

## B-Ready FAQs

### Topic: International Trade- Digital Trade

#### INTERNET: 4. QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE

B-Ready assessment area	Relevant Provisions/Links	Link
Absence of requirements for suppliers of cross-border digitally delivered services to use specific commercial cryptographic methods or providers contrary to the technology-neutrality principle	India's legal framework does not require suppliers of cross-border digitally delivered services to use a specific commercial cryptographic method or provider, contrary to the technology-neutrality principle.	-
Establishment of principles of personal data protection applicable to cross-border data flows	Section 16, DPDP Act, 2023. The Digital Personal Data Protection Act, 2023 provides for processing of digital personal data in a manner that recognizes both rights of individuals to protect their personal data and for data fiduciaries need to process such personal data for lawful purposes. Section 16 of the said Act explicitly specify provisions for cross border data transfers. Central Government may restrict the transfer of personal data by a Data Fiduciary outside the border of India notifying certain countries or territories & nothing contained in the section 16 restricts the applicability of any law that provides higher degree of protection for or restriction on transfer of personal data by Data Fiduciary outside India in relation to any personal data.	<a href="https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf">https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf</a>
Absence of requirements for suppliers to obtain a specialized license to provide goods or services digitally beyond a general business license or sector-specific requirements	India's legal framework does not establish any restrictions on the cross-border supply of online services based on the content they host, transmit, or display.	-
Absence of restrictions on the cross-border supply of online services based on the content they host, transmit, or display	India's legal framework does not establish any data localization requirements as conditions for cross-border trade.	-
Requirement for specific data transfer agreements or formal consent from data subjects prior to	Section 16, DPDP Act, 2023. Digital Personal Data Protection Act, 2023 provides for the processing of digital personal data that recognizes both rights of the individuals to protect their personal	<a href="https://sansad.in/getFile/loksabhaquestions/annex/1710/A">https://sansad.in/getFile/loksabhaquestions/annex/1710/A</a>

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cross-border transfers of personal data	data and for the data fiduciaries the need to process such personal data for lawful purposes. According to the provisions, the consent given by the Data Principal for processing the personal data shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose. Section 16 of the said Act explicitly specify the provisions for cross border data transfers.	<a href="https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf">U2389.pdf?source=pqals</a>  <a href="https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf">https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf</a>
Absence of data localization requirements imposed as conditions for cross-border trade	India's legal framework does not set any limits on the value of cross-border electronic payments for residents of India or payment service providers established in India.	-
Online Consumer Protection- Foreign providers to publicly disclose merchant information to local consumers	Rule 4 (2), Consumer Protection (e-commerce) Rules, 2020 Yes, Rule 4 (2) of the Consumer Protection (e-commerce) Rules, 2020 makes it mandatory to provide merchant information such as address, business registration number and contact details.	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf">https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf</a>
Online Consumer Protection- Foreign providers to publicly disclose product information relevant to safety and usability	Rule 5 (2) of the Consumer Protection (e-commerce) Rules, 2020	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf">https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf</a>
Online Consumer Protection. Establishment of limits on unsolicited commercial electronic messages (spam)	Section 10 (1), Consumer Protection Act, 2019. As per Consumer Protection Act, 2019, extends to whole of India and applies to all goods and services, including cross-border consumers who are purchasing from India based e-commerce website. (Section 1 of the Act). The provisions of the Act are applicable to entities established in India who are engaged in sales of goods and services to consumers (including to cross-border consumers). This includes provisions relating to 'misleading advertisements', 'unfair trade practices' and violation of 'consumer rights' as provided under the Act. Unfair trade practice includes disclosing to other person any personal information given in confidence by the consumer unless such disclosure is made in accordance with law.	<a href="https://consumeraffairs.gov.in/public/upload/files/CP%20Act%202019_1732700731.pdf">https://consumeraffairs.gov.in/public/upload/files/CP%20Act%202019_1732700731.pdf</a>
Online Consumer Protection- Foreign providers to provide consumers with a right to cancel online purchases	Rule 4(8), Consumer Protection (e-commerce) Rules, 2020. As per Rule 4(8), Consumer Protection (e-commerce) Rules, 2020, with regard to cancellation, e-commerce entities are not permitted to impose any cancellation charges if a consumer cancels after	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20co">https://consumeraffairs.gov.in/public/upload/files/E%20co</a>

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within a designated period without penalty	confirming the purchase unless similar charges are also borne by the e-commerce entity if it cancels the order unilaterally without any reason.	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf">mmerce%20rules_1732703966.pdf</a>
Online Consumer Protection. Consumer rights to refunds, replacements, or returns when goods supplied by foreign providers arrive damaged	Rule 6(3), Consumer Protection (e-commerce) Rules, 2020	-
Online Consumer Protection- Foreign providers to publicly disclose refund and cancellation policies	Rule 6 (5), Consumer Protection (e-commerce) Rules, 2020. Sellers provide the following information to the e-commerce entity under sub-rule (5) of rule 6: (g) accurate information related to terms of exchange, returns, and refund including information related to costs of return shipping in a clear and accessible manner.	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf">https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf</a>
Online Consumer Protection. Enforceable sanctions on foreign suppliers for non-compliance with online consumer protection rules	Section 21, Consumer Protection Act, 2019. As per law, a penalty of up to Rs 10 lakh can be imposed by the Central Consumer Protection Authority (CCPA) for false or misleading advertisement. For every subsequent contravention, the penalty can extend up to Rs 50 lakh	<a href="https://consumeraffairs.gov.in/public/upload/files/CP%20Act%202019_1732700731.pdf">https://consumeraffairs.gov.in/public/upload/files/CP%20Act%202019_1732700731.pdf</a>
Online Consumer Protection- Foreign providers to publicly disclose the availability of consumer redress mechanisms.	Section 8.04, Foreign Trade Policy, 2023; Rule 4(7), Consumer Protection (e-commerce) rules, 2020. Additionally, Section 8.04 in Chapter 8 of Foreign Trade Policy (FTP) 2023 provides a public online dispute resolution (ODR) mechanism named as Quality Complaints and Trade disputes on DGFT application portal. Further, the Department of Consumer Affairs has set up a National Consumer Helpline (NCH) [‘1915’]. As per Rule 4(7) of the Consumer to provide consumers a hassle-free and speedy redressal of their grievances. A complaint can be registered on NCH by call, SMS, WhatsApp, NCH app etc. As per Rule 4(7) of the Consumer Protection (e-commerce) rules, 2020, every e-commerce entity shall endeavour on a best effort basis to become a partner in the convergence process of the National Consumer Helpline.	<a href="https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf">https://consumeraffairs.gov.in/public/upload/files/E%20commerce%20rules_1732703966.pdf</a>

## FINANCIAL SERVICES: E-Payments: Cross-Border E-Payments

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Use of Cross-Border Digital Identity Verification (eKYC) Permitted	Section 16, Digital Personal Data Protection (DPDP) Act, 2023 Cross-border eKYC is possible using non-Aadhaar identity sources (passport, foreign ID, commercial identity providers) if the following conditions are fulfilled: 1. Satisfy obligations under Section 16 of the Digital Personal Data Protection (DPDP) Act (lawful basis/consent, data fiduciary duties, security). 2. Ensure you are not transferring to a government-blacklisted country under DPDP Act. 3. Comply with sectoral rules (RBI / SEBI / telecom regulator, etc.) on KYC/onboarding. 4. Contractually require equivalent security, audits, and breach notification from foreign processors.	<a href="https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf">https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf</a>
Absence of regulatory charges on cross-border electronic payments	The legal framework does not establish any regulatory charges on cross-border electronic payments (e.g., taxes, foreign exchange fees, or border levies).	-
Absence of limits on the value of cross-border electronic payments	The legal framework does not set any limits on the value of cross-border electronic payments (whether per transaction or cumulatively over a period) for residents of India or payment service providers established in India.	-
Use of Digital Currencies for Cross-Border Payments Recognized	Section 2 (aiv), RBI Act, 1934. As per RBI Digital Currency would mean Central Bank Digital Currency (CBDC) which is the digital form of sovereign currency and is the direct liability of the Central Bank. Central Bank Digital Currency is defined as a banknote in the RBI Act, 1934 as amended by the Finance Act, 2022. Therefore, the current legal framework applicable to the use of cash for cross-border payments shall be applicable, mutatis mutandis, to the use of CBDCs for cross-border payments. As per the Section 2, clause (aiv) of the RBI Act, 1934 – “bank note” means a banknote issued by the Bank, whether in physical or digital form, under section 22.	<a href="https://www.indiacode.nic.in/bitstream/123456789/2398/1/a1934-2.pdf">https://www.indiacode.nic.in/bitstream/123456789/2398/1/a1934-2.pdf</a>

## TAXATION: X. CROSS-BORDER DIGITAL TRADE

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Absence of Discriminatory VAT/GST Treatment for Digital Trade	Section 2(17) and 14, IGST Act, 2017 ; Sec 24 (xi), CGST Act, 2017 Online Information and Database Access or Retrieval (OIDAR) services as defined in terms Section 2(17) of the IGST Act,2017 are required to obtain a registration in terms of Sec 24 (xi) of the CGST Act,2017 .	<a href="https://www.indiacode.nic.in/show-data?abv=CEN&amp;statehandle=123456789/1362&amp;actid=AC_CEN_2_2_00043_201713_1517807328116&amp;sectionId=5303&amp;sectionno=14&amp;orderno=15&amp;orgactid=AC_CEN_2_2_00043_201713_1517807328116">https://www.indiacode.nic.in/show-data?abv=CEN&amp;statehandle=123456789/1362&amp;actid=AC_CEN_2_2_00043_201713_1517807328116&amp;sectionId=5303&amp;sectionno=14&amp;orderno=15&amp;orgactid=AC_CEN_2_2_00043_201713_1517807328116</a>  <a href="https://www.indiacode.nic.in/show-data?abv=CEN&amp;statehandle=123456789/1362&amp;actid=AC_CEN_2_2_00043_201713_1517807328116&amp;sectionId=5291&amp;sectionno=2&amp;orderno=2&amp;orgactid=AC_">https://www.indiacode.nic.in/show-data?abv=CEN&amp;statehandle=123456789/1362&amp;actid=AC_CEN_2_2_00043_201713_1517807328116&amp;sectionId=5291&amp;sectionno=2&amp;orderno=2&amp;orgactid=AC_</a>
Remote Fulfillment of VAT/GST Obligations Permitted for Non-Resident Suppliers of Digitally Ordered or Delivered Goods and Services	Section 14, IGST Act, 2017	-