



FRAMEWORK FOR ENSURING CONSUMER PROTECTION IN E-COMMERCE

BRICS countries, as emerging developing countries, are playing an increasingly important role in global e-commerce development. E-commerce is helping to promote growth in trade, industrial transformation and upgrading technologies, and is becoming one of the most dynamic and promising economic activities throughout BRICS countries. It creates new employment opportunities, helps BRICS countries fit into the global value chain, brings significant economic and social opportunities, and increasingly becomes a new engine for development. There are, however, challenges including low awareness of e-commerce opportunities, the complexity of cross-border payments and a lack of trust in e-commerce. There is a need to ensure that there is transparent and effective protection of consumers, fair business conditions, advertising and marketing practices, online information disclosures relating to the business, information about the goods, services, information about the transaction, etc. Further, there is a requirement for an effective dispute resolution and redressal system to look into consumer complaints. Adequate safeguards and measures are needed to ensure privacy and security of the consumers. Lastly, owing to the digital divide and concerns of access to technology and internet, the importance of education and awareness on e-commerce related issues cannot be over emphasized.

The BRICS nations, in the **Moscow Declaration 2020**, recognised the role of the digital economy as an important tool for modernization and transformation of the industry, promotion of inclusive economic growth, support of seamless global trade and business conduct, thus helping BRICS economies meet their Sustainable Development Goals. At the same time, BRICS countries



acknowledged the challenges arising from the unprecedented growth of digital technologies and e-commerce, and emphasized the need for a dedicated focus on overcoming the digital divide and to support developing countries to address its socio-economic implications. In the context of accelerated development of the e-commerce sector and increased volume of online transactions worldwide, the BRICS nations resolved to enhance cooperation through the BRICS E-commerce Working Group. The BRICS nations recognized the potential for establishing a workstream to examine the experience of BRICS and other countries, as well as international associations in the field of consumer protection in e-commerce and create a basis for exploring the development of a practical framework for ensuring consumer protection in the BRICS countries, including through pilot projects and initiatives.

The level of consumer protection varies depending on country specific circumstances, but a minimum level of consumer protection addressing the specificities of e-commerce transactions could increase the confidence of consumers in e-commerce and promote its increased acceptance.

This can be operationalized through a framework to facilitate communication, cooperation, development and enforcement of joint initiatives, wherever appropriate, amongst the BRICS nations and relevant stakeholders. In this regard, the Members may note and refer to the **UN Guidelines for Consumer Protection**, adopted in the General Assembly in 2015, which are a valuable set of principles that set out the main characteristics of effective consumer protection legislation, enforcement institutions and redress systems. Further, as indicated by **UNCTAD's Global Cyberlaw Tracker**, among the four major areas of e-commerce related legislations, i.e. e-transaction, consumer protection, privacy and data protection and cyber security, consumer protection is an area where



BRICS countries could consider increasing efforts to complete their legal framework. Given the fast-evolving nature of e-commerce, the BRICS countries may exchange best practices on how their regulatory frameworks are adapting to new challenges in this segment. Member countries may also consider elaborating on steps undertaken by them to address issues of consumer protection, and at the same time, control the sale of counterfeit products, catalogue rogue/fake portals and adopt appropriate measures for supporting offline retailers and neighbourhood stores.

In light of the above, BRICS Countries agree to a framework for ensuring consumer protection in e-commerce amongst BRICS Members as follows:

Declaration on Framework for Consumer Protection in E-commerce

Recognising the role of e-commerce as an important instrument for modernization and transformation of the industry, promotion of inclusive economic growth, seamless global trade and business conduct, and thus helping meet the Sustainable Development Goals;

Noting that e-commerce has become one of the most dynamic and promising economic activities throughout the BRICS countries;

Noting further that the growing economic significance of e-commerce in helping promote growth in trade, industrial transformation and upgradation, and also in creating new employment opportunities, and enable BRICS countries to fit into the global value chain;

Acknowledging the challenges relating to low awareness of e-commerce opportunities, the complexity of cross-border payments and redressal mechanism for consumers and a lack of trust in e-commerce among consumers;



Recalling that as per UNCTAD's Global Cyberlaw Tracker, among the four major areas of e-commerce related legislations, viz., e-transaction, consumer protection, privacy and data protection, and cyber information security, BRICS Members can increase efforts to augment their legal framework;

Understanding that owing to the digital divide and an issue of access to technology and internet, the level of consumer protection may vary among BRICS Members depending on country specific circumstances;

Realising that a minimum level of consumer protection (addressing the specificities of e-commerce transactions) could increase the confidence and adoption of e-commerce by consumers;

And recognising the need to ensure that there is transparent and effective protection of consumers, fair business activities, advertising and marketing practices, online disclosures relating to information about businesses, goods or services, and transactions;

And noting the UN Guidelines for Consumer Protection, adopted in the General Assembly in 2015, which are a valuable set of principles that set out the main characteristics of effective consumer protection legislation, enforcement institutions and redress systems.

The BRICS Members, as a way forward, agree as follows:

1. BRICS Members resolve to enhance cooperation through the BRICS E-commerce Working Group to examine the experience of BRICS and other countries and international associations in the field of consumer protection in e-commerce, and further explore practical options for ensuring consumer protection and in this endeavour, actively involving representatives of the academia, civil organisations, private sector etc.



2. With a view to promoting better understanding and to enable coordination on various aspects of e-commerce, BRICS Members may consider exchanging best practices on how regulatory frameworks are adapting to new challenges which are emerging as a result of the dynamic nature of e-commerce.
3. BRICS Members may also consider elaborating on the steps undertaken by them to address issues of consumer protection and at the same time, seek measures to control the sale of counterfeit products, catalogue rogue/fake portals, and adopt appropriate measures to support offline retailers and neighbourhood stores.
4. BRICS Members may consider developing a Plan of action on the priority areas of consumer protection in the era of e-commerce.
5. To promote consumer protection in e-commerce and exchange best practices. BRICS Members may consider holding events (conference/Round table) on specific aspects of consumer protection.
6. BRICS Members may consider organizing information campaign on key issues of consumer protection in e-commerce.
