

Code of Conduct for Online Marketplaces

This code of conduct shall be applicable to online marketplaces as defined in section 2 (38B) of the Income Tax Ordinance, 2001 as *an information technology platform run by e-commerce entity over an electronic network that acts as a facilitator in transactions that occur between a buyer and a seller.*

I. Disclosure requirements / Consumer Protection

- a) Prices of goods and services offered on platforms shall be clearly displayed on the website/App. In case of physical goods prices should also be clearly displayed on packaging and invoices. In case of failure a complaint may be sent to the concerned Consumer Protection Council which shall take action against the marketplace.
- b) All marketplaces shall make full disclosure on their websites/Apps regarding data collection. Such disclosure shall also include disclosure about the facility where such data shall be stored and purpose for which it may be used.
- c) Online platforms/websites/Apps shall provide information about the sellers of products. The information shall be provided as clearly as possible and shall contain details to enable consumers to contact the seller. Such information should include name (of individual or business entity), address, telephonic contact and email address of the seller.
- d) All online marketplaces and auction places shall clearly display cell/phone number, email address on a complaint form for redressing consumers' complaints. In addition, a system shall be installed for issuing acknowledgements, manually or automatically, of receipt of complaints. The acknowledgements shall also disclose the process and timelines for expeditious resolution of complaints.

II. Compliance with applicable Laws

- a) Goods shipped from across the border shall be channelized through Customs.
- b) Consumer/Business Payments from Pakistani banks and payment gateways to unauthorized and unregistered (GST non-compliant) sites/apps shall be barred.
- c) Marketplaces shall ensure compliance with all applicable laws. MoITT shall develop mechanisms for ensuring legal compliance.
 - The concerned marketplace shall be first sent a notice to take corrective measures within 15 days of receipt of notice.
 - In case of persistent failure to comply beyond 15 days period, the non-compliant marketplace shall be taken down and other measures may also be taken for preventing such marketplace from having an access to consumers in Pakistan.

III. Conduct of business

- a) To guard consumers against business malpractices and for privacy protection and safety, it shall be mandatory for all marketplaces having access to consumers in Pakistan to have a registered business entity and a physical address in Pakistan.
- b) Marketplaces shall enter into an enforceable contract with their sellers. In case of any loss to consumers due to non-existence of such a contract, marketplace shall indemnify the consumer.
- c) All marketplaces and auction places shall secure an undertaking and/or a warranty, where applicable, from the sellers regarding genuineness of goods and their condition at the time of sale. Such an undertaking shall be readily forwarded to the consumers upon request.
- d) All marketplaces and auction places shall take adequate measures against sale of counterfeit/pirated goods. Upon receipt of a genuine complaint from a consumer the marketplace shall return the price paid without any deductions and shall forthwith stop hosting the product complained against and shall put a notice about the seller of the products in question.
- e) A seller who continues to place counterfeited goods may be blacklisted for a certain period of time.
- f) Any system of ratings put in place by a marketplace or customer reviews published online shall be done with utmost transparency.
- g) No online marketplace and auction place shall offer such goods for sale on their online platform which are declared 'prohibited' or 'banned' under the prevailing Import Policy Order or any other applicable policy issued by any competent authority under the law. Such products shall be immediately removed from offer within 24 hours of receipt of a complaint or notice.
- h) Any seller offering 'prohibited' or 'banned' goods shall be blacklisted from the platform and the matter shall be reported immediately to the concerned authorities.