



NASSCOM welcomes DIPP's guidelines to introduce 100% FDI in E-Commerce under the clause of automatic route for marketplaces. This is a clear indication, that the government identifies marketplaces as an electronic intermediary, operating a technology platform to facilitate sales and transactions between independent third party sellers and buyers. NASSCOM is extremely glad to see the reiteration of FDI policy 'as is' on the services sector, and also on sale of services through ecommerce. Add-on services like order fulfillment services that are offered to independent third party sellers on the platform can also be offered such entities. This will also help in ending certain misinterpretations and confusions occurring in the domain. It is also heartening to note that the government has clarified that the responsibility for products sold will rest solely on the seller, thereby clarifying the intermediary status of such marketplaces.

However, we believe that restricting sales of a vendor to only 25% of the sales in the marketplace may prove to be restrictive, more so if the vendor sells high value items. The industry might face difficulties in case of sale of electronic items, where a vendor maybe offering exclusive access to certain items or discounts. Marketplaces have no control on how a product is priced and only organize 'sales' where vendors participate. This offers consumers with a variety of choices and also attractive prices, we hope that such consumer friendly practices similar to 'sales' being offered by retailers will not be restricted.

NASSCOM firmly believes that these guidelines will strengthen e-commerce's growth in the country and iron out issues that have been hampering the industry in the past.