

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

**UNSTARRED QUESTION NO. 35.
TO BE ANSWERED ON MONDAY, THE 4TH FEBRUARY, 2019.**

FDI POLICY FOR e-COMMERCE

**35. SHRI TEJ PRATAP SINGH YADAV:
SHRI L.R. SHIVARAME GOWDA:
SHRIMATI ANJU BALA:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has recently announced changes in Foreign Direct Investment (FDI) policy for e-Commerce;
- (b) if so, the details thereof;
- (c) whether the e-retailers have sought more time as they complained of being not consulted while framing the policy by the Government;
- (d) if so, the details thereof including the reaction of the Government thereto; and
- (e) the steps being taken by the Government for regulation and growth of e-Commerce industry in the country?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a) & (b):** In order to ensure due compliance of the FDI policy on e-Commerce, Press Note 2 (2018) has been issued. It puts in place certain conditions which shall come into effect from 01 February, 2019. These conditions include:
- (i) An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.
 - (ii) e-Commerce marketplace entity will not mandate any seller to sell any product exclusively on its platform only.

(c) & (d): Representations have been received to defer the implementation of Press Note 2 (2018). The FDI policy on e-Commerce, first pronounced through Press Note 2 of 2000, permitted 100% FDI in B2B e-commerce activities. With a view to provide clarity to the extant policy and after extensive stakeholder consultations, guidelines for FDI on the e-commerce were issued vide Press Note 3 (2016). In order to provide further clarity to FDI policy on e-commerce, Press Note 2 (2018) has been issued.

(e): Stakeholder consultations on creating a framework for National Policy on e-Commerce with representatives from Government Ministries/Departments, Reserve Bank of India, Industry bodies, e-Commerce Companies, Telecom Companies, IT Companies and Payment Companies have been held. Issues regarding the e-Commerce sector are regularly reviewed by the Government.
