

Display of 'Country of Origin' Must for e-Commerce Site

Key Points

Recently, the Central government has told (via an affidavit) the Delhi High Court that all <u>e-commerce</u> entities have to **ensure the mandatory declaration of 'country of origin'** of imported products sold on their site.

■ The <u>Consumer Protection Act 2019</u> also mandates to display the 'country of origin' by the e-commerce entities.

Key Points

- The affidavit came in response to a <u>Public Interest Litigation (PIL)</u> seeking directions to the Centre to ensure that the name of the manufacturing country is displayed on products being sold on e-commerce sites.
- The petitioner has sought implementation of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, which mandate that country of origin be displayed on products being sold on e-commerce sites.
 - Enforcement of the provisions of the said Act and Rules rests with the States and Union Territories governments.
- The petitioner has contended that enforcement of the mandate is in sync with the recent 'Vocal for Local' and 'Atma Nirbhar' Bharat push by the government of India.
 - Earlier, the Central government has also **mandated for all sellers on the** <u>Government e-Marketplace (GeM)</u> **to list the Country of Origin** while registering new products.
 - GeM is a platform for public procurement.

Issues Involved

- Most of the e-commerce sites function as a 'marketplace-based' e-commerce model in which
 they only act as an 'intermediary' i.e they merely provide their information technology platform
 to connect third-party sellers with their potential consumers.
 - The other form of e-commerce model is 'Inventory-based,' where the entities offer services or goods for sale from their own inventory.
- The e-commerce entities say that they have ensured that a data field pertaining to 'country of origin' is available on their system, which may be filled in by a seller when creating a new product listing.
- However, they **have not made it mandatory,** because the law does not mandate a disclosure of the 'country of origin/manufacture/assembly', in the case of India-manufactured goods.
 - In many cases, finished goods sourced from different countries are packed together or assembled in a third country, prior to their shipment into India.
 - Therefore, it could not be presumed that the rules intended that the last country of export alone be declared as the 'country of origin,' unless the law is amended or clarified to

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