

New E-Commerce Policy of India: 2025 Draft Framework

Executive Summary

India does not yet have a single, finally notified "National E-Commerce Policy 2025", but in 2025 the government is working with a mix of draft national policy, Consumer Protection (E-Commerce) Rules 2020, data protection rules, ONDC framework, and new draft guidelines including mandatory country-of-origin filters and stricter platform accountability[1][2][3].

This document provides a practical draft summary of what the "New E-commerce Policy of India (as of 2025)" effectively looks like, combining official drafts, announced directions and current rules that any marketplace or online seller should align with.

Overall Policy Direction

India's evolving e-commerce framework aims to ensure fair competition, strong consumer protection, data sovereignty and promotion of MSMEs and start-ups[1][4]. The draft National E-commerce Policy first released in 2019 is being revised to make it contemporary, with the Commerce Minister stating in 2025 that a new version is in final stages of discussion[3][5].

Key Objectives

The national approach focuses on curbing anti-competitive practices, ensuring transparent listings, and preventing deep discounting that harms offline traders and smaller online sellers[1][2]. Another key objective is to strengthen consumer trust through clear grievance mechanisms, accurate information including origin tags, and strict action on misleading advertising[1][4].

Scope and Coverage

The policy ecosystem covers marketplace platforms, inventory-based e-commerce, seller apps plugged into ONDC, and even cross-border digital commerce[1][6]. It is designed to dovetail with existing frameworks like the Consumer Protection Act 2019, IT rules, FDI policy for e-commerce and sector-specific laws like Legal Metrology for packaged commodities[1][7].

Marketplace Versus Inventory Models

Draft policy provisions continue to draw a clear line between neutral marketplaces and inventory-driven, own-goods selling models[1][8]. Restrictions on marketplace ownership of inventory and preferential treatment to related sellers are intended to avoid conflict of interest and preserve a level playing field[1][3].

Fair Competition and Anti-Monopoly Focus

The government's drafts and consultations explicitly target predatory pricing, deep discounting, and private labels that can crowd out independent sellers[2][3]. New guidelines under discussion in 2025 seek to make platforms more accountable for rankings, discount structures and seller treatment, so that MSMEs and local retail are not unfairly disadvantaged[2][3].

Integration with ONDC

The Open Network for Digital Commerce (ONDC) is a core structural pillar, enabling interoperability between buyer apps, seller apps, and logistics providers[6][9]. The policy direction encourages small retailers and even rural enterprises to join ONDC, reduce dependence on a few large platforms, and access a broader buyer base at lower digital entry cost[2][6].

Data Governance and Localisation

National e-commerce policy thinking is built around data as a key economic resource, with a push towards data localisation and sovereign control for certain categories of data[1][8]. This is being synchronised with India's digital personal data protection framework, including draft rules for retention, consent, and security obligations on large e-commerce entities[7][10].

Consumer Protection and E-Commerce Rules

The Consumer Protection (E-Commerce) Rules 2020, read with the evolving national policy, mandate accurate product details, transparent pricing, and robust grievance redressal with designated officers[1][4]. Platforms must avoid misleading ads, ensure authenticity of goods to the extent reasonably possible, and provide clear return and refund processes with timelines[1][7].

Mandatory "Country of Origin" Filters

In 2025, the Department of Consumer Affairs has proposed making searchable and sortable "country of origin" filters mandatory for packaged commodities on e-commerce platforms[11][12]. The objective is to promote transparency for buyers and indirectly support "Made in India" products by letting consumers easily identify goods by origin[11][12].

KYC, Seller Verification and Listing Duties

New draft e-commerce guidelines reported in 2025 require platforms to perform robust KYC checks on sellers, especially third-party sellers operating via marketplaces[13][3]. These guidelines also insist on detailed product listings, clear contract terms, secure payment systems, and readily accessible customer support and grievance channels[1][13].

MSME, Start-up and Export Promotion

The evolving policy framework emphasises integration of MSMEs into digital commerce through training, access to digital tools, and participation on networks like ONDC[1][2]. Promotion of cross-border e-commerce exports, particularly for small producers and niche Indian brands, is a recognised policy priority in the draft framework[4][8].

Alignment with Retail and Offline Trade

National e-commerce policy discussions explicitly include traditional traders' interests, focusing on preventing unfair online practices that undercut brick-and-mortar stores[2][3]. Measures such as limits on deep discounting, clarity on platform-seller relationships, and transparent fee structures aim to balance digital growth with livelihood protection in physical retail[2][3].

Compliance Checklist for Indian E-Commerce Businesses (2025)

For a practical, business-oriented view, an Indian e-commerce operator in 2025 should broadly align with the following requirements[1][7]:

- Consumer Protection Act 2019 and Consumer Protection (E-Commerce) Rules 2020 for disclosures, returns, grievance officers and advertisements
- Draft National E-Commerce Policy principles on fair competition, data handling and marketplace neutrality, anticipating final notification
- Data protection and DPDP-related rules on consent, retention periods, and security, especially if handling large user bases
- New and proposed guidelines: KYC of sellers, mandatory country-of-origin filters, strong platform accountability for listings and complaints
- ONDC participation norms if integrating with the open network for broader reach and compliance advantages

Key Policy Components Summary

Component	Key Requirements
Consumer Protection	Accurate product details, transparent pricing, grievance redressal, return/refund policies
Fair Competition	Anti-predatory pricing, limits on deep discounting, prevention of preferential treatment
Data Governance	Data localisation, consent management, security obligations, retention compliance
Seller Verification	Mandatory KYC, third-party seller checks, product listing accuracy
Transparency	Country-of-origin filters, clear fee structures, visible rankings methodology
MSME Support	ONDC integration, digital tools access, training programs, export promotion

Table 1: Summary of key policy components and requirements

Implementation Recommendations

Since there is no single notified "National E-Commerce Policy 2025" text yet, any legal document or internal policy you draft should[3][5]:

1. Explicitly reference existing binding laws including Consumer Protection Act, CPA E-Commerce Rules 2020, IT and data protection rules, Legal Metrology, and FDI rules
2. Incorporate the likely upcoming requirements such as country-of-origin filters, seller KYC, enhanced data retention and security, and anti-deep-discounting norms as internal standards to ensure future-readiness
3. Establish robust grievance redressal mechanisms with designated officers and clear timelines
4. Implement transparent disclosure practices for all product listings, pricing, and terms
5. Prepare for ONDC integration to access broader markets and demonstrate compliance readiness

Conclusion

The New E-Commerce Policy framework for India in 2025 represents a comprehensive approach to balancing digital commerce growth with consumer protection, fair competition, and support for traditional retail and MSMEs[1][2][3]. While the final policy is still under discussion, businesses operating in the Indian e-commerce space should align with existing regulations and prepare for the anticipated requirements to ensure compliance and sustainable growth.

References

- [1] WareIQ. (2025). The Impact of India's National E-Commerce Policy [2025].
<https://wareiq.com>
- [2] Medstown. (2025). India's Retail Vs ECommerce Tug-of-War: Why Smart Policies Matter.
<https://medstown.com>
- [3] Economic Times. (2025). Proposed national e-commerce, retail trade policies under discussions. <https://economictimes.com>
- [4] K Singhania & Co. (2025). National E-commerce Policy: AN Analysis.
<https://singhanialaw.com>
- [5] PIB. (2019). Draft e-Commerce Policy. <https://pib.gov.in>
- [6] VasyERP. (2025). What Is ONDC? A 2025 Guide for Indian Retailers. <https://vasyerp.com>
- [7] Lloyd Law College. (2025). E-Commerce Laws in India: Legal Guide for Consumers (2025).
<https://lloydlawcollege.edu.in>
- [8] PwC India. National E-commerce Policy, 2019 – Draft. <https://pwc.in>
- [9] ONDC. (2024). Open Network for Digital Commerce. <https://ondc.org>
- [10] EY India. (2025). Draft Digital Personal Rules: E-commerce Impact. <https://ey.com>
- [11] PIB. (2025). Department of Consumer Affairs Proposes for mandatory 'Country of Origin'. <https://pib.gov.in>
- [12] Reuters. India proposes e-commerce rules requiring 'country of origin' filters.
<https://reuters.com>
- [13] Next IAS. (2025). New Draft E-Commerce Guidelines - Current Affairs.
<https://nextias.com>

New E-Commerce Policy of India: 2025 Draft Framework

Executive Summary

India does not yet have a single, finally notified "National E-Commerce Policy 2025", but in 2025 the government is working with a mix of draft national policy, Consumer Protection (E-Commerce) Rules 2020, data protection rules, ONDC framework, and new draft guidelines including mandatory country-of-origin filters and stricter platform accountability[1][2][3].

This document provides a practical draft summary of what the "New E-commerce Policy of India (as of 2025)" effectively looks like, combining official drafts, announced directions and current rules that any marketplace or online seller should align with.

Overall Policy Direction

India's evolving e-commerce framework aims to ensure fair competition, strong consumer protection, data sovereignty and promotion of MSMEs and start-ups[1][4]. The draft National E-commerce Policy first released in 2019 is being revised to make it contemporary, with the Commerce Minister stating in 2025 that a new version is in final stages of discussion[3][5].

Key Objectives

The national approach focuses on curbing anti-competitive practices, ensuring transparent listings, and preventing deep discounting that harms offline traders and smaller online sellers[1][2]. Another key objective is to strengthen consumer trust through clear grievance mechanisms, accurate information including origin tags, and strict action on misleading advertising[1][4].

Scope and Coverage

The policy ecosystem covers marketplace platforms, inventory-based e-commerce, seller apps plugged into ONDC, and even cross-border digital commerce[1][6]. It is designed to dovetail with existing frameworks like the Consumer Protection Act 2019, IT rules, FDI policy for e-commerce and sector-specific laws like Legal Metrology for packaged commodities[1][7].

Marketplace Versus Inventory Models

Draft policy provisions continue to draw a clear line between neutral marketplaces and inventory-driven, own-goods selling models[1][8]. Restrictions on marketplace ownership of inventory and preferential treatment to related sellers are intended to avoid conflict of interest and preserve a level playing field[1][3].

Fair Competition and Anti-Monopoly Focus

The government's drafts and consultations explicitly target predatory pricing, deep discounting, and private labels that can crowd out independent sellers[2][3]. New guidelines under discussion in 2025 seek to make platforms more accountable for rankings, discount structures and seller treatment, so that MSMEs and local retail are not unfairly disadvantaged[2][3].

Integration with ONDC

The Open Network for Digital Commerce (ONDC) is a core structural pillar, enabling interoperability between buyer apps, seller apps, and logistics providers[6][9]. The policy direction encourages small retailers and even rural enterprises to join ONDC, reduce dependence on a few large platforms, and access a broader buyer base at lower digital entry cost[2][6].

Data Governance and Localisation

National e-commerce policy thinking is built around data as a key economic resource, with a push towards data localisation and sovereign control for certain categories of data[1][8]. This is being synchronised with India's digital personal data protection framework, including draft rules for retention, consent, and security obligations on large e-commerce entities[7][10].

Consumer Protection and E-Commerce Rules

The Consumer Protection (E-Commerce) Rules 2020, read with the evolving national policy, mandate accurate product details, transparent pricing, and robust grievance redressal with designated officers[1][4]. Platforms must avoid misleading ads, ensure authenticity of goods to the extent reasonably possible, and provide clear return and refund processes with timelines[1][7].

Mandatory "Country of Origin" Filters

In 2025, the Department of Consumer Affairs has proposed making searchable and sortable "country of origin" filters mandatory for packaged commodities on e-commerce platforms[11][12]. The objective is to promote transparency for buyers and indirectly support "Made in India" products by letting consumers easily identify goods by origin[11][12].

KYC, Seller Verification and Listing Duties

New draft e-commerce guidelines reported in 2025 require platforms to perform robust KYC checks on sellers, especially third-party sellers operating via marketplaces[13][3]. These guidelines also insist on detailed product listings, clear contract terms, secure payment systems, and readily accessible customer support and grievance channels[1][13].

MSME, Start-up and Export Promotion

The evolving policy framework emphasises integration of MSMEs into digital commerce through training, access to digital tools, and participation on networks like ONDC[1][2]. Promotion of cross-border e-commerce exports, particularly for small producers and niche Indian brands, is a recognised policy priority in the draft framework[4][8].

Alignment with Retail and Offline Trade

National e-commerce policy discussions explicitly include traditional traders' interests, focusing on preventing unfair online practices that undercut brick-and-mortar stores[2][3]. Measures such as limits on deep discounting, clarity on platform-seller relationships, and transparent fee structures aim to balance digital growth with livelihood protection in physical retail[2][3].

Compliance Checklist for Indian E-Commerce Businesses (2025)

For a practical, business-oriented view, an Indian e-commerce operator in 2025 should broadly align with the following requirements[1][7]:

- Consumer Protection Act 2019 and Consumer Protection (E-Commerce) Rules 2020 for disclosures, returns, grievance officers and advertisements
- Draft National E-Commerce Policy principles on fair competition, data handling and marketplace neutrality, anticipating final notification
- Data protection and DPDP-related rules on consent, retention periods, and security, especially if handling large user bases
- New and proposed guidelines: KYC of sellers, mandatory country-of-origin filters, strong platform accountability for listings and complaints
- ONDC participation norms if integrating with the open network for broader reach and compliance advantages

Key Policy Components Summary

Component	Key Requirements
Consumer Protection	Accurate product details, transparent pricing, grievance redressal, return/refund policies
Fair Competition	Anti-predatory pricing, limits on deep discounting, prevention of preferential treatment
Data Governance	Data localisation, consent management, security obligations, retention compliance
Seller Verification	Mandatory KYC, third-party seller checks, product listing accuracy
Transparency	Country-of-origin filters, clear fee structures, visible rankings methodology
MSME Support	ONDC integration, digital tools access, training programs, export promotion

Table 2: Summary of key policy components and requirements

Implementation Recommendations

Since there is no single notified "National E-Commerce Policy 2025" text yet, any legal document or internal policy you draft should[3][5]:

1. Explicitly reference existing binding laws including Consumer Protection Act, CPA E-Commerce Rules 2020, IT and data protection rules, Legal Metrology, and FDI rules
2. Incorporate the likely upcoming requirements such as country-of-origin filters, seller KYC, enhanced data retention and security, and anti-deep-discounting norms as

- internal standards to ensure future-readiness
- 3. Establish robust grievance redressal mechanisms with designated officers and clear timelines
- 4. Implement transparent disclosure practices for all product listings, pricing, and terms
- 5. Prepare for ONDC integration to access broader markets and demonstrate compliance readiness

Conclusion

The New E-Commerce Policy framework for India in 2025 represents a comprehensive approach to balancing digital commerce growth with consumer protection, fair competition, and support for traditional retail and MSMEs[1][2][3]. While the final policy is still under discussion, businesses operating in the Indian e-commerce space should align with existing regulations and prepare for the anticipated requirements to ensure compliance and sustainable growth.

References

- [1] WareIQ. (2025). The Impact of India's National E-Commerce Policy [2025].
<https://wareiq.com>
- [2] Medstown. (2025). India's Retail Vs ECommerce Tug-of-War: Why Smart Policies Matter.
<https://medstown.com>
- [3] Economic Times. (2025). Proposed national e-commerce, retail trade policies under discussions. <https://economictimes.com>
- [4] K Singhania & Co. (2025). National E-commerce Policy: AN Analysis.
<https://singhanialaw.com>
- [5] PIB. (2019). Draft e-Commerce Policy. <https://pib.gov.in>
- [6] VasyERP. (2025). What Is ONDC? A 2025 Guide for Indian Retailers. <https://vasyerp.com>
- [7] Lloyd Law College. (2025). E-Commerce Laws in India: Legal Guide for Consumers (2025).
<https://lloydlawcollege.edu.in>
- [8] PwC India. National E-commerce Policy, 2019 – Draft. <https://pwc.in>
- [9] ONDC. (2024). Open Network for Digital Commerce. <https://ondc.org>
- [10] EY India. (2025). Draft Digital Personal Rules: E-commerce Impact. <https://ey.com>
- [11] PIB. (2025). Department of Consumer Affairs Proposes for mandatory 'Country of Origin'. <https://pib.gov.in>
- [12] Reuters. India proposes e-commerce rules requiring 'country of origin' filters.
<https://reuters.com>
- [13] Next IAS. (2025). New Draft E-Commerce Guidelines - Current Affairs.
<https://nextias.com>

