

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 1347.
TO BE ANSWERED ON FRIDAY, THE 12TH FEBRUARY, 2021.**

CONTROL AND REGULATION OF E-COMMERCE PLATFORM

1347 SHRI K. SOMAPRASAD:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:-

- (a) whether any legal mechanism is in force to control and regulate the e-Commerce platform, if so, the details thereof and if not, the reasons therefor;
- (b) whether Government has noticed the allegations of Confederation of All India Traders(CAIT) raised against Amazon and Flipkart;
- (c) if so, the action taken on the complaint; and
- (d) whether Enforcement Directorate or RBI have initiated any investigation on the allegation of violation of Foreign Direct Investment (FDI) policy and FEMA in the deal between Flipkart and Aditya Birla Fashion and Retail, if so, the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a): Considering the cross-cutting nature of e-Commerce, different laws and regulations across sectors govern the present e-Commerce activities, some of which are; Consumer Protection Act, 2019, Finance Act 2020, Information Technology Act, 2000, Foreign Exchange Management Act, 2000 and Competition Act, 2002. In terms of providing a regulatory framework, the Competition Act, 2002, provides for preventing practices, which may have an adverse effect on competition. Provisions under Section 3, regarding anti-competitive agreements and Section 4 regarding abuse of dominant position are also applicable for e-commerce platforms. E-Commerce entities/platforms with Foreign Direct Investment (FDI) are presently regulated by Press Note 2(2018) read with SI No. 15.2, Schedule 1, of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.
- (b)&(c): Yes sir, the Government is in receipt of the representations submitted by Confederation of All India Traders (CAIT) against e-commerce companies. Under the Foreign Exchange Management Act , 1999, the investigative powers are vested with Enforcement Directorate (ED), and therein representations were duly forwarded to ED, which has taken up the matter for investigation. Further, complaints received from CAIT, alleging biased practice adopted by banks in providing cash backs and discounts for purchases made through e-commerce websites, such as Amazon and Flipkart, is being examined by Competition Commission of India, as well.
- (d): No such investigation has been initiated by RBI or Enforcement Directorate on the matter.
