

## POLICY FOR REGULATION OF E-COMMERCE<sup>1</sup>

E-commerce activities are governed by a number of Regulations and Acts of the Government. Information Technology Act 2000 provides legal recognition for the transactions carried out by means of electronic data interchange and other means of electronic communication, which involve the use of alternatives to paper based methods of communication and storage of information. Ecommerce companies have to comply with the Companies Act, 2013 and other applicable laws of the country. Such companies with FDI can operate only in activities which are specifically permitted. Any violation of FDI regulations are covered by the penal provisions of the FEMA. Reserve Bank of India administers the FEMA and Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA. Further, activities of e-commerce companies inter alia involve compliance of Shops and Establishments Act of the State concerned.

National Consumer Helpline (NCH) has been set up by the Department of Consumer Affairs to receive complaints from consumers. It has partnered with some companies to resolve their customer complaints received by it. This is the alternate grievance redressal method, and is a completely voluntary initiative taken up by these companies. As part of this convergence programme, NCH gives access to the individual convergence company to address these complaints as per the company's own internal grievance handling system. Companies which have voluntarily partnered with NCH as part of the convergence programme, directly respond to these complaints according to their redressal process and revert by providing a feedback to the complainant on the portal directly. Complaints regarding the companies which have not partnered with National Consumer Helpline are forwarded by NCH to the company for redressal.

Consumer Protection Act, 1986 has been enacted to better protect the interests of the consumers which covers all goods and services and all mode of transactions including e-commerce. Under the provision of this Act, a three tier quasi-judicial mechanism, called Consumer Disputes Redressal Commission and Forum, has been set up at the district, State and National levels to provide simple, quick and inexpensive redressal to consumer disputes. From August 2016, the portal [www.consumerhelpline.gov.in](http://www.consumerhelpline.gov.in) has been developed to provide a platform to consumers to register their complaints.

Further, the Bureau of Indian Standards (BIS) has a consumer affairs department to provide consumers with prompt attention and speedy redressal of their grievances lodged regarding quality of BIS certified products.

There is no proposal at present for setting up a regulator for e-commerce.

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<sup>1</sup> Available at: <http://pib.nic.in/PressReleaseDetail.aspx?PRID=1555647>

The details of complaints received at NCH in e-commerce sector are tabulated below:

<b>Sector -E-commerce</b>				
<b>Year</b>	<b>No. of Grievances received in sector</b>	<b>Complaints sent to convergence companies</b>	<b>Redressal Received</b>	<b>Response%</b>
May 2014 - March 2015*	15168	5806	4510	77.7
April 2015 – March 2016	28331	13959	11585	83
April 2016 – Mar 2017 **	54872	38315	34852	91
April 2017 – March 2018	78562	50820	48043	94.5
April 2018 – 30 Nov 2018	68506	40669	33612	82.6***
*in Apr 2014, NCH was not operational due to re-location from DU to IIPA				
**Inception of INGRAM from 11 Aug 2016				
***Response are still on progress for Sep.18, Oct.18, Nov.18				

This information was given by the Minister of State of Commerce and Industry, C. R. Chaudhary, in a written reply in the Rajya Sabha on December 12, 2018.

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**Team ICSI**

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