rule 4** seek to include a requirement for e-commerce entities to register with the Department for Promotion of Industry and Internal Trade (**DPIIT**). In this regard, it is unclear as to:
  - a. Given that the DPIIT is constituted under the Ministry of Commerce and Industry while the DoCA is the nodal department for enforcement of the COPA19, which ministry/regulator will exercise power in case of violation of this rule?
  - b. What will be the modalities of the registration process, including whether it will be an online process, and whether there will be any fees associated with the registration process? Will application result in deemed registration or will there be an approval process? How much time is the DPIIT expected to take to do this registration?

- c. What is the meaning of 'invoice of everyday order' under Rule 4(2) of the proposed amendments? Does this requirement extend to a mere disclosure of the proposed DPIIT registration number on customer invoices raised by e-commerce entities? Alternatively, is the intention to ask e-commerce entities to display registration number and all invoices for orders placed by a consumer on the platform? This is unclear because the proposed amendment reads, 'registration number and invoice of everyday order should be displayed prominently to users in a clear and accessible manner on its platform'.
- d. If the intention is to disclose of the DPIIT registration number on customer invoices raised by e-commerce entities, how will MEEs comply with Rule 4(2), in situations where an MEE does not issue an invoice to the consumer?
- e. The definition of e-commerce entity as discussed above is extremely wide and covers service providers to e-commerce entities as well. How will such service providers (involved in warehousing, logistics, etc.) display these requirements, given that they simply provide back-end services and do not necessarily provide invoices or interact with a consumer in any way?
- f. What additional mischief is sought to be addressed under this rule, given that e-commerce entities are already subject to extensive reporting and audit requirements under other laws such as the Companies Act, 2013 or are required to register with appropriate sectoral regulators?
- g. Why additional registration requirements are being imposed, given that such compliance burdens hamper ease of doing business? Further, several registration numbers under various regulations may result in data fatigue amongst sellers and consumers and impact ease of doing business.

**To illustrate:** Most brick-and-mortar stores have built websites and apps to accept and fulfil consumer orders. The imposition of this rule would mandate all such sellers to register themselves with DPIIT. Further, the costs involved in registration (if any) may deter small/new platforms from venturing into e-commerce business.

**Suggestion:** Re-draft this obligation as per NASCOM's Suggested Change No. 15.

6. Under **Rule 5(4)** of the proposed amendments there is a restriction on misleading advertisements. In this regard, following questions arise:
  - a. Rule 5 is titled as 'Duties of e-commerce entities'. Therefore, it is clear that this obligation extends to MEE in the same-stand as inventory-based e-commerce models. However, if the obligation is applicable to MME, would taking down misleading advertisements upon receiving such information from the concerned authorities be sufficient to attain compliance? If not, please explain to what extent, and on what basis, will an e-commerce marketplace entity will be held liable for advertisements posted by a registered seller for which the marketplace entity has no way of knowing the authenticity of?
  - b. What is the additional mischief sought to be addressed under this rule, given that:
    - (i) The COPA19 already deals with misleading advertisements under Section 21.

- (ii) Misleading advertisements are already regulated under relevant advertising laws such as the Code for Self-Regulation of the Advertising Standards Council of India, and sector-specific advertisements for certain products, such as the Food Safety and Standards Act, 2006, the Drugs and Cosmetics Act, 1940.

**Suggestion:** Re-draft this obligation as per NASCOM's Suggested Change No. 33, 39, 45.

- 7. The proposed amendments, under **Rule 5(5)**, call for the appointment of three officers, viz., a Chief Compliance Officer (**CCO**), a Nodal Officer (**NO**) and a Resident Grievance Redressal Officer (**RGRO**). We understand that these requirements are *pari-materia* to similar obligations imposed upon significant social media intermediaries ("**SSMIs**") under the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (**IL & DMEC Rules**) issued under Section 79 of the IT Act. The intent of including such obligations in the IL & DMEC Rules was to ensure a local point of contact for significant social media intermediaries who might not have a local presence in India.
  - a. As per the extant consumer protection e-commerce rules, there is already an obligation to appoint a nodal officer (rule 5(1)) and a grievance officer (rule 5(4)). In addition to this, another nodal officer and a chief compliance officer is being proposed (as per Rule 5(5)). What is the need for another nodal officer and a Chief Compliance Officer, in addition to the existing grievance officer and nodal officer for e-commerce entities?
  - b. The extant rules already call for all e-commerce entities to appoint a grievance redressal officer and have associated grievance redressal and escalation mechanisms in place for consumers. Therefore, it is unclear as to why three separate officers need to be appointed by e-commerce entities, which are already present in India.
  - c. What is the rationale for introducing the requirement similar for SSMIs under the IL & DMEC Rules in relation to all e-commerce entities, given that:
    - (i) Unlike SSMIs, most e-commerce entities (to the extent they qualify as intermediaries) are not social media intermediaries, let alone SSMIs. These intermediaries are not required to appoint CCOs, NOs and RGROs under the IL & DMEC Rules.
    - (ii) Unlike the threshold of having over 50 lakh registered users in case of SSMIs, a blanket obligation is sought to be imposed in relation to *all e-commerce entities*, irrespective of scale or size. It may be onerous and expensive for smaller entities to appoint three officers.
  - d. Moreover, it is unclear as to why a reference has been made to Rule 3(2) of the e-commerce Rules while listing the duties of the RGRO, when neither the extant e-commerce rules nor the proposed amendments, contain a Rule 3(2)?
  - e. What is the intention behind requiring these officers to be citizens of India?
  - f. Do the proposed amendments seek to make the CCO personally liable in proceedings in relation to third party content hosted by the e-commerce entity? If yes, what is the rationale for making an individual employee personally liable? If not, the drafting should be clarified.

- g. Is one single individual (i.e., the NO) required to be available 24 X 7, given that this would be practically difficult?
- h. What is the rationale for prohibiting the NO and the CCO from being the same individual, given that 1) there may be functional overlap between their roles, and 2) appointing multiple individuals could hamper ease of doing business and raise costs for e-commerce entities?
- i. What is the scope of the roles of the RGRO and the NO in relation to Government communications, given that both officers appear to be required to coordinate with Government authorities?

**Suggestion:** retain the existing grievance mechanism, as per NASSCOM's Suggested Change Nos. 16, 37 and 48.

8. **Rule 5(7)** of the proposed amendments seeks to impose obligations upon e-commerce entities to make certain disclosures relating to imported goods, including the provision of seller details, country of origin, etc., at the pre-purchase stage.

Clause (b) of the proposed Rule, requires e-commerce entities to suggest domestically produced alternatives to consumers.

Clause (c) requires e-commerce entities to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and sellers.

- a. What is the unfair trade practice or consumer harm that is being sought to be remedied by this obligation?
- b. What is sought to be covered under 'imported goods'? For example, there may be cases where certain parts of products are imported, however the product is assembled in India. Would that qualify as an Indian good or imported good?
- c. Whether a disclosure of country of origin (which is already required by the seller under Rule 7(5)(d)) and seller details (which is already required by a marketplace e-commerce entity under Rule 6(3)(a)), is sufficient to attain compliance with the obligation? Is the intention to impose this disclosure requirement on inventory and marketplace e-commerce entities alike? If yes, rule 6(3)(a) should be appropriately revised and placed as an obligation for all e-commerce entities under Rule 5. However, this may be a cumbersome process for small MEE as they will need manpower and technology to ensure compliance by the seller.
- d. What is the rationale of requiring e-commerce entities to disclose country of origin requirements under the proposed amendments, given that similar provisions already exist under other laws/the mischief is already addressed under other laws/regulations, as illustrated below:
  - (i) The *Legal Metrology (Packaged Commodities) Rules 2011* require e-commerce entities, among others, to declare country of origin for imported goods.
  - (ii) Sellers on *Government e-Marketplace (GeM)* are mandated to indicate the country of origin of goods sold on their platform along with percentage of content added locally. Private e-commerce entities have also been directed to display the country-of-origin tag on new listings on their platforms.



- (iii) Additionally, the CCI has the power to investigate and ensure that no marketplace uses algorithms, ranking parameters or user interface to provide unfair advantage to one business over the other.
- e. It is not clear how the requirement of suggesting domestic alternatives is under the scope of consumer protection? As long as consumer is provided with search results based on the query, it should not matter as to what is the country of origin of the products.
- f. It is unclear as to whether the requirement of suggesting domestic alternatives is applicable to services as well. If yes, it is unclear how will this apply to situations where the service being offered is specific to a foreign country, or when a domestic alternative is not available or not relevant for a consumer. For example, in the travel and tourism sector, if a consumer requests for a hotel or any other service in a foreign country, it will be meaningless to offer the individual suggestions or alternatives of domestic services. Is the intention here to impose obligation of providing domestic alternatives only to the extent possible and relevant?
- g. What is the consumer harm or unfair trade practice being addressed by requiring e-commerce entities to provide a 'rank' to goods?

**Suggestion:** Re-draft this obligation as per NASSCOM's Suggested Changes Nos. 41 and 43: Disclosure of imported goods obligation moved to seller and inventory e-commerce entity.

- 9. **Rule 5(8)** of the proposed amendments require all e-commerce entities to become partners in the convergence process of the National Consumer Helpline of the Central Government. In this regard, it will be helpful if e-commerce companies can be offered a time period to be able to comply with this obligation.

**Suggestion:** Refer to NASSCOM's Suggested Change No. 19.

- 10. **Rule 5(11)** read with **Rule 3(k)** of the proposed amendments prohibits mis-selling. The definition of "mis-selling" provided under the proposed amendments includes "*an e-commerce entity selling goods or services by deliberate misrepresentation of information... causing, however innocently, a consumer to purchase such goods or services, to make a mistake as to the substance of the thing which is the subject of the purchase.*" In this context:
  - a. 'Mis-selling' by very nature means recklessly misrepresenting a product or service in order to successfully complete a sale. However, based on the proposed definition in the draft rules, it is unclear whether even in the absence of a *mala fide* intent to deceive, an e-commerce entity can be held liable for mistakes by the consumer in understanding the product features and services, and whether the same will remain a subject matter of adjudication under the COPA19?

**To illustrate:** Consider a seller who has kept the product in a warehouse. Due to a mishap at the warehouse and without the knowledge of the seller, a damaged product gets delivered to consumer. This would be an innocent misrepresentation by seller, as he did not know about mishap at warehouse. As per the proposed amendment, the consequences of such mis-selling due to innocent misrepresentation will be far-reaching as it will lead to a violation of the e-Commerce Rules which can potentially lead to an investigation by the CCPA. Instead, in cases of innocent misrepresentation, the remedy should be available to consumer to take a grievance redressal route and replace the product/claim a refund, without it being a

violation of the rules. This can be incorporated in the e-Commerce Rules by restricting the definition of misrepresentation to instances where it is intentional, thereby mis-selling by intentional misrepresentation will lead to a violation of the e-Commerce Rules; whereas, in cases of innocent misrepresentation, the remedy is already available to the consumer under Rule 7(3).

- b. Is the intention to hold the seller liable for mis-selling the goods or services, instead of holding the marketplace e-commerce entity liable? Alternatively, is the intention to hold only an inventory e-commerce entity liable for mis-selling of goods/services sold over its platform? The role of a marketplace e-commerce entity is unclear in the present case, as it does not control the goods or services being sold by the seller. To take this point further, the imposition of the rule may be contrary to the concept of safe-harbour for intermediaries under the IT Act since an MEE which is an intermediary cannot be held liable for information posted by sellers on its platforms.

**Suggestion:** Refer to NASSCOM's Suggested Change No. 42 and 47; and let CCPA examine specific allegations of mis-selling that may amount to unfair trade practice as per NASSCOM's Suggested Change No. 49.

11. **Rule 5(14)(c)** of the proposed amendments prohibits the manipulation of search results by e-commerce entities.
  - a. It is unclear what is included in the scope of 'manipulating search result or search indexes'. Would providing filter mechanisms for search results be included in the meaning of manipulating search results? It is in the ordinary course of business for e-commerce entities to enable customers to sort and filter product listings based on their desired parameters such as price, delivery timelines, etc.
  - b. Is the intention here to ask for appropriate disclosures as to the basis of ranking goods or services in a search result?
  - c. Is the intention here to address preferential search results or ranking with respect to a preferred seller? If yes, this seems to have an impact on sellers competition, but no impact on a consumer.

**Suggestion:** Refer to NASSCOM's Suggested Change Nos. 24 and 49.

12. We understand that **Rules 5(14)(d) and (f)** of the proposed amendments restrict promotions of products bearing the brand name of a marketplace e-commerce entity.
  - a. It is unclear as to what is the unfair trade practice or consumer harm being addressed, by restricting marketplace e-commerce entities from using its brand-name for promoting certain products?
  - b. Is the intention here to ensure that a marketplace entity cannot leverage its market position in the ancillary market for product sellers? If yes, it is unclear as to how does a supply-side issue such as this, falls under the ambit of consumer protection.
  - c. As per the title of Rule 5, this obligation is applicable to all e-commerce entities. However, Rule 5(14)(d) and (f) make a reference only to marketplace e-commerce entities. It is unclear if inventory-based e-commerce entities (which may be single brand or multi-brand) will be prohibited from promoting products under their own brand names altogether.

**Suggestion:** Remove this obligation.

**13. Rule 5(14)(e)** prohibits e-commerce entities from making available any information pertaining to the consumer to any person without the express and affirmative consent of such consumer and from recording such consent in the form of pre-ticked checkboxes.

- a. What is the scope of '*information pertaining to the consumer,*' given that it is necessary to share customer details with third parties for order fulfilment/completion of a transaction?

**Suggestion:** Refer to NASSCOM's Suggested Change No. 21.

14. **Rule 5(17)** bears an explicit mention of the provisions of the CA02. However, it is unclear as to what is the objective of this inclusion under the proposed amendments, when the rule, in any case, relates back to CA02. The very question of whether an entity is dominant or not is one that needs to be determined by the CCI on a case-by-case basis under the CA02, and hence its placement in the proposed amendments seems out of context.

**Suggestion:** Remove this.

15. **Rule 5(18)** of the proposed amendments requires e-commerce entities to furnish information to authorised government agency within 72 hours of receiving the request for information for certain purposes.

- a. How does this requirement reconcile with the timelines given under respective laws that authorise a government agency to ask for information? This may result into unnecessary duplication of timelines or artificial creation of a timeline for response which may not otherwise be envisaged under other applicable laws.

**Suggestion:** Refer to NASSCOM's Suggested Change No. 26.

16. **Rule 5(19)** of the proposed amendments requires displaying name of seller prominently in invoices in the same font size as that of the e-commerce entity's name.

- a. It is unclear as to how will this requirement be imposed in situations where an e-commerce entity does not issue an invoice to the consumers, and instead the invoice is issued by the seller. Is the intention to impose this obligation only where an e-commerce entity issues an invoice to the consumer?

**Suggestion:** Refer to NASSCOM's Suggested Change No. 35.

17. **Rule 6(3)(c)** of the proposed amendments requires the display of certain information to consumers by MEEs. In this regard:

- a. Best before or use before dates are relevant for display only with respect to items that may become unfit for use after a period of time. It is unclear as to how will a use before or best before date be made available for other goods that may not become unfit for use with time. A seller is under an obligation to display best before or use before date as per Rule 7(5)(d). In light of this, it is unclear that why is the liability of a default in this being placed on an e-commerce marketplace entity? It should also be noted that even under sectoral laws such as the LMA, it is the seller which is required to ensure accuracy of information in relation to products, and not the e-commerce entity.

**Suggestion:** Refer to NASSCOM's Suggested Change Nos. 29 and 41.

18. Proposed **Rule 6(5)** imposes obligations on entities that are not engaged in e-commerce business, i.e., logistics service providers. This rule prohibits logistic service providers from discriminating between sellers of the same category. The rule therefore extends to business-to-business issues and is not related to consumer harm. Therefore, this obligation appears to be outside the scope of Section 94 and 101(zg) of the COPA19, and concerns relating to discriminatory behaviour adopted by logistics service providers should be dealt with under Sections 3(4) and 4 of the CA02. Further, the following is unclear:

a. What is the meaning of 'differentiated treatment?' What sort of activity would be caught within this prohibition?

**To illustrate:** If a logistics service provider offers better rates to a seller for delivery services due to bulk orders or differential pricing vis-a-vis other sellers, are they obligated to provide the same rates to other sellers as well?

b. What is the meaning of 'sellers of the same category?' On what basis are sellers required to be categorised?

**Suggestion:** remove this obligation.

19. **Rule 6(6)** of the proposed amendments introduces a definition for 'associated enterprises', to ensure that marketplace-based e-commerce entities continue to operate at arms' length with its associated enterprises, and do not provide an unfair advantage to such enterprises vis-à-vis similarly placed sellers on its platform. In this regard:

a. Such provisions should be left out of the scope of the e-Commerce Rules, and dealt with appropriately under the CA02.

b. In any case, the scope of the obligations listed under Rule 6(6) is unclear. In particular, the purport of the phrase 'nothing is done by related parties or associated enterprises which the e-commerce entity cannot do itself' is not clear, since associated entities may have specific authorisation to conduct certain activities under other laws, which the e-commerce entity might not have authorisation for. The draft rule seems to suggest that no activity can be outsourced, is this the intention of the draft rules?

**Suggestion:** Limit this obligation to the extent of disclosing associated enterprises; Refer to re-drafting suggestions as per NASSCOM's Suggested Change No. 31.

20. **Rule 6(7)** of the proposed amendments restricts offering any goods or services to registered sellers.

a. It is unclear as to whether this restriction applies to providing warehousing/logistics services to the seller? If yes, how does this reconcile with paragraph 5.2.15.2.4(ix) of the Press Note 2 (FDI Policy), which allows e-commerce marketplace entities to provide services to sellers in a fair and non-discriminatory manner, as well as, paragraph 5.2.15.2.4(iii) which allows e-commerce marketplace entities to provide support services to sellers such as warehousing, logistics, order fulfilment etc.?

b. Such provisions should be left out of the scope of the e-Commerce Rules and dealt with appropriately under the CA02.

- c. The way this rule has been drafted, it seems to convey that registered sellers on MEE will be prohibited from buying from goods / services on MEE. Is this the intention? If yes, what is the consumer harm/unfair trade practice being addressed here?

**To illustrate:** A manufacturer selling finished products on a platform may seek to buy raw materials from another seller on the same platform.

**Suggestion:** remove this obligation; Refer to re-drafting suggestions as per NASSCOM's Suggested Change Nos. 25 and 31.

21. The purpose and scope of the restriction under the proposed **Rule 6(8)** is unclear. Is a discount or promotion treated as 'subsidising a sale'? If yes, then does the restriction prohibit advertisements and promotions on e-commerce portals altogether?

**Suggestion:** remove this obligation.

**Part III**  
**Track mode Changes**  
 To the text of the  
**Consumer Protection (e-Commerce) Rules, notified on July 23, 2020**

S. No.	Changes to existing Rules	Rationale
1.	<p><b>G.S.R. 462(E).</b>— In exercise of the powers conferred by sub-clause (zg) of sub-section (1) of section 101 of the Consumer Protection Act, 2019 (35 of 2019), the Central Government hereby makes the following rules, namely: -</p> <p>1) <b>Short title and commencement. —</b></p> <p>(1) These rules may be called the Consumer Protection (E-Commerce) Rules, 2020.</p> <p>(2) They shall come into force on the date of their publication in the Official Gazette.</p>	No change
2.	<p>2) <b>Scope and Applicability. –</b></p> <p>(1) Save as otherwise expressly provided by the Central Government by notification, these rules shall apply to:</p> <p>a) all goods and services <del>bought or sold over digital or electronic network</del> including digital products <u>(referred to as goods or services in these Rules) bought or sold over digital platforms;</u></p> <p>b) all models of e-commerce, including marketplace and inventory models of e-commerce;</p> <p>c) all e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; and</p> <p>d) all forms of unfair trade practices across all models of e-commerce:</p> <p>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.</p> <p>(2) Notwithstanding anything contained in sub-rule (1), these rules shall apply to <u>an</u> e-commerce entity which is not established in India, but systematically offers goods or services to consumers in India.</p>	Drafting suggestion for better clarity. No change in the meaning.

3.	<p>3) <b>Definitions.</b> —</p> <p>(1) In these rules unless the context otherwise requires, —</p> <p><u>a.</u> "Act" means the Consumer Protection Act, 2019 (35 of 2019);</p>	No change
4.	<p><u>b.</u> "Associated enterprises" means two enterprises that:</p> <p><u>(i) are related to each other through a common chain of directors or managing partners;</u></p> <p><u>(ii) are related to each other through a common chain of shareholders, where such shareholders hold not less than 5 per cent of the shareholding in the related enterprises;</u></p> <p><u>(iii) have 10 per cent or more common ultimate beneficial ownership;</u></p> <p><u>(iv) where one enterprise can exercise a right to veto any decision, appoint one or more director(s) or in any other manner influence other entity's decision making on any matter either through its shareholding or through an agreement including a shareholders' agreement;</u></p> <p><u>(v) where one enterprise holds, directly or indirectly, shares carrying the voting power in the related entities;</u></p>	For ease of reference, suggestion to include the definition of 'Associated enterprises' here. The definition is as per the proposed amendments to the e-Commerce Rules, published by the DoCA for public consultation.
5.	<p><u>a-c.</u> "e-commerce entity" means any person who <del>owns,</del> operates or manages <u>a digital platform</u> <del>digital or electronic facility or platform</del> for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity;</p>	<p>Suggestion to remove the word 'own' from the scope of an e-commerce entity. Refer to NASSCOM's Specific Comment no. 1(h).</p> <p>Suggestion to use the term 'digital platform' consistently across the e-Commerce rules; consistent with the proposed definition of 'digital platform'.</p>
6.	<p><u>b-d.</u> "grievance" includes any complaints to an e-commerce entity regarding violations of the provisions of the Act and the rules made thereunder;</p> <p><u>e-e.</u> "GSTIN" means the Goods and Services Tax Identification Number as under the Central Goods and Services Tax Act, 2017 (12 of 2017);</p> <p><u>d-f.</u> "information" shall have the same meaning as to it clause (v) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000);</p> <p><u>e-g.</u> "inventory e-commerce entity" means an e-commerce entity which owns the inventory of goods or services and sells such goods or services <u>directly</u> to the consumers and shall include single brand retailers and multi-channel single brand retailers;</p>	Suggested numbering changes only, for consistency with the addition/deletion of certain definitions.

7.	<p><u>h.</u> “marketplace e-commerce entity” means an e-commerce entity which provides an <del>information technology digital platform on a digital or electronic network</del> to facilitate transactions between buyers and sellers;</p>	<p>Suggestion to use the term ‘digital platform’ consistently across the e-Commerce rules; consistent with the proposed definition of ‘digital platform’.</p>
8.	<p><u>i.</u> “mis-selling” means offering goods or services for sale by deliberate <del>misrepresentation of information about such goods or services as suitable for the user who is purchasing it.</del>  <u>Explanation: Misrepresentation here means the positive assertion, in a manner not warranted by the information of the person making it, of that which is not true.</u></p>	<p>Suggestion to include the definition of ‘mis-selling’. Refer to point no. 10 of NASSCOM’s Specific Comments.</p>
9.	<p><u>f.j.</u> “PAN” means Permanent Account Number as under section 139A of the Income Tax Act, 1961 (43 of 1961);</p>	<p>Suggested numbering changes only, for consistency with the addition/deletion of certain definitions.</p>
10.	<p><u>g.k.</u> “digital platform” means <del>digital or electronic facility or platform for electronic commerce and includes</del> an online interface in the form of any software including a website or a part thereof and applications including mobile applications;</p>	<p>Suggestion to replace the definition of ‘platform’ with that of a ‘digital platform’.</p>
11.	<p><u>h.l.</u> “ranking” means the relative prominence <del>or relevance given to in</del> <u>which goods or services offered through a marketplace e-commerce entity</u> as presented, organised or communicated by <del>such an e-commerce entity on its digital platform upon consumer conducting a search query;</del></p>	<p>Suggestion to amend the existing definition of ‘ranking’ in the context of e-commerce.</p>
12.	<p><u>i.m.</u> “related party” shall have the same meaning as assigned to it in <u>section 2(76) of the Companies Act, 2013;</u></p>	<p>For ease of reference, suggestion to include the definition of ‘related party’ here. The definition is as per the proposed amendments to the e-Commerce Rules, published by the DoCA for public consultation.</p>
13.	<p><u>j.n.</u> “seller” means the product seller as defined in clause (37) of section 2 of the Act and shall include any service provider;  <u>k.o.</u> “user” means any person who accesses or avails the digital platform of an e-commerce entity.</p>	<p>Suggested numbering changes only, for consistency with the addition/deletion of certain definitions.</p>
14.	<p>(2) The words and expressions used herein (and not defined, but defined in the Act or in the Information Technology Act, 2000 (21 of 2000) or the rules made thereunder shall have the same meaning as respectively assigned to them in those Acts or rules.</p>	<p>No change.</p>
15.	<p><u>4) Registration of e-commerce entities. --</u></p>	<p>Suggestion to include obligation on registration</p>



	<p><u>(1) Every e-commerce entity which intends to operate in India shall make an application with the Department for Promotion of Industry and Internal Trade (DPIIT) for registration within such period as prescribed by DPIIT. Upon submission of such application, the e-commerce entity shall automatically be allotted a registration number.</u></p> <p><u>(2) Upon allotment of such registration, if the accuracy of the information provided by the e-commerce entity in the application for such registration is found to be incorrect, the registration number so allotted will be liable to be cancelled.</u></p> <p><u>(3) Every e-commerce entity shall ensure that such registration number is displayed prominently to its users in a clear and accessible manner on its digital platform.</u></p>	<p>with DPIIT. Refer to point no. 5 of NASSCOM's Specific Comments.</p>
<p>16.</p>	<p><del>4</del>5) <b>Duties of e-commerce entities. —</b></p> <p>1. <del>Where an All e-commerce entities registered with the DPIIT as per Rule 4, e-commerce entity is 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 Partnership incorporated under the Indian Partnership Act, 1932 (9 of 1932) or a Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008 (6 of 2009) 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), it shall 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 there under, and for coordination with law enforcement agencies and officers to ensure compliance with their orders or requisitions made in accordance with the provisions of any law or rules made thereunder.</del></p>	<p>Suggestion that all e-commerce entities to appoint a nodal officer, without changing the existing grievance redressal mechanism significantly.</p> <p>Refer to point no. 7 of NASSCOM's Specific Comments.</p>
<p>17.</p>	<p>2. Every e-commerce entity shall provide the following information in a clear and accessible manner on its digital platform, displayed prominently to its users, namely:--</p> <ul style="list-style-type: none"> <li>a) legal name of the e-commerce entity;</li> <li>b) principal geographic address of its headquarters and all branches;</li> <li>c) name and details of its website; and</li> <li>d) contact details like e-mail address, <del>fax</del>, landline and mobile numbers of customer care as well as of grievance officer.</li> <li>e) No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its <u>digital</u> platform or otherwise.</li> </ul> <p>3. No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its <u>digital</u> platform or otherwise.</p> <p>4. Every e-commerce entity shall establish an adequate grievance redressal mechanism having regard to the number of grievances ordinarily</p>	<p>No change.</p>

	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 digital platform.	
	<del>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 one month from the date of receipt of the complaint.</del>	This provision has been shifted to Rule 6(11) and 8(7) with appropriate changes.
18.	<del>5. 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 on its platform.</del>	This provision has been shifted to Rule 7(6)(f) and Rule 8(1)(g) with appropriate changes.
19.	<del>5. Every e-commerce entity shall endeavour on a best effort basis to become a partner in the convergence process of the National Consumer Helpline of the Central Government, within 1 year from the date of registration with DPIIT as per rule 4. Provided that the CCPA may from time to time provide exemption from or relaxation in the timeline for such convergence, to a specific e-commerce entity or a group of entities upon request, as it may deem fit.</del>	Suggestion to introduce a transition period for e-commerce entities to converge with the National Consumer Helpline. Also, refer to point no. 9 of NASSCOM's Specific Comments.
20.	6. No e-commerce entity shall 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. <u>In any case, any cancellation charges imposed on the consumer, the same shall be the same are informed to the consumer prior to the before the purchase.</u>	Suggestion to include an obligation on e-commerce entities to appropriately inform the consumer of any cancellation charges.
21.	<u>7.</u> Every e-commerce entity shall only 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.  <u>7-8.</u> Every e-commerce entity shall effect all payments towards accepted refund requests of the consumers as prescribed by the Reserve Bank of India or any other competent authority under any law for the time being in force, within a reasonable period of time, or as prescribed under applicable laws.  <u>8-9.</u> No e-commerce entity shall- a) 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;	

	<p>b) <u>discriminate between consumers of the same class or make any arbitrary classification of consumers affecting their rights under the Act.</u></p> <p>c) <u>make available any information pertaining to the consumer to any person other than the consumer without the express and affirmative consent of such consumer, unless it is in the course of fulfilment or processing of an order, or providing any services as promised by the e-commerce entity.</u></p> <p>d) <u>No such entity shall record such consent automatically, including in the form of pre-ticked checkboxes:</u></p>	<p>Refer to point no. 13 of NASSCOM's Specific Comments.</p>
22.	<p><del>9-10.</del> <u>If any e-commerce entity intends to use the data (i) generated on its digital platform or (ii) acquired by it from other sources; for the purpose of suggesting goods or services which are related, adjacent or complimentary to a purchase made by a consumer, then e-commerce entity shall disclose the fact of use of such data in its terms and conditions.</u></p>	<p>Suggestion to include disclosure obligation on cross-selling.</p> <p>Refer to point no. 2 of NASSCOM's Specific Comments.</p>
23.	<p><del>10-11.</del> <u>Every e-commerce entity shall ensure that sponsored listing of products and services are distinctly identified with clear and prominent disclosures.</u></p>	<p>Suggestion to include the obligation on disclosure of sponsored products and services. This is identical to the proposed amendment to e-Commerce Rules as published by DoCA for public consultation.</p>
24.	<p><del>11-12.</del> <u>Every e-commerce entity shall disclose following information in a clear and accessible manner, displayed prominently to its users at the appropriate place on its platform:- an explanation in plain language of the main parameters which, individually or collectively, are most significant in determining the ranking of sellers or goods or services, on its platform and the relative importance of those main parameters.</u></p>	<p>This obligation was earlier applicable only to e-commerce marketplace entities. Suggestion is to impose it on all e-commerce entities. Language changes have also been suggested for clarity, no change in meaning.</p> <p>Refer to point no. 11 of NASSCOM's Specific Comments.</p>
25.	<p><del>12-13.</del> <u>Where an e-commerce entity provides services related to order fulfillment, such as, delivery, and payment, it shall be directly liable to the consumer for any deficiency in such services, whether such services are paid or free.</u></p>	<p>Suggestion to include liability on e-commerce entity if it provides services related to order fulfillment.</p> <p>Refer to point no. 20 of NASSCOM's Specific Comments.</p>

<p>26.</p>	<p><del>13-14.</del> <u>Every e-commerce entity shall provide information under its control or possession, or assistance to the Government agency which is lawfully authorised for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents within seventy two hours of the receipt of an order, unless other time period is provided for under any other law or the order requesting such information: Provided that any such order shall be in writing clearly stating the information sought and the purpose of seeking information or assistance, as the case may be.</u></p>	<p>Refer to point no. 15 of NASSCOM's Specific Comments.</p>
<p>27.</p>	<p><del>5)6)</del> <u>Liabilities-Duties of marketplace e-commerce entities.</u> - (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.</p>	<p>Suggestion to rename liabilities of marketplace e-commerce entities as their duties.</p>
<p>28.</p>	<p>1. Every marketplace e-commerce entity shall require sellers through an undertaking to ensure that <u>all the disclosures required to be made by the seller under Rule 6 on their digital platform is complete and accurate: all</u> descriptions, images, and other content pertaining to goods or services on their <u>digital</u> platform is accurate and corresponds directly with the appearance, nature, quality, purpose and other general features of such good or service.</p>	<p>Suggested change to make this consistent with Rule 6.</p>
<p>29.</p>	<p>2. Every marketplace e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users at the appropriate place on its platform:</p> <p>a) <u>Following</u> details <u>provided by about</u> the sellers offering goods and services, <del>including</del> the name of their business, <u>its incorporation and registration details, where applicable whether registered or not</u>, 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 prepurchase stage:</p> <p>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;</p> <p>b) a ticket number for each complaint lodged through which the consumer can track the status of the complaint;</p>	<p>Suggestion to impose liability on marketplace entity only to the extent information is provided by seller; and to make it consistent with the obligation to register with DPIIT.</p>

	<p><del>c) information relating to <u>its applicable policy, with respect to</u> return, refund, exchange, <u>cancellation charges</u>, warranty and guarantee, delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar information <del>which may be required by consumers to make informed decisions;</del></del></p> <p><del>e)d) information relating to best before or use before date, where provided by seller.</del></p> <p><del>e)e) 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, if any, and the contact information of the relevant payment service provider;</del></p> <p><del>e)f) all information provided to it by sellers under sub-rule (5) of rule 6; and</del></p> <p><del>f)g) 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.</del></p>	<p>Suggested change for clarification purposes only. No change in meaning.</p> <p>Suggestion to impose liability on marketplace entity only to the extent information is provided by seller;</p> <p>Refer to point no. 17 of NASSCOM's Specific Comments.</p> <p>This provision has been shifted to Rule 5(12) above, with appropriate changes.</p>
30.	<p>3. Every marketplace e-commerce entity shall include in its terms and conditions generally governing its relationship with sellers on its <u>digital</u> platform, a description of any differentiated treatment which it gives or might give between goods or services or sellers of the same category.</p>	<p>Suggestion to use the term 'digital platform' consistently across the e-Commerce rules; consistent with the proposed definition of 'digital platform'.</p>
31.	<p>4. <u>Every marketplace e-commerce entity shall disclose to the consumers which sellers are related parties or associated enterprises of the marketplace e-commerce entity.</u></p>	<p>Suggestion to impose disclosure requirements in case of related parties or associated enterprises as sellers.</p> <p>Refer to point no. 19 and 20 of NASSCOM's Specific Comments.</p>
32.	<p>5. Every marketplace e-commerce entity shall include in its terms and conditions generally governing its relationship with sellers on its <u>digital</u> platform a general description of any differentiated treatment which it gives or might give between goods or services or sellers of the same category.</p>	<p>Suggestion to use the term 'digital platform' consistently across the e-Commerce rules; consistent with the proposed definition of 'digital platform'.</p>
33.	<p>6. <u>No marketplace entity shall display or promote misleading advertisement about its services, whether in the course of business on its digital platform or otherwise.</u></p>	<p>Obligation on misleading advertisements.</p>

	7. <u>Every marketplace e-commerce entity shall remove anythe misleading advertisements from its digital platform when so ordered by the court or government authority.</u>	Refer to point no. 6 of NASSCOM's Specific Comments.
34.	8. <u>Where a seller registered on digital platform of marketplace e-commerce entity, fails to deliver the goods or services ordered by a consumer, as per terms –prescribed by the marketplace e-commerce entity and promised to the consumer by the marketplace e-commerce entity, the marketplace e-commerce entity shall ensure timely refund to consumers if the consumer has already paid for such goods or services.</u>	Suggested obligation for fall-back liability.  Refer to point no. 3 of NASSCOM's Specific Comments.
35.	9. <u>Where a marketplace e-commerce entity issues the invoice with its own name on it,</u> it shall display clearly and prominently in its invoice the name of the seller in the same font size as its name.	Suggested change in language for displaying information on invoice. Refer to point no. 16 of NASSCOM's Specific Comments.
36.	10. Every marketplace e-commerce entity shall take reasonable efforts to maintain a record of <u>name, address and contact details relevant information allowing for the identification</u> of all sellers <u>who have repeatedly offered goods or services that have previously been whose product or service listing has been</u> removed or access to which listing has previously been disabled under the Copyright Act, 1957 (14 of 1957), <u>the Patents Act, 1970 (39 of 1970)</u> , the Trade Marks Act, 1999 (47 of 1999) or the Information Technology Act, 2000 (21 of 2000):  Provided that no such e-commerce entity shall be required to terminate the access of such seller to its platform pursuant to this sub-rule but may do so on a voluntary basis.	Drafting suggestion for better clarity. No change in the meaning.
37.	<u>11. Every marketplace e-commerce entity shall ensure that the grievance officer referred to in sub-rule (4) of Rule 5 acknowledges the receipt of any consumer complaint within forty-eight hours and</u> <ul style="list-style-type: none"> <li><u>a. redresses the complaint with respect to its services within one month from the date of receipt of the complaint;</u></li> <li><u>a.b. when the complaint relates to the goods or services provided by the seller, forward such complaint to such seller and require the seller to redress the complaint within one month from the date of receipt of the complaint, in accordance with Rule sub rule 5 (b) or rule 7.</u></li> </ul>	Suggestion to retain the existing obligations on grievance redressal mechanism, with limited obligation on marketplace entity to extend the complain to a seller, where complain has been made for a goods or services provided by the seller.  Refer to point no. 7 of NASSCOM's Specific Comments.
38.	<del>6)7)</del> <b>6-Duties of sellers on marketplace. -</b> <u>1.</u> No seller offering goods or services through a marketplace e-commerce entity shall adopt any unfair trade practice whether in the course of the offer on the e-commerce entity's <u>digital</u> platform or otherwise.	Suggestion to use the term 'digital platform' consistently across the e-Commerce rules; consistent with the

		proposed definition of 'digital platform'.
39.	<u>1-2.</u> No seller shall display or promote misleading advertisement whether in the course of business on digital platform of marketplace e-commerce entity or otherwise.	Obligation on misleading advertisements.  Refer to point no. 6 of NASSCOM's Specific Comments.
40.	<p><u>2-3.</u> No such seller shall 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.</p> <p><u>3-4.</u> No seller offering goods or services through a marketplace e-commerce entity shall 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:</p> <p>Provided that in the case of late delivery, this sub-rule shall not be applied if such late delivery was due to force majeure.</p> <p><u>4-5.</u> Any seller offering goods or services through a marketplace e-commerce entity shall:</p> <ol style="list-style-type: none"> <li>a) have a prior written contract with the respective e-commerce entity in order to undertake or solicit such sale or offer;</li> <li>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;</li> <li>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.</li> <li>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 <del>fax</del>, landline, and mobile numbers and where applicable, its GSTIN and PAN details.</li> </ol>	Suggested numbering changes only for consistency.
41.	<u>5-6.</u> 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 digital platform <u>or if so permitted by the marketplace e-commerce entity, upload the following information on such digital platform or website:</u>	Suggestion for marketplace entity to enable the disclosure of certain information that is

	<ul style="list-style-type: none"> <li>a) all contractual information required to be disclosed by law;</li> <li>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;</li> <li>c) all mandatory notices and information provided by applicable laws, and the expiry date of the good being offered for sale, where applicable;</li> <li>d) all relevant details about the goods and services offered for sale by the seller including country of origin <u>information related to return, refund, exchange, best before or use before date where required under applicable law, details of warranty and guarantee, delivery and shipment, cost and return shipping, mode of payments, facility of repair, after sales service and any other similar information</u><del>which are necessary for enabling the consumer to make an informed decision at the prepurchase stage;</del></li> <li>e) the name and contact numbers, and designation of the grievance officer for consumer grievance redressal or for reporting any other matter;</li> <li>f) <u>Where the seller offers imported goods or services for sale, it shall mention the fact that the goods and services are imported.</u></li> <li>g) guarantees related to the authenticity or genuineness of the imported products;</li> <li>h) accurate information related to terms of exchange, returns, and refund including information related to costs of return shipping in a clear and accessible manner;</li> <li>i) relevant details related to delivery and shipment of such goods or services; and</li> <li>j) any relevant guarantees or warranties applicable to such goods or services.</li> </ul>	<p>under the control of a seller.</p> <p>Refer to point no. 17 of NASSCOM's Specific Comments.</p> <p>Suggested obligation related to imported goods and services.</p> <p>Refer to point no. 8 of NASSCOM's Specific Comments.</p>
42.	<p><del>6-7.</del> <u>No seller shall indulge in mis-selling of goods or services. In case of mis-selling, the remedy under contract can apply.</u></p>	<p>Suggested obligation on mis-selling.</p> <p>Refer to point no. 10 of NASSCOM's Specific Comments.</p>
43.	<p><del>7)8)</del> <b>Duties and liabilities of inventory e-commerce entities: -</b></p>	



	<p>1. Every inventory e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users:</p> <p>a) accurate information related to return, refund, exchange, warranty and guarantee, delivery and shipment, cost of return shipping, mode of payments, grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions;</p> <p>b) all mandatory notices and information required by applicable laws;</p> <p>c) information on available payment methods, the security of those payment methods, the procedure to cancel regular payments under those methods, any fees or charges payable by users, charge back options, if any, and the contact information of the relevant payment service provider;</p> <p>d) all contractual information required to be disclosed by law;</p> <p>e) <u>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;</u></p> <p>e)f) <del>and</del> a ticket number for each complaint lodged, through which the consumer can track the status of their complaint;<del>:- and</del></p> <p>g) <u>Where it offers imported goods or services for sale, it shall mention the fact that the goods and services are imported.</u></p>	<p>Grammatical/punctuation changes for accuracy; no change in meaning.</p> <p>Suggested obligation related to imported goods and services. Refer to point no. 8 of NASSCOM's Specific Comments.</p>
44.	<p>2. No inventory e-commerce entity shall falsely represent itself as a consumer and post reviews about goods and services or misrepresent the quality or the features of any goods or services.</p>	<p>No change.</p>
45.	<p>3. Every inventory e-commerce entity shall 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 <u>and it shall not; display or promote misleading advertisement whether in the course of business on its digital platform or otherwise.</u></p>	<p>Suggested change in obligation on misleading advertisements. Refer to point no. 6 of NASSCOM's Specific Comments.</p>
46.	<p>4. No inventory e-commerce entity shall 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 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:</p> <p>Provided that in the case of late delivery, this sub rule shall not apply if such late delivery was due to force majeure.</p>	<p>No change.</p>

	<p>5. Any inventory e-commerce entity which explicitly or implicitly vouches for the authenticity of the goods or services sold by it, or guarantees that such goods or services are authentic, shall bear appropriate liability in any action related to the authenticity of such good or service.</p>	
47.	<p>6. <u>No inventory e-commerce entity shall indulge in mis-selling of goods or services.</u></p>	<p>Suggested obligation on mis-selling. Refer to point no. 10 of NASSCOM's Specific Comments.</p>
48.	<p>7. <u>Every inventory e-commerce entity shall ensure that the grievance officer referred to in sub-rule (4) of Rule 5, 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.</u></p>	<p>Suggestion to extend obligations on grievance redressal mechanism to inventory e-commerce entity. Refer to point no. 7 of NASSCOM's Specific Comments.</p>
49.	<p><del>8)9)</del> <u>Powers of CCPA - For the purpose of Section 20 of the Act, CCPA may investigate into following practices of e-commerce entities or sellers:-</u></p> <ol style="list-style-type: none"> <li>1. <u>Misleading of users by manipulation of search result or search indexes having regard to the search query of the user;</u></li> <li>2. <u>use information collected by marketplace e-commerce entities, for sale of goods bearing a brand or name which is common with that of the marketplace e-commerce entity or promote or advertise as being associated with the marketplace e-commerce entity, if such practices amount to unfair trade practice and impinges on the interests or rights of the consumers;</u></li> <li>3. <u>Flash sales, cross-selling, mis-selling, manipulation in ranking of goods and services, if such practices amount to unfair trade practice or impinges on the interests or rights of the consumers.;</u></li> </ol>	<p>Suggestion to include a list of unfair trade practices that the CCPA may investigate upon, for ensuring the consumer protection and welfare.  Refer to point no. 2, 4, 10 and 11 of NASSCOM's Specific Comments.</p>
50.	<p><del>9)10)</del> <b>Contravention of rules.</b> – The provisions of the Consumer Protection Act, 2019 (35 of 2019) shall apply for any violation of the provisions of these rules.</p>	<p>Suggested numbering changes only for consistency.</p>