# E-Commerce Guidelines for Consumer Protection 2019

## Why in news?

The Consumer Affairs Ministry recently released the E-Commerce Guidelines for Consumer Protection 2019.

## What necessitated this?

- India's e-commerce sector is poised to grow four times to $150 billion by 2022.
- However, it is still a work in progress when it comes to safeguarding customer interest.
- Consumers are still compelled to take wild chances in online transactions.
- There is little they can do if their calls go wrong, as returns and reimbursements are risky and cumbersome.
- There are no authentic ways to figure out if product reviews, ratings or even discounts are genuine.
- Given these, a set of guidelines to protect the interests of consumers was a much called-for one.

## What are the key guidelines?

- An e-commerce entity shall not influence the price of the goods or services.
- It should not adopt any unfair or deceptive methods to influence transactional decisions of consumers.
- Entities are also not to falsely represent themselves as consumers and post reviews about goods and services.
- The guidelines on returns and refunds are designed to favour consumers.
- Marketplace entities (e-commerce platforms) will not be able to buy more than 25% from a single vendor.
- They can also not give discounts on products or sell the goods of the companies in which there is equity participation by the marketplace entity.

## What are the challenges?

- Clearly, the Ministry's thinking seems to be in line with the Centre's approach to regulating the fast-growing e-commerce sector.
- However, it is challenging to balance between regulating consumer interests and encouraging innovation and investment, without discriminating against a

particular class of investors.

- The DPIIT (Department of Promotion of Industry and Internal Trade) is also framing an e-commerce policy and has put up the draft for comments.
- The draft talks about -

i. retaining ownership and control of data generated within the country (data localisation)
ii. rigorous monitoring of cross-border imports
iii. placing the responsibility of consumer protection on the intermediary
iv. addressing the issue of piracy

- In this context, the element of indecision over data localisation requirement is still a worry.
- Both the DPIIT and MeitY (Ministry of Electronics and Information Technology) are attempting to make a case for data localisation in the e-commerce policy and the data protection policy, respectively.
- The RBI is also pursuing this in the case of payment systems.
- These attempts have predictably resulted in a lot of protests from the EU and US entities.
- Besides, the new guidelines had raised concerns among foreign e-tailers.
- They feel that the rules would jeopardise their business models and could cost them time and money.
- Given all these, the Centre should take a call soon on the e-commerce policy, balancing the priorities of the stakeholders.

**Source: Business Line**

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