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# New e-commerce rules may block inventory-based sales

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**'MUST OPERATE LIKE MALLS, NOT STORES'**

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NEW DELHI: A policy on e-commerce being put in place by the government is expected to put an end to inventory-based sales on platforms like Amazon and Flipkart, as well as those set up by domestic companies, while also seeking to stop the practice of offering special incentives for using a particular payment service.

The policy, which has been in the works for several months, has been revived with inter-ministerial consultations on the issue having begun over the last few weeks. Unlike the last time, when howls of protest by the e-commerce giants promoted the government to go slow, this time the consumer affairs department is moving with caution to ensure that there is no disruption. In fact, over the last few months it has already addressed some of the issues facing consumers, such as those related to product

reviews and addressing grievances for sale of defective products.

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In the next step, the idea is to ensure that e-marketplaces, both domestic- and foreign-owned, do not resort to using inventory-based models to sell their goods. An earlier press note issued by the department for promotion of industry and internal trade (DPIIT) is seen to be providing some leeway to the platforms, which is now sought to be checked. Between DPIIT and consumer affairs, the government has data to suggest that some of the e-marketplaces were resorting to the use of inventory-based model, routing the products among their own outfits, where they held shares. These practices are sought to be checked.

While the likes of Flipkart and Amazon are already getting agitated about the latest move, government sources told TOI that these platforms have to operate like malls and not like stores, working in the garb of being a mall. Official sources said there will be some carve-outs for service sector companies in the new regime.

Besides, there will be checks imposed to ensure that when it comes to payments, both on the buyers and sellers side, no preferred status is granted to certain entities. The move is expected to hit companies such as Amazon, which offer benefits to consumers using Amazon Pay. All financial players on-boarded by the e-commerce players have to be given the same treatment.

The move comes at a time when DPIIT is also piloting the rollout of Open Network for Digital Commerce (ONDC), that seeks to democratise online sales for consumers as well as small sellers.



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