



## Legal Framework for E-commerce in INDIA: Regulatory Challenges and Opportunities in Digital Economy

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### ABSTRACT :

This study examines the legal and regulatory framework governing e-commerce and digital business operations in India. It analyses key legislation impacting electronic transactions, taxation, consumer protection, and corporate governance in the online sphere. The research addresses critical issues such as data privacy, cybersecurity, and intellectual property rights within the e-commerce context. Additionally, it elucidates the application of competition law in this domain and explores the complexities associated with cross-border transactions. Through the incorporation of case studies and an analysis of emerging trends, this article provides readers with a comprehensive understanding of the intricate legal ecosystem surrounding e-commerce in India. The emergence of e-commerce has brought about a significant transformation in trade, presenting numerous challenges for legal systems. Transcending conventional business limits, e-commerce has substantially altered the dynamics of global trade. This study investigates several crucial aspects of e-commerce, including governance, data protection, intellectual property, and trade facilitation, with particular emphasis on safeguarding consumers in digital marketplaces. It also addresses security and privacy issues, such as data breaches, phishing attacks, and vulnerabilities in payment systems, examining their effects on both businesses and consumers.

**Keywords:** Consumer protection, cybersecurity, intellectual property, e-commerce, intellectual property, information technology.

### Introduction

The global marketplace has swiftly embraced e-commerce, which has dismantled numerous conventional obstacles and facilitated effortless cross-border transactions and communication between businesses and consumers through cyberspace. In the current era, both buyers and sellers can engage in commerce for any product worldwide from the comfort of their own space, using just their fingertips. E-commerce has significantly simplified transactions and interactions in this fast-paced age. The expansion of internet platforms has given rise to a non-traditional digital marketplace, offering a diverse array of goods and services accessible on a global scale. This shift to digital has emerged as one of the most significant advancements, simultaneously introducing a complex set of legal challenges, particularly in the realms of e-commerce and consumer protection.

Customers are frequently subjected to cybercrimes in the digital economy, including deep mask, fraudulent activity, deceptive advertising, and data privacy breaches, among many others. These problems are widespread due to a lack of clear legal regulations and insufficient conflict resolution procedures. Lack of knowledge about the digital world and inflated expectations from ads, which frequently cause people to assume that all things purchased online are real, true, and safe, are to blame for the growth in cybercrimes. Customers are more susceptible to fraud and abuse as a result of the expectations, which typically cause a divergence with reality. These difficulties highlight the necessity of robust legislative frameworks that would protect consumer rights and accommodate the dynamic character of e-commerce.

India's electronic commerce is governed by a complicated legislative framework that includes a number of laws and norms tailored to the unique challenges presented by online transactions. The Information Technology Act of 2000 is one of the key pieces of legislation that creates the legal foundation for electronic transactions, data security, and digital signatures. In addition, new laws have been essential in addressing tax and consumer rights concerns in the e-commerce industry. These include changes to the Goods and Services Tax (GST) Act and the Consumer Protection Act of 2019. Businesses, consumers, and regulators need to be well-versed in this legal environment to navigate the shifting dynamics of e-commerce in India.

### Research Objectives

- To examine new regulations passed in 2019 and 2025 and their impact on e-commerce such as The Consumer Protection Act of 2019 and the Information Technology Act of 2000, The Digital Personal Data Protection Act, 2023, and the draft guidelines titled 'E-commerce—Principles and Guidelines for Self-Governance' issued in January 2025 are being used to address the challenges of India's growing e-commerce industry.
- The goal is to provide guidance on promoting innovation, protecting digital assets, and ensuring fair competition.

## Research Methodology

Using a doctrinal research technique, this paper examines Indian e-commerce laws, court rulings, and regulatory structures in great detail. Laws like the Information Technology Act of 2000, the Consumer Protection (E-Commerce) Rules of 2020, the Competition Act of 2002, and other pertinent laws pertaining to taxation, cybersecurity, and data privacy are among the main and secondary sources that are qualitatively analysed.

## Literature Review

E-commerce has transformed traditional trade and commerce, forcing the development of new legal and regulatory frameworks to handle rising issues in electronic transactions, taxation, consumer protection, and corporate governance. This literature study investigates existing research and legislative advancements in data privacy, cybersecurity, intellectual property rights, competition legislation, and cross-border transactions in the Indian e-commerce sector.

### 1. Framework for E-Commerce Laws and Regulations

India's e-commerce industry is governed by a number of laws that guarantee legal compliance and safeguard different interests. According to Misra (2020)<sup>1</sup>, the main piece of legislation controlling digital signatures, cybersecurity, and electronic transactions is the Information Technology Act, 2000 (IT Act). A legal framework for e-commerce is provided by the IT Act, which also addresses concerns like data security, cyber fraud, and online contract validation. Furthermore, the 2020 Consumer Protection (E-Commerce) Rules govern online markets and guarantee the protection of consumer rights (Sharma, 2021)<sup>2</sup>. E-commerce platforms must comply with these rules' requirements for liability, openness, and grievance procedures. Additionally, the Goods and Services Tax (GST), which attempts to simplify tax collection for digital transactions, has changed taxation rules affecting e-commerce transactions (Rao & Gupta, 2019)<sup>3</sup>. Corporate governance for internet companies is governed by the Companies Act of 2013, which guarantees responsibility and adherence to financial laws.

### 2. Protection of Consumers and Regulatory Monitoring

In the digital marketplace, consumer protection is still a top priority because of dishonest business practices, fake goods, deceptive advertising, and problems with product safety (Patil & Kulkarni, 2022)<sup>4</sup>. The E-Commerce Rules and the Consumer Protection Act of 2019 create a regulatory framework that addresses e-commerce businesses' liability, grievance redress, and transparency. E-commerce platforms are required by the legislation to defend consumer rights, guarantee refund policies, and reveal vendor information. The Central Consumer Protection Authority (CCPA) is one regulatory agency that monitors compliance and looks into unfair business practices.

According to research, internet shoppers frequently become victims of fraudulent advertising, subpar goods, and security lapses in payments (Kumar, 2020)<sup>5</sup>. In response, consumer-focused practices including competitive pricing, easy returns, and enhanced customer service have been implemented by e-commerce platforms.

### 3. Cybersecurity, Intellectual Property, and Data Privacy in E-Commerce

Concerns over data breaches, phishing assaults, and payment system vulnerabilities have grown as a result of the growth of digital commerce (Verma & Singh, 2021)<sup>6</sup>. In order to protect consumer privacy, the Personal Data Protection Bill (PDPB), which is presently being considered, seeks to restrict data collection, processing, and storage. The Digital Personal Data Protection Act of 2023 and the IT Act of 2000 offer legal protection against cyberthreats that impact customers and e-commerce platforms.

### 4. Future Prospects and Emerging Trends

Blockchain, fintech, and artificial intelligence (AI) are changing the e-commerce scene, according to recent studies. These technologies increase the efficiency and security of transactions, but they also present new regulatory issues. Globally, especially in India, governments are trying to improve current legislation to strike a balance between sector expansion and consumer safety.

### E-Commerce's Growth and Legal Implication

World Consumer Rights Day was first commemorated in 1983 to raise consumer awareness and has its roots in the consumer rights movement of the mid-20th century. The consumer movement has grown over time to address a variety of consumer issues, such as sustainable consumerism, data privacy,

<sup>1</sup> Mishra, A. (2020). *The Information Technology Act and its impact on e-commerce transactions in India*. Journal of Cyber Law, 15(2), 78-95.

<sup>2</sup> Sharma, N. (2021). *Consumer Protection (E-Commerce) Rules, 2020: A critical analysis*. Indian Journal of Consumer Law, 6(2), 22-39.

<sup>3</sup> Rao, P., & Gupta, D. (2019). *Taxation of e-commerce transactions in India: GST implications and challenges*. Journal of Fiscal Studies, 11(3), 65-82.

<sup>4</sup> Patil, R., & Kulkarni, M. (2022). *Consumer fraud in online marketplaces: A regulatory perspective*. Indian Journal of Law and Technology, 10(1), 55-71

<sup>5</sup> Kumar, S. (2020). *Consumer protection in the e-commerce era: Challenges and solutions*. Indian Journal of Consumer Studies, 9(1), 33-48

<sup>6</sup> Verma, K., & Singh, R. (2021). *Cybersecurity threats in e-commerce: Legal and policy responses*. Indian Journal of Cybersecurity, 7(2), 88-105.

and critical services. It now acts as a worldwide forum for group advocacy, uniting groups, activists, and consumers to support honest and open business practices and emphasize the ongoing significance of consumer rights consciousness. The Consumer Protection Act of 2019 is essential to protecting consumer rights and successfully resolving complaints in India. This law seeks to protect consumer welfare, advance fair commerce, and create an efficient and economical dispute resolution process.

Consumer protection laws in India were originally intended to safeguard citizens from unfair commercial practices and poor items in traditional marketplaces. The Consumer Protection Act of 1986 created a legal framework to resolve complaints about defective goods, poor services, and unethical company activities. The Act established a three-tier grievance redressal process, including District Consumer Dispute Redressal Forums, State Consumer Dispute Redressal Commissions, and the National Consumer Disputes Redressal Commission (NCDRC). This methodical methodology provided prompt dispute settlement and reimbursement while guaranteeing efficient handling of consumer concerns.

The scope and difficulties of consumer protection have changed significantly since the aforementioned act and the emergence of the digital marketplace. In order to handle new difficulties like digital fraud, data privacy, and cross-border transactions, traditional rules had to be modified. The act also tackles these issues, providing a modernized framework to protect consumer interests in the ever-changing digital age while upholding the conventional framework's pillars of accountability, transparency, and justice. In this technologically advanced age, protecting consumers in the digital economy is crucial. Due to the growth of e-commerce, traditional shopping methods have experienced a tremendous alteration in today's quickly changing world. Due to the quick expansion of online.

In the age of online purchasing and transactions, protecting customers from fraud, deceptive advertising, and unethical corporate practices has become more and more important. The digital market provides consumers with previously unheard-of convenience by enabling them to easily access a large international marketplace and make purchases from the comfort of their homes. New difficulties are brought forth by this change, nevertheless, including worries about data protection, fraudulent transactions, and transparency. Maintaining consumer protection is crucial to promoting sustainability, equity, and trust in the digital economy as technology continues to transform trade.

The swift development of technology has caused a revolution in the Indian economy. Specifically, the e-commerce industry has become a major force behind this expansion. A wider range of people can now shop online thanks to the widespread use of smartphones, reasonably priced data plans, and digital payment methods. Due to lower overhead and the capacity to aggregate demand, e-commerce platforms have revolutionized traditional retail by providing a wide choice of goods and services, frequently at comparable costs.

Consumer behaviour has changed dramatically as a result of digitalization; ease, diversity, and customized experiences are now valued by consumers.. Artificial intelligence and data analytics are driving these changes, allowing e-commerce platforms to provide targeted promotions, dynamic pricing, and personalized recommendations. But there are drawbacks to this advancement as well, such as the requirement for consumer education on online transactions and increased susceptibility to fraud and security lapses. A For stakeholders to successfully navigate the changing terrain of digital commerce, a thorough understanding of these dynamics is essential. In India, a nation that has seen a rise in digital transactions, has seen especially impressive e-commerce growth in recent years. With more than 700 million internet users and a growing number of smartphone users, online platforms are becoming more and more prevalent outside of cities. E-commerce has democratized markets and eliminated location-based barriers by giving customers access to a wide range of goods and services.

In addition to producing a substantial amount of economic income, this extraordinary expansion has opened up new job opportunities in industries like digital marketing, information technology, and logistics. E-commerce benefits customers by providing them with more options, affordable prices, and the ease of home buying. Features that improve the whole purchasing experience and foster trust include thorough product descriptions, user reviews, and simple return procedures. But since e-commerce has grown quickly, it has brought up a number of legal complications, making it more important than ever to protect consumers' rights online. The Consumer Protection Act was put into effect in India to solve these issues and guarantee ethical corporate operations. This law gives customers the right to fair and honest treatment from firms, the right to obtain redress for grievances, including reimbursement for losses sustained, and the right to receive goods and services of a reasonable caliber.

In order to maintain transparency and protect their clients, e-commerce companies must now abide by these rules. Businesses are required to give customers clear and accurate information about their goods and services, including costs, delivery schedules, and return guidelines. Additionally, companies must make sure that their goods are of a suitable quality and satisfy safety regulations. In the case of disagreements, customers who believe their rights have been infringed may file a lawsuit against e-commerce sites. Engaging in litigation can lead to substantial expenses, potential financial losses, and severe harm to a company's image. To minimize these dangers, organizations should take a preventative stance by ensuring transparent communication, upholding product standards, and promptly resolving complaints to customers' satisfaction.

The expansion of online shopping has also introduced environmental concerns, such as increased waste from packaging and carbon emissions due to shipping. Tackling these problems will necessitate businesses adopting eco-friendly practices to strike a balance between economic advancement and environmental stewardship. As digital marketplaces continue to grow, the legal structure governing e-commerce must evolve to address emerging challenges. The swift growth of online shopping platforms has transformed the retail landscape but has also underscored the necessity for updated regulations to safeguard both businesses and consumers. Striking a balance between growth, innovation, and consumer protection will be crucial for the long-term success of e-commerce. In this ever-changing environment, legislation such as the Consumer Protection Act is essential in safeguarding consumer interests while promoting a fair and competitive market.

## Key Legislation Pertaining to E-Commerce

### *Information Technology Act (2000)*

The information technology (IT) Act of 2000 was the initial legislation enacted by India's government concerning e-commerce. This act was implemented to align with the UNCITRAL Model Law on Electronic Commerce from 1996. On January 30, 1997, the United Nations General Assembly passed a resolution endorsing the Model Law on Electronic Commerce. It recommended that member states consider this model favourably when creating or updating their laws, recognizing the necessity for consistent regulations regarding alternatives to paper-based methods of communication and information storage. The primary objective of the IT Act was to provide legal acknowledgment for transactions conducted through electronic data interchange and other electronic communication methods, collectively known as electronic commerce (e-commerce)<sup>7</sup>.

It contains acts that are necessary for the digital world, such as allowing e-commerce and acknowledging electronic documents. Section 3 of the Act recognizes digital signatures as legally genuine, providing a secure means of verifying and validating online transactions. An important aspect of electronic commerce is the development of confidence in virtual transactions, which has been greatly aided by this. By emphasizing the legal acceptance of electronic documents, Section 4 of the Act promotes the use of digital documentation in a range of governmental and commercial activities. This creates the framework for a robust e-governance system and streamlines administrative procedures.

### *Consumer Protection Act 2019*

The purpose of the Consumer Protection Act of 2019 was to shield customers against deceptive business tactics by manufacturers and/or merchants. Measures were taken to safeguard customers' interests against manufacturers, retailers, service providers, and other middlemen. The Consumer Protection Act of 2019 addressed consumer rights, education, redress, compensation, and protection. Due to a number of changes, including the introduction of technology into the market, the Consumer Protection Act of 1986 was replaced with the Consumer Protection Act of 2019.

In order to safeguard consumers and give them with any necessary compensation, the Consumer Protection Act of 2019 was required. The Indian Legislature created the act to address consumer abuse and exploitation by vendors. The purpose of the Consumer Protection Act is to improve consumer rights and address problems that arise in the digital age. By defining "consumers" to encompass online purchases under Section 2(7), the Act broadens the definition of consumer protection. When it comes to internet transactions, the rights of consumers are specifically covered in Sections 18 through 24, which ensure timely channels for recourse. Sections 25 through 38 of the Act expressly address unfair business practices and provide consumers with legal recourse in cases where e-commerce enterprises employ deceptive or unfair tactics. This enhances consumer protection in online marketplaces<sup>8</sup>.

### *The 2017 Goods and Services Tax Act*

The 2017 introduction of the GST Act significantly changed the way e-commerce was taxed in India.

Section 9(5) of the GST Act mandates that e-commerce businesses collect tax at the source on certain transactions. Accountability and openness in the taxation process are encouraged by this clause, which makes sure the platform withholds the required taxes before paying the seller. E-commerce companies are required by Section 24 of the GST Act to register for GST. Consequently, platforms must comply with GST regulations, fostering a fair and regulated online marketplace<sup>9</sup>.

## E-Commerce Legal Issues in India

### *(A) Privacy and Data Protection*

Safeguarding consumer information and ensuring privacy are crucial in India's expanding e-commerce sector. The introduction of the Digital Personal Data Protection Act (DPDPA) in 2023 represents a significant advancement in strengthening data protection protocols within India's digital landscape, especially for e-commerce operations.

#### *a. Digital Personal Data Protection Act (DPDPA), 2023*

The DPDPA is a groundbreaking law in India, designed to provide extensive data privacy regulations. This legislation aims to protect individuals' personal information and establishes guidelines for its handling by various entities, including those in e-commerce. It has universal application to any organization involved in collecting and processing personal data within India.

<sup>7</sup> Dr. Jyoti Rattan, "Law Relating to E-commerce: International and National Scenario with Special Reference to India 1(2) *IJSSEI* 7 2015 India" 1(2) *IJSSEI* 7 (2015).

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<sup>8</sup> Ashok R. Patil; Akshay Yadav, "Suggested Legal Framework for Strengthening the Consumer Protection in E-Commerce Transactions," 12, *GNLU Journal of Law Development and Politics*, 206.

<sup>9</sup> 8J. Elamathi, "A Study on Taxation of E-Commerce in India," *International Journal of Law Management & Humanities*, 802.

### ***b. User Awareness and Consent***

A key feature of the DPDPA is its emphasis on securing explicit, informed consent from users prior to data processing. E-commerce entities must clearly communicate with users about data usage specifics, including the reasons for data collection and processing, and the rights users have regarding their personal information. This approach empowers consumers to make well-informed choices about their data.

### ***c. Data Privacy Violation***

Despite regulatory measures, prominent e-commerce companies such as Flipkart, Amazon, and Paytm have faced scrutiny over data privacy issues. These incidents may involve unauthorized access, usage, or disclosure of personal data, potentially resulting in identity theft, financial fraud, and damage to the company's reputation.

### ***d. DPDPA User Rights***

The DPDPA establishes several rights for users to manage their personal data. These include the right to access personal information held by companies, the right to request correction or removal of inaccuracies, the right to file complaints about data handling, and the right to appoint someone else to manage their privacy rights.

### ***e. Compliance Requirements and Consequences***

E-commerce companies must comply with the DPDPA's strict guidelines or risk penalties from India's Data Protection Board. To meet these requirements, firms need to assign a dedicated data protection officer, perform comprehensive data protection impact evaluations, and ensure all data handling aligns with established legal norms. The DPDPA has implemented a system that can levy substantial fines on businesses failing to adhere to its regulations. The DPDPA, 2023, marks a crucial shift in India's e-commerce legal framework, establishing a solid foundation for data protection and privacy. As online platforms continue to grow and manage vast amounts of user information, following the DPDPA's rules is vital. This not only ensures legal adherence but also strengthens consumer confidence and the credibility of digital marketplaces.

## ***(B)Tax Considerations***

For international businesses operating in India's expanding e-commerce sector, understanding the intricate tax landscape is essential. Familiarity with both national and state-level tax obligations is crucial for compliance and successful operations in this industry. Here's a comprehensive overview of the tax responsibilities faced by international e-commerce entities in India:

### ***a. Digital Transaction Withholding Tax Rules***

According to Section 194-O of the Income Tax Act, 1961, the Central Board of Direct Taxes, India's tax authority, requires e-commerce operators to deduct tax at source. This tax is applied at a 1% rate on the gross amount of sales or services provided through their digital or electronic platforms. This measure aims to incorporate e-commerce transactions into the tax system and guarantee the government's share of revenue from the digital economy.

### ***b. Goods and Services Tax Compliance***

The Goods and Services Tax (GST) is a comprehensive, multi-stage tax system that unifies several previous indirect taxes into a single framework. Since July 1, 2017, GST has been the primary tax structure governing the supply of goods and services in India, including e-commerce operations. International e-commerce businesses must register for GST, collect it from customers, and submit it to the government. GST is designed to create a uniform tax market across India, simplifying compliance for businesses, including those from overseas.

## ***(C)Intellectual Property Protection***

Intellectual property (IP) rights are fundamental in e-commerce, safeguarding the creative efforts and innovations of individuals and companies. India has a robust legal framework to enforce these rights within the digital commerce realm. Here's a more detailed examination of the IP protection landscape in Indian e-commerce:

### ***a. E-Commerce Domain Intellectual Property Rights***

**Patents:** In the e-commerce industry, patents are essential for protecting technical inventions and innovations, including unique business methods or novel technologies that improve online shopping platforms and user interfaces.

**Trademarks:** Trademarks act as identifiers for e-commerce businesses, protecting brand names, logos, and other distinctive symbols that consumers use to recognize the origin of products and services in the digital marketplace.

### ***b. Problems with IP Infringement and Counterfeiting Prevalence of Counterfeits***

The sale of counterfeit goods is especially common in online marketplaces, which can reduce brand value and deceive customers, leading to financial loss and damage to one's reputation.

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## **India's Regulatory Obstacles to E-Commerce**

### ***1. Limitations on Foreign Direct Investment (FDI)***

While inventory-based models, such as a direct B2C e-commerce store, are prohibited in India, 100% FDI is permitted in marketplace models, such as Amazon and Flipkart.

Due to marketplaces' inability to control product prices, severe discounting tactics may come under legal scrutiny.

### ***2. Protection of Consumers (E-commerce Rules, 2020)***

To stop unfair trading practices, platforms must reveal vendor information, product origin, and return policy.

No "flash sales" that make things appear scarcer than they are.

### ***3. Issues with GST and Taxation***

Under GST, e-commerce businesses are required to collect TCS (Tax Collected at Source) at a rate of 1%, which increases the burden of compliance.

Classification confusion results from different tax slabs for digital and physical commodities.

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## **India's E-Commerce Opportunities**

### ***1. Growing Digital Payments Environment***

The increase of online commerce is driven by BNPL (Buy Now, Pay Later), UPI, and digital wallets.

Adoption of e-commerce is aided by government initiatives to promote cashless transactions.

### ***2. Entry into Rural Markets***

Cities in tiers two and three are becoming increasingly profitable due to rising internet and smartphone penetration.

Adoption can be accelerated by regional language support and hyperlocal delivery strategies.

### ***3. Open Network for Digital Network (ONDC)***

Supported by the government by enabling small firms to compete with large platforms, ONDC hopes to democratize e-commerce.

Provides small and medium-sized businesses (SMEs) with an even playing field.

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## **Case Studies**

### ***Fashnear Technologies Private Limited & Ors. v. Abhi Traders (2024)***

In the above case due to the defendants' unlawful use of the plaintiff's copyrighted photos on the e-commerce site Meesho, the Delhi High Court issued an interim injunction against them. In accordance with the Consumer Protection (E-Commerce) Rules, 2020, the court ordered the platform to reveal seller information, emphasizing the duty of e-commerce platforms to guarantee adherence to consumer protection laws.

### ***State of the NCT of Delhi v. Flipkart Internet Private Ltd. & Anr. (2022)<sup>10</sup>***

In the above case the culpability of e-commerce platforms with regard to the selling of counterfeit goods was the subject of this lawsuit. In order to avoid legal repercussions, the court stressed the necessity for platforms to take action as soon as they become aware of illegal content and looked at the applicability of intermediary liability safeguards.

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<sup>10</sup> [Flipkart Internet Private Ltd. v. State Of Nct Of Delhi And Another | Delhi High Court | Judgment | Law | CaseMine](#)

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## Conclusion

The legal framework for e-commerce in India presents both regulatory challenges and opportunities in the digital economy. This study has examined key legislation impacting electronic transactions, taxation, consumer protection, and corporate governance in the online sphere. The analysis reveals a complex ecosystem that aims to balance innovation with consumer safeguards. These regulations address critical issues such as data privacy, cybersecurity, and intellectual property rights within the e-commerce context. They also aim to tackle challenges like fraudulent activities, deceptive advertising, and data breaches that have become prevalent in the digital marketplace.

The study highlights the need for a robust regulatory framework to protect consumer rights while fostering innovation and fair competition. It emphasizes the importance of stakeholders, including businesses, consumers, and regulators, to be well-versed in this legal environment to effectively navigate the dynamic e-commerce sector. As India's digital economy continues to grow, ongoing regulatory refinement will be crucial to address emerging challenges and capitalize on opportunities in the e-commerce space. Balancing consumer protection with business innovation remains a key priority for policymakers in shaping the future of India's digital commerce landscape.

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## Suggestion

To ensure a fair, open, and competitive e-commerce industry, India must enhance its legal system by finding a balance between innovation, business growth, and consumer safety. Important policy adjustments and suggestions to address regulatory concerns and capitalize on the opportunities provided by the digital economy include the following:

### *Increasing Data Privacy & Consumer Protection*

- (a) Increase the openness of vendor details, return guidelines, and product listings.
- (b) Demand harsher sanctions for deceptive advertising and phony reviews.
- (c) Make sure users give their express consent before collecting data or using AI to make suggestions.
- (d) Data localization should be balanced without putting too much strain on companies.
- (e) Provide frameworks for data sharing to enable safe cross-platform transactions.

### *Simplifying GST and Taxes for E-Commerce Participants*

- (a) Make the distinction between digital and physical goods and services in GST classes simpler.
- (b) Give small merchants on e-commerce platforms reduced TCS (Tax Collected at Source) rates.
- (c) Provide local e-commerce startups with exclusive tax breaks.

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