

No.J-10/3/2018-CPU (Computer No:16082)
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)

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 on 23rd July 2020 had notified the Consumer Protection (E-Commerce) Rules, 2020.

2. The Department of Consumer Affairs seeks views/ comments/ suggestions on the proposed amendments to Consumer Protection (E-Commerce) Rules, 2020 available at the given link in track change mode (proposed additions in 'blue' and deletions in 'red strikethrough').

3. Views/ comments/ suggestions on the proposed amendments may be sent within 15 days (by 6th July 2021) by email to js-ca@nic.in

Anupam Mishra
Joint Secretary
Department of Consumer Affairs
Ministry of Consumer Affairs, Food and Public Distribution.
Government of India
Tel No: 011-23386666

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION-3, SUB-SECTION (i)]

Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)

NOTIFICATION
New Delhi, the 23rd July 2020

G.S.R.-(462E).--- 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: -

1.Short title and commencement. — (1) These rules may be called the Consumer Protection (E-Commerce) Rules, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Scope and Applicability. – (1) Save as otherwise expressly provided by the Central Government by notification, these rules shall apply to:

(a) all goods and services bought or sold over digital or electronic network including digital products;

(b) all models of e-commerce, including marketplace and inventory models of e-commerce;

(c) all e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; and

(d) all forms of unfair trade practices across all models of e-commerce

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.

(2) Notwithstanding anything contained in sub-rule (1), these rules shall apply to a e-commerce entity which is not established in India, but systematically offers goods or services to consumers in India.

3. Definitions. — (1) In these rules unless the context otherwise requires,

(a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);

(b) "e-commerce entity" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce, including any entity engaged by such person for the purpose of fulfilment of orders placed by a user on its platform and any 'related party' as defined under Section 2(76) of the Companies Act, 2013, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity

(c) "Cross-selling" means sale of goods or services which are related, adjacent or complimentary to a purchase made by a consumer at a time from any e-commerce entity with an intent to maximise the revenue of such e-commerce entity;

(d) "Fall back liability" means the liability of a marketplace e-commerce entity where a seller registered with such entity fails to deliver the goods or services ordered by a consumer due to negligent conduct, omission or commission of any act by such seller in fulfilling the duties and liabilities in the manner as prescribed by the marketplace e-commerce entity which causes loss to the consumer;

(e) "Flash sale" means a sale organized 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.

(fe) "grievance" includes any complaints to an e-commerce entity regarding violations of the provisions of the Act and the rules made thereunder;

(gd) "GSTIN" means the Goods and Services Tax Identification Number as under the Central Goods and Services Tax Act, 2017 (12 of 2017);

(he) "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);

(if). "inventory e-commerce entity" means an e-commerce entity which owns the inventory of goods or services and sells such goods or services directly to the consumers and shall include single brand retailers and multi-channel single brand retailers;

(ig) "marketplace e-commerce entity" means an e-commerce entity which provides an information technology platform on a digital or electronic network to facilitate transactions between buyers and sellers;

(k) "mis-selling" means an e-commerce entity selling goods or services by deliberate misrepresentation of information by such entity about such goods or services as suitable for the user who is purchasing it.

Explanation:

Misrepresentation here means:--

(i) the positive assertion, in a manner not warranted by the information of any entity making it, of that which is not true;

(ii) any display of wrong information, with an intent to deceive, gain an advantage to the e-commerce entity committing it, or any seller claiming under it; by misleading consumer to the prejudice of e-commerce entity, or to the prejudice of anyone claiming under it;

(iii) 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

(~~h~~) "PAN" means Permanent Account Number as under section 139A of the Income Tax Act, 1961 (43 of 1961);

(~~m~~) "platform" means an online interface in the form of any software including a website or a part thereof and applications including mobile applications;

(~~n~~) "ranking" means the relative prominence or relevance given to the goods or services offered through a marketplace e-commerce entity as presented, organised or communicated by such entity, irrespective of the technological means used for such presentation, organisation or communication;

(~~o~~) "seller" means the product seller as defined in clause (37) of section 2 of the Act and shall include any service provider;

(~~p~~) "user" means any person who accesses or avails any computer resource of an e-commerce entity.

(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.

4. Registration of e-commerce entities. ---

(1) Every e-commerce entity which intends to operate in India shall register itself with the Department for Promotion of Industry and Internal Trade (DPIIT) within such period as prescribed by DPIIT for allotment of a registration number.

Provided that the DPIIT may extend the period for registration of such e-commerce entity for sufficient reason, to be recorded in writing.

(2) Every e-commerce entity shall ensure that such registration number and invoice of everyday order is displayed prominently to its users in a clear and accessible manner on its platform

54. Duties of e-commerce entities. ---

(1) Where an 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 thereunder.

(2) Every e-commerce entity shall provide the following information in a clear and accessible manner on its platform, displayed prominently to its users, namely:-

(a) legal name of the e-commerce entity;

(b) principal geographic address of its headquarters and all branches;

(c) name and details of its website; and

(d) contact details like e-mail address, ~~fax~~, landline and mobile numbers of customer care as well as of grievance officer.

(e) No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise

(3) No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise.

(4) No e-commerce entity shall allow any display or promotion of misleading advertisement whether in the course of business on its platform or otherwise.

(5) Every e-commerce entity shall establish an adequate grievance redressal mechanism having regard to the number of grievances ordinarily 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 platform.

(a) appoint a Chief Compliance Officer who shall be responsible for ensuring compliance with the Act and rules made thereunder and shall be liable in any proceedings relating to any relevant third-party information, data or communication link made available or hosted by that e-commerce entity where he fails to ensure that such entity observes due diligence while discharging its duties under the Act and rules made there under;

Provided that no liability under the Act or rules made thereunder may be imposed on such e-commerce entity without being given an opportunity of being heard.

Explanation. — For the purpose of this clause "Chief Compliance Officer" means managerial personnel or such other senior employee of an e-commerce entity who is a resident and citizen of India

(b) appoint a nodal contact person for 24x7 coordination with law enforcement agencies and officers to ensure compliance to their orders or requisitions made in accordance with the provisions of law or rules made thereunder.

Explanation. — For the purpose of this clause “nodal contact person” means employee of an e-commerce entity, other than the Chief Compliance Officer, who is resident in India and a citizen of India;

(c) appoint a “Resident Grievance Officer”, who shall, subject to clause (b), be responsible for the functions referred to in sub-rule (2) of rule 3.

Explanation. — For the purpose of this clause, “Resident Grievance Officer” means the employee of an e-commerce entity, who is resident and a citizen of India;

(d) Grievance redressal mechanism of e-commerce entity:

(a) The e-commerce entity shall prominently publish on its website, mobile based application or both, as the case may be, the name of the Grievance Officer and his contact details as well as mechanism by which a user may make complaint against violation of the provisions of this rule or any other matters pertaining to the resources and services made available by it on its platform , and the Grievance Officer shall –

(i) receive and acknowledge any order, notice or direction issued by the Appropriate Government, any competent authority or a court of competent jurisdiction.

(65) 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.

~~(6) 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.~~

(7) Where an e-commerce entity offers imported goods or services for sale, it shall:-

(a) 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;

(b) identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods;

(c) provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and sellers.

(87) 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.

(98) 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.

(109) 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.

(11) No e-commerce entity shall indulge in mis-selling of goods or services offered on its platform.

(12) An e-commerce entity which is engaged in cross-selling of goods or services shall provide adequate disclosure to its users displayed prominently in a clear and accessible manner on its platform:

(a) Name of the entity providing data for cross-selling,

(b) Data of such entity used for cross-selling

(130) 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.

(141) 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;

(b) discriminate between consumers of the same class or make any arbitrary classification of consumers affecting their rights under the Act;

(c) mislead users by manipulating search result or search indexes having regard to the search query of the user;

(d) permit usage of the name or brand associated with that of the marketplace e-commerce entity for promotion or offer for sale of goods or services on its platform in a manner so as to suggest that such goods or services are associated with the marketplace e-commerce entity;

(e) make available any information pertaining to the consumer to any person other than the consumer without the express and affirmative consent of such consumer, no such entity shall record such consent automatically, including in the form of pre-ticked checkboxes;

(f) 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 of consumers.

(15) Every e-commerce entity shall ensure that sponsored listing of products and services are distinctly identified with clear and prominent disclosures.

(16) No e-commerce entity shall organize a flash sale of goods or services offered on its platform.

(17) No e-commerce entity which holds a dominant position in any market shall be allowed to abuse its position.

Explanation - For the purpose of this clause "abuse of dominant position" shall have the same meaning as prescribed under Section 4 of the Competition Act, 2002.

(18) Every e-commerce entity shall, as soon as possible, but not later than seventy two hours of the receipt of an order, 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:

Provided that any such order shall be in writing clearly stating the purpose of seeking information or assistance, as the case may be.

(19) Every e-commerce entity shall display clearly and prominently in its invoice the name of the seller in the same font size as that of the e-commerce entity's name

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65. Liabilities of marketplace e-commerce entities. – (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.

(2) Every marketplace e-commerce entity shall require sellers through an undertaking to ensure that descriptions, images, and other content pertaining to goods or services on their platform is accurate and corresponds directly with the appearance, nature, quality, purpose and other general features of such good or service.

(3) 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:

(a) details about the sellers offering goods and services, including the name of their business, whether registered or not, [country of origin](#), 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 pre-purchase stage;

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;

(b) a ticket number for each complaint lodged through which the consumer can track the status of the complaint;

(c) information relating to return, refund, exchange warranty and guarantee, [best before or use before date](#) delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions;

(d) 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;

(e) all information provided to it by sellers under sub-rule (5) of rule 6; and

(f) 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.

(4) Every marketplace e-commerce entity shall include in its terms and conditions generally governing its relationship with sellers on its platform, a description of any differentiated treatment which it gives or might give between goods or services or sellers of the same category.

[\(5\) No logistics service provider of a marketplace e-commerce entity shall provide differentiated treatment between sellers of the same category.](#)

Provided that each logistics service provider of a marketplace e-commerce entity shall provide a disclaimer including terms and conditions governing its relationship with sellers on the marketplace e-commerce entity platform, a description of any differentiated treatment which it gives or might give between sellers of the same category.

Explanation-

Logistics service provider for all extent and purposes of this rule shall be a company engaged in business of providing any one or more services, which include rail/road/sea/air transportation, air cargo, cargo consolidation, warehousing, Inland Container depot, cold chain services, port terminal services or any other such services for the goods and services sold on any marketplace e-commerce entity platform.

(6) Every marketplace e-commerce entity shall—

(a) ensure that it does not use any information collected through its platform for unfair advantage of its related parties and associated enterprises;

(b) ensure that none of its related parties and associated enterprises are enlisted as sellers for sale to consumers directly;

(c) ensure that nothing is done by related parties or associated enterprises which the e-commerce entity cannot do itself;

Explanation:-

(i) Related parties shall have the same meaning as assigned to it in section 2(76) of the Companies Act, 2013;

(ii) Two enterprises shall be deemed to be associated enterprises, if-

(a) enterprises are related to each other through a common chain of directors or managing partners;

(b) enterprises 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;

(c) enterprises having 10 per cent or more common ultimate beneficial ownership;

(d) 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;

(e) where one enterprise holds, directly or indirectly, shares carrying the voting power in the related entities;

(f) where any person or enterprise holds, directly or indirectly, shares carrying the voting power in the related entities;

(g) there exists between the enterprises, any relationship of mutual interest, as may be prescribed.

(7) No marketplace e-commerce entity shall sell goods or services to any person who is registered as seller on its platform;

(8) No marketplace e-commerce entity shall advertise a body of sellers for the purpose of subsidizing a sale on its platform;

(9) A marketplace e-commerce entity shall be subject to a fall-back liability where a seller registered on its platform fails to deliver the goods or services ordered by a consumer due to negligent conduct, omission or commission of any act by such seller in fulfilling the duties and liabilities in the manner as prescribed by the marketplace e-commerce entity which causes loss to the consumer.

(~~8~~10) Every marketplace e-commerce entity shall take reasonable efforts to maintain a record of relevant information allowing for the identification of all sellers who have repeatedly offered goods or services that have previously been removed or access to which has previously been disabled under the Copyright Act, 1957 (14 of 1957), 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.

~~6-~~ **7. Duties of sellers on marketplace.** – (1) 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 platform or otherwise.

(2) 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.

(3) 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: Provided that in the case of late delivery, this sub-rule shall not be applied if such late delivery was due to force majeure.

(4) Any seller offering goods or services through a marketplace e-commerce entity shall:

- (a) have a prior written contract with the respective e-commerce entity in order to undertake or solicit such sale or offer;
 - (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;
 - (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.
 - (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 ~~fax~~, landline, and mobile numbers and where applicable, its GSTIN and PAN details.
- (5) 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 platform or website:
- (a) all contractual information required to be disclosed by law;
 - (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;
 - (c) all mandatory notices and information provided by applicable laws, and the expiry date of the good being offered for sale, where applicable;
 - (d) all relevant details about the goods and services offered for sale by the seller including country of origin [best before or use before date, information related to return, refund, exchange, expiration date, details of best before usage, warranty and guarantee, delivery and shipment, cost and return shipping, mode of payments, and any other similar information](#) which are necessary for enabling the consumer to make an informed decision at the pre-purchase stage;
 - (e) the name and contact numbers, and designation of the grievance officer for consumer grievance redressal or for reporting any other matter;
 - (f) name and details of importer, and guarantees related to the authenticity or genuineness of the imported products;
 - (g) accurate information related to terms of exchange, returns, and refund including information related to costs of return shipping in a clear and accessible manner;
 - (h) relevant details related to delivery and shipment of such goods or services; and
 - (i) any relevant guarantees or warranties applicable to such goods or services.

87. Duties and liabilities of inventory e-commerce entities: -

- (1) Every inventory e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users:

(a) accurate information related to return, refund, exchange, best before or use before date, 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;

(b) all mandatory notices and information required by applicable laws;

(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;

(d) all contractual information required to be disclosed by law;

(e) 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; and

(f) a ticket number for each complaint lodged, through which the consumer can track the status of their complaint.

(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.

(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;

(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:

Provided that in the case of late delivery, this sub rule shall not apply if such late delivery was due to force majeure.

(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.

98. Contravention of rules. — The provisions of the Consumer Protection Act, 2019 (35 of 2019) shall apply for any violation of the provisions of these rules.

[F.No. J-10/3/2018-CPU]

~~Amit Mehta~~Anupam Mishra, Joint Secretary

