



CIVIL

Draft Guidelines by the Bureau of Indian Standards: E-Commerce Principles for Self-Governance

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The Bureau of Indian Standards (BIS) has issued a draft document titled “Draft Guidelines by the Bureau of Indian Standards: E-Commerce Principles for Self-Governance,” inviting public comments. This document aims to establish a strong framework for the self-regulation of e-commerce operations. It focuses on creating a transparent, fair, and ethical ecosystem that benefits all stakeholders, including consumers, sellers, and service providers. The exponential growth of e-commerce has brought immense opportunities but also poses significant challenges, particularly in maintaining consumer trust and protecting against fraudulent practices. This initiative seeks to address these challenges and invites public comments until February 20, 2025, ensuring a collaborative approach to policy development.

The document emphasizes the importance of consumer protection and trust. With the rapid expansion of online retail, there is an increased need for clear guidelines that safeguard consumer interests and ensure ethical business practices. By promoting transparency and accountability, these guidelines aim to enhance trust between e-commerce entities and their users. The draft also considers the role of various stakeholders, providing a structured framework that supports responsible operations and fair dealings. Furthermore, by opening the draft for public input, BIS demonstrates its commitment to inclusivity and a comprehensive policymaking process.

The scope of the document extends to self-governance principles that ensure ethical and consumer-focused operations while aligning with existing legal and regulatory standards. It covers a wide range of topics to create a clear and comprehensive framework for e-commerce entities. These principles improve operational transparency, protect consumer rights, and build trust.

A significant portion of the document is dedicated to defining key terminologies that form the foundation of its guidelines. For instance, the Advertising Standards Council of India (ASCI) is highlighted for its role in ensuring that advertisements are truthful, ethical, and not misleading. This reinforces the need for compliance with established advertising norms to build consumer confidence.

The concept of bundled services, which refers to combining multiple services or products into a single offering, is also addressed. The document stresses the importance of transparency and obtaining consumer consent in such cases. This ensures that consumers are fully aware of what they are purchasing and can make informed decisions.

Another critical term is business partners, which encompasses all third-party entities involved in e-commerce, such as suppliers and vendors. The guidelines recommend rigorous due diligence to ensure these partners adhere to ethical standards and maintain consumer trust.

The document also introduces the concept of a confirmation point, the stage at which a consumer confirms a purchase. This ensures that all terms and conditions are clear before a transaction is finalized, reducing the likelihood of disputes. Similarly, the section on contract formation explains how electronic agreements must adhere to legal principles such as consent and capacity.

Transparency about the country of origin of products is another key focus. This is particularly important for consumer awareness and compliance with labelling laws. Providing clear information about where a product was created, produced, or assembled helps consumers make informed choices and encourages trust.

E-commerce entities are defined as operators of online marketplaces or platforms where transactions occur. These entities are expected to ensure fairness, accountability, and ethical practices in their operations. Similarly, geographic limitations, which refer to restrictions based on the user's location for accessing products or services, must be communicated transparently to avoid consumer confusion.

The term goods is broadly defined to include both products and services, which are used interchangeably in the e-commerce context. Identification numbers, such as product IDs or stock-keeping units (SKUs), matter for inventory management and transaction accuracy.

The document differentiates between inventory e-commerce entities and marketplace e-commerce entities. The former refers to entities that own and sell goods directly, while the latter enables transactions between buyers and sellers. Both types of entities have specific responsibilities to ensure ethical and consumer-focused operations.

Logistics partners, defined as third-party delivery service providers, are recognized for their critical role in fulfilling consumer expectations. Ensuring timely and efficient delivery is essential to maintaining trust and satisfaction.

The concept of merchantability addresses the suitability of goods for their intended purpose. This term reinforces the importance of meeting consumer expectations and providing products that are fit for use. Platforms, which include websites or mobile apps hosting e-commerce activities, are encouraged to adopt user-friendly and accessible designs to enhance the overall shopping

experience.

The document outlines pre-transaction principles to guide consumer-friendly browsing and decision-making. It also introduces post-transaction principles, which govern processes after a sale, such as resolving consumer grievances and ensuring timely delivery.

Product information is another critical area, requiring accurate and comprehensive details to be provided for consumer transparency. This includes product titles, which should be concise and descriptive to aid in informed decision-making. Recurring obligations, such as subscription services, are addressed with a focus on explicit consumer consent and the ability to opt out easily.

Registration processes for creating user accounts on e-commerce platforms are discussed in detail. Transparency in data collection and usage is emphasized to protect user privacy and encourage trust. The definition of a seller highlights their responsibilities while distinguishing them from financial institutions and other providers.

Resale prohibitions, which restrict the resale of goods to protect intellectual property and maintain quality, are also included. Terms of delivery or fulfilment address the need for clarity in timelines, costs, and conditions to ensure consumer satisfaction.

Transactions, defined as the entire buying and selling process, are emphasized for their need for clarity and accountability. The document also tackles unsolicited commercial communications, prohibiting unapproved promotional outreach and respecting consumer consent.

Lastly, the term user broadly includes anyone accessing e-commerce resources. Each term and principle in the document supports a trustworthy and consumer-centric e-commerce ecosystem. While the definitions are comprehensive, certain areas, such as recurring obligations and resale prohibitions, could benefit from additional examples to improve clarity.

The principles of self-governance outlined in the document emphasize ethical, transparent, and consumer-centric practices in e-commerce operations. These principles are categorized into Pre-Transaction Principles, Contract Formation Principles, Post-Transaction Principles, and General Principles.

Pre-Transaction Principles cover various aspects to ensure transparency and consumer trust. Sellers are required to provide detailed legal and business information, and e-commerce platforms must implement rigorous KYC checks to verify their authenticity. Product listings should include comprehensive information, such as titles, seller details, identification numbers, and high-quality images or videos. Mechanisms must be in place to prevent fraudulent or counterfeit products. Relevant information, including product descriptions, pricing breakdowns, and seller contact details, should be prominently displayed to enable informed decision-making. Disclosures must be clear and provided at appropriate stages of the consumer's journey, and entities must clearly display their identity and contact details for consumer communication.

Contract Formation Principles ensure that consumer consent is explicit and not assumed through pre-ticked boxes or automatic agreements. Platforms must provide consumers with opportunities to review and edit transaction details before confirming a purchase. Transparent policies for cancellations, returns, and refunds are essential, and durable transaction records must be maintained for consumer access. Secure payment methods should be provided, and platforms hosting payment solutions must disclose their relationships with payment providers. Subscription services require clear information on charges and opt-out options. Refunds for cash-on-delivery transactions should be processed through consumer-preferred methods.

Post-Transaction Principles focus on consumer satisfaction and grievance resolution. Platforms must enable returns, exchanges, and refunds for defective or counterfeit goods and resolve grievances in accordance with the Consumer Protection Act, 2019. Notifications about delivery status should be provided through multiple channels, such as SMS and email.

General Principles emphasize the ethical and fair operation of e-commerce platforms. Banned products must not be sold, and personal data should only be used for disclosed purposes. Non-transactional communications require explicit consumer opt-in, and platforms must maintain neutrality to ensure a level playing field for all sellers and service providers. Mechanisms to combat counterfeit products and ensure accurate representations of goods are critical. Advertisements must be clearly distinguishable and comply with applicable laws. Reviews and ratings should adhere to IS 19000:2022 standards for authenticity.

These principles and guidelines aim to build an ethical, transparent, and consumer-centric e-commerce ecosystem by promoting trust, accountability, and compliance with legal standards. They strike a balance between protecting consumer interests and ensuring operational efficiency and fairness for all stakeholders. By addressing critical elements such as advertising, product information, and transaction processes, the guidelines establish a framework for a trustworthy online marketplace. The inclusion of public comments allows the final standards to reflect the needs of a fast-changing e-commerce sector. These discussions also

open the way for broader deliberations on safe harbour principles, the doctrine of exhaustion under trademark law, and conflicting positions across the various statutes.

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