

# **e-Commerce Policy 2.0 (2025-30)**

*Expanding Markets. Empowering People. Enabling Trust.*



**Ministry of Commerce  
Government of Pakistan**

## Contents

<b>LIST OF ABBREVIATIONS.....</b>	<b>II</b>
<b>MESSAGE FROM THE PRIME MINISTER.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>MESSAGE FROM THE COMMERCE MINISTER.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>MESSAGE FROM SECRETARY COMMERCE.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>PREFACE .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>1. INTRODUCTION .....</b>	<b>1</b>
<b>2. EVOLUTION OF E-COMMERCE POLICY.....</b>	<b>2</b>
2.1. NATIONAL E-COMMERCE POLICY 2019 - STRUCTURE, AND ACHIEVEMENTS.....	2
2.2. CHALLENGES AND LESSONS LEARNT .....	3
2.3. E-COMMERCE LANDSCAPE 2025.....	4
2.4. STRATEGIC SHIFT TO POLICY 2.0 .....	5
<b>3. POLICY FORMULATION PROCESS.....</b>	<b>6</b>
3.1. POLICY CONTEXT AND REVIEW.....	6
3.2. STAKEHOLDER CONSULTATIONS.....	7
3.3. EVIDENCE AND BENCHMARKING .....	7
<b>4. STRATEGIC FRAMEWORK.....</b>	<b>8</b>
4.1. VISION .....	8
4.2. MISSION .....	8
4.3. POLICY OBJECTIVES.....	8
4.4. GUIDING PRINCIPLES .....	9
<b>5. POLICY FRAMEWORK.....</b>	<b>11</b>
5.1. PILLAR 1: DIGITAL ONBOARDING AND PARTICIPATION .....	11
5.2. PILLAR 2: PAYMENTS AND FINANCIAL SYSTEMS.....	19
5.3. PILLAR 3: LOGISTICS AND FULFILLMENT SERVICES.....	27
5.4. PILLAR 4: CONSUMER PROTECTION AND TRUST .....	33
5.5. PILLAR 5: INTEGRATION INTO GLOBAL E-COMMERCE ECOSYSTEMS .....	40
<b>6. IMPLEMENTATION MECHANISM .....</b>	<b>48</b>
6.1. GOVERNANCE AND INSTITUTIONAL STRUCTURE .....	48
6.2. IMPLEMENTATION TIMELINE (PILLAR-WISE).....	51
6.3. MONITORING & EVALUATION .....	53
<b>7. CONCLUSION .....</b>	<b>55</b>

## List of Abbreviations

Abbreviations	Full Form
3PL	Third-Party Logistics
AI	Artificial Intelligence
API	Application Program Interface
AR	Augmented Reality
ASEAN	Association of Southeast Asian Nations
BNPL	Buy Now Pay Later
CCP	Competition Commission of Pakistan
COD	Cash-On-Delivery
ECS	ECommerce Secretariat
EDF	Export Development Fund
e-KYC	Know Your Customer
EPA	Environmental Protection Agency
FBR	Federal Board of Revenue
FIA	Federal Investigation Agency
GDPR	General Data Protection Regulation
GRASP	Growth For Rural Advancement and Sustainable Progress
ILO	International Labor Organization
KPIs	Key Performance Indicators
M&E	Monitoring & Evaluation
MAS	Monetary Authority of Singapore
MoITT	Ministry of Information Technology and Telecommunication
MSME	Micro, Small and Medium Enterprises
NADRA	National Database and Registration Authority
NeCC	National ECommerce Council
NeCP	National ECommerce Policy
NGMS	New Generation Mobile Services
PCI DSS	Payment Card Industry Data Security Standard
POPIA	Protection of Personal Information Act
PSPs	Payment Service Providers
PSW	Pakistan Single Window
PTA	Pakistan Telecom Authority
PWGs	Pillar Working Groups
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SLA	Service Label Agreements
SMEDA	Small and Medium Enterprises Development Authority
SMEs	Small And Medium Enterprises
TDAP	Trade Development Authority of Pakistan
UNCTAD	United Nations Conference on Trade and Development
USSD	Unstructured Supplementary Service Data
WTO	World Trade Organization

# 1. Introduction

E-commerce has emerged as a transformative force in the global economy, reshaping business models, consumer behavior, and trade flows. Accelerated by the COVID-19 pandemic, digital commerce is now a key driver of competitiveness, with countries embedding it in trade agreements, regulatory reforms, and infrastructure strategies.

For Pakistan, the convergence of youth demographics, high mobile penetration, and expanding broadband access presents a historic opportunity to harness digital platforms for inclusive growth. The **National e-Commerce Policy of 2019** laid critical groundwork by identifying institutional and regulatory enablers. However, the scale and speed of global developments, alongside persistent challenges in digital payments, logistics, trust, and inclusion, have created the need for a more integrated and future-ready strategy.

**E-Commerce Policy 2.0** responds to this imperative by introducing a **lifecycle-based approach** that supports businesses and consumers throughout the full transaction journey, from onboarding and payments to logistics, consumer protection, and cross-border integration. Anchored in five strategic pillars, the policy provides a coherent framework to modernize Pakistan's digital commerce ecosystem and position the country as a competitive player in the global digital economy.

## Definitions Used in This Policy

### **e-Commerce:**

*For the purpose of this Policy, e-Commerce is defined as "buying and selling of goods or services including digital products through electronic transactions conducted via the internet or other computer-mediated (online communication) networks."*

### **Micro, Small and Medium Enterprises (MSMEs):**

*This Policy adopts the definitions provided by the State Bank of Pakistan under its Prudential Regulations. These include size-based thresholds on number of employees, annual sales turnover, and total assets, which distinguish micro, small, and medium enterprises across various sectors.*

## **2. Evolution of E-Commerce Policy**

E-Commerce has evolved from a niche commercial activity to a core component of the global economy and an essential driver of competitiveness and resilience. The COVID-19 pandemic significantly accelerated this transformation, normalizing digital transactions for consumers and businesses alike. Countries are now embedding digital trade into bilateral and multilateral agreements, adopting agile regulations, and investing in both physical and digital infrastructure to stay competitive.

In South Asia and across the Global South, mobile-first commerce, platform-based retail, and digital freelancing are expanding rapidly. For Pakistan, this convergence of technological readiness, demographic advantage, and rising entrepreneurial energy creates a historic opportunity to leapfrog into a leadership position in regional and global digital economy.

### **2.1. National e-Commerce Policy 2019 - Structure, and Achievements**

The **National e-Commerce Policy (NeCP) of 2019** marked Pakistan's first structured initiative to develop the digital commerce ecosystem. The Policy sought to position e-commerce as a central pillar of trade and development by laying down the enabling legal, financial, and logistical foundations for a digitally connected economy. It introduced a strategic framework anchored in nine key pillars:

- Regulation & Facilitation
- Financial Inclusion & Digital Payments
- Empowerment of Youth & SME
- Taxation Structure
- Consumer Protection
- ICT & Telecom Services
- Logistics
- Data Protection & Investment
- Global Connectivity & Multilateral Negotiations

By offering strategic direction and visibility, the policy elevated e-commerce as a core policy priority and catalysed reforms across institutional, regulatory, and infrastructural domains. Among its most notable achievements were:

- **Institutional Coordination:** The establishment of the *National e-Commerce Council* (NeCC) enabled structured coordination among federal and provincial bodies, regulators, and private sector actors through dedicated working groups on key themes like payments, logistics, and cross-border trade.
- **Merchant Onboarding:** Over 8,000 merchants registered with banks and payment providers, bringing informal sellers into the formal ecosystem.
- **Transaction Growth:** E-commerce transaction value surged by 1,400% between FY2019 and FY2024, reflecting growing consumer trust.
- **Export Facilitation:** SBP's B2B2C export framework (2021) simplified compliance for small exporters, opening global markets, especially for garments, footwear, and handicrafts.
- **Logistics Infrastructure:** Public and private sector collaboration, including Pakistan Post's upgraded services, supported market access for MSMEs.
- **Human Capital Development:** National programs such as *DigiSkills* trained over 4 million individuals, empowering youth, women, and freelancers with key digital competencies.

## 2.2. Challenges and Lessons Learnt

Despite catalysing initial reforms, the 2019 e-Commerce Policy faced structural and operational hurdles that limited its systemic impact. Regulatory fragmentation, caused by overlapping institutional mandates, resulted in inconsistent enforcement, especially in consumer protection. Logistics infrastructure remained concentrated in urban areas, with rural areas experiencing high delivery costs, limited coverage, and issues like non-standard address systems.

The low adoption of digital payments also meant that cash-on-delivery continued to dominate 60-70% of B2C transactions, constraining efficiency and hindering

formalization. Proposed consumer protection measures, such as the code of conduct envisaged under NeCP 2019, lacked enforceability, leaving refund timelines, platform liability, and dispute resolution mechanisms inadequately addressed.

Underserved groups, including women, youth, and informal sellers, remained largely excluded due to complex registration processes, limited financing options, low digital literacy, and a broader digital trust deficit. Stakeholders highlighted the inadequacy of siloed measures and stressed the need for a more integrated, outcomes-driven approach that spans the entire e-commerce lifecycle, from onboarding and payments to logistics, consumer trust, and cross-border market access.

These challenges highlight the need for regulatory coherence, improved enforcement, and a shift from isolated interventions to a holistic, lifecycle-driven strategy that spans onboarding, payments, trust-building, and global integration.

### **2.3. E-Commerce Landscape 2025**

The global and domestic e-commerce landscape has evolved significantly since Pakistan introduced its first e-Commerce Policy in 2019. At that time, the e-commerce sector was still in its early stages – urban-focused, cash-heavy, and supported by limited institutional and regulatory infrastructure. Since then, global retail e-commerce has nearly doubled, rising from USD 3.35 trillion in 2019 to a projected USD 6.42 trillion by 2025<sup>1</sup>, driven by technological innovation and changing consumer preferences. In Pakistan, the market is projected to reach USD 5.9 billion by 2025<sup>2</sup>, enabled by 58.3% mobile broadband penetration<sup>3</sup>, improved internet connectivity, and growing demand from a young, tech-savvy population.

This evolution is shaped by five transformative global trends. Artificial intelligence (AI) and augmented reality (AR) have introduced immersive, hyper-personalized shopping experiences. Sustainability now shapes purchasing behaviour especially for younger consumers, with around two-thirds of Gen Zs (64%) and millennials (63%) willing to pay more to purchase environmentally sustainable products

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<sup>1</sup> <https://backlinko.com/ecommerce-stats>

<sup>2</sup> <https://www.statista.com/outlook/emo/ecommerce/pakistan>

<sup>3</sup> <https://pta.gov.pk/category/telecom-indicators>

or services<sup>4</sup>. Digital platforms and e-commerce adoption have significantly enhanced SMEs' participation in global trade. Governments are harmonizing regulations related to data privacy, labour protections, and taxation. Meanwhile, social commerce has surged, with platforms like TikTok Shop and Instagram Checkout blending content and transactions.

Domestically, Pakistan's e-commerce ecosystem has expanded from fragmentation to broad-based participation. Consumers increasingly use mobile wallets, Raast-enabled transfers, and Buy Now Pay Later (BNPL) options, though cash-on-delivery remains common. Over 500,000 SMEs now operate online, leveraging social media storefronts and B2B platforms. Logistics and financial infrastructure have improved, with urban delivery averaging under 24 hours, PAKQR standardization, and Raast processing over 100 million monthly transactions. Regulatory reforms such as the Electronic Transactions Act 2024, combined with NECC and SBP sandbox initiatives, have improved coordination and supported fintech innovation.

### **2.3.1. Persistent Gaps and Systemic Risks**

Despite these advances, systemic constraints persist. A wide digital divide remains, between urban and rural digitally literate. Cybersecurity threats, including phishing and AI-generated fraud, undermine consumer confidence. E-commerce logistics contribute significantly to urban congestion and emissions, while over 500,000 gig workers continue to operate without formal social protection. Fragmented tax structures, burdensome licensing requirements, and customs inefficiencies further restrict national scaling and cross-border competitiveness.

## **2.4. Strategic Shift to Policy 2.0**

The National e-Commerce Policy of 2019 established important foundations for Pakistan's digital economy by promoting digital payments, introducing seller support programs, and issuing consumer protection guidelines. It institutionalized e-commerce as a national priority and catalysed reforms in logistics, merchant onboarding, and export facilitation. However, the policy could not fully anticipate the rapid

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<sup>4</sup> <https://www.deloitte.com/cn/en/about/press-room/deloitte-2024-gen-z-and-millennial-survey.html>



acceleration of mobile-first adoption, the scale of cybersecurity risks, or the urgency of integrating environmental sustainability. It also fell short of linking e-commerce with key sectors like agriculture, manufacturing, and services.

Policy 2.0 builds on this progress through a forward-looking, lifecycle-based approach that emphasizes real-time, data-driven governance, inclusion of underserved segments, sustainable infrastructure, and global competitiveness. By aligning with international best practices and placing MSMEs, women, freelancers, and informal sellers at its core, the policy aims to foster trust, innovation, and equitable digital growth. It is not merely a policy update but a forward-looking blueprint to build a digitally connected, environmentally conscious, and globally competitive e-commerce ecosystem in which opportunity is universal and growth is inclusive.

### **3. Policy Formulation Process**

The formulation of e-Commerce Policy 2.0 was grounded in a structured, consultative, and evidence-based process aimed at addressing the evolving dynamics of Pakistan's digital economy. The approach was designed to ensure institutional continuity while incorporating lessons from implementation experience, stakeholder feedback, and global trends.

#### **3.1. Policy Context and Review**

The formulation of e-Commerce Policy 2.0 is grounded in a structured, consultative, and evidence-based process aimed at addressing the evolving dynamics of Pakistan's digital economy. The approach was designed to ensure institutional continuity while incorporating lessons from implementation experience, stakeholder feedback, and global trends.

Building on the foundation laid by the National e-Commerce Policy of 2019, the Ministry of Commerce initiated a comprehensive policy review process. This included two formal assessments: (i) an independent review conducted under the GRASP Programme with support from an external consultant, and (ii) an in-depth in-house implementation status study led by the Ministry. These assessments provided

critical insights into what worked, what fell short, and what required realignment in the policy approach. Key findings from these reviews are at **Annex-I**.

The objective was to transition from a high-level framework to a more operational, results-oriented policy that is responsive to the needs of Pakistan's diverse digital commerce ecosystem. The refined policy seeks to bridge the gap between strategic vision and practical implementation through better coordination, measurable outcomes, and adaptive regulatory mechanisms.

### **3.2. Stakeholder Consultations**

Stakeholder engagement was central to the development of e-Commerce Policy 2.0, ensuring that the policy reflects the practical realities and diverse needs of Pakistan's digital commerce ecosystem. The Ministry of Commerce adopted a two-stage consultation process to maximize inclusivity and responsiveness.

In the first phase, the Ministry organized extensive pre-drafting consultations with a broad range of stakeholders, including federal and provincial government bodies, regulatory authorities, e-commerce platforms, logistics providers, fintech firms, MSMEs, women-led businesses, freelancers, and civil society organizations. These discussions focused on identifying structural challenges, implementation bottlenecks, and emerging opportunities across the digital trade landscape.

In the second phase, the draft policy was widely circulated among stakeholders for feedback. A series of validation sessions were held to review key policy proposals, assess their feasibility, and align them with stakeholder expectations. This iterative process ensured that the final version of the policy is both technically sound and contextually grounded. A detailed list of all stakeholder engagements, including dates and institutional participants, is at **Annex-II**.

### **3.3. Evidence and Benchmarking**

The development of Policy 2.0 was guided by comprehensive in-house research and an assessment of international best practices. It involved detailed analysis of domestic e-commerce trends, payment system usage, digital infrastructure readiness,

and seller demographics, complemented by a review of emerging global standards and regulatory innovations.

The international sources included multilateral initiatives such as WTO e-commerce discussions, regional models such as ASEAN's digital trade facilitation frameworks, and national experiences from peer economies in Asia, the Middle East, and Africa. Comparative insights were drawn from GDPR-aligned data protection regimes, digital payment interoperability protocols, and platform governance models. Together, this research ensured that the Policy 2.0 remains globally informed while being tailored to local needs, and capable of positioning Pakistan as a credible player in cross-border digital commerce.

## **4. Strategic Framework**

### **4.1. Vision**

To establish a secure, inclusive, and globally competitive e-commerce ecosystem that empowers businesses, protects consumers, and drives innovation, employment, and sustainable economic growth in Pakistan.

### **4.2. Mission**

To build a future-ready e-commerce ecosystem through institutional coordination, resilient infrastructure, regulatory modernization and international alignment, fostering an inclusive and trusted digital economy driven by seamless access, innovation, and global competitiveness.

### **4.3. Policy Objectives**

The following policy objectives anchor e-Commerce Policy 2.0 and reflect its lifecycle-based structure. Together, they provide a concise roadmap for building a more inclusive, efficient, and globally integrated digital commerce ecosystem:

- (i) **Expand Equitable Market Participation:** Enable broad-based participation in e-commerce by simplifying onboarding processes and providing targeted

support to SMEs, women entrepreneurs, youth, freelancers, and informal sellers, especially in underserved regions.

- (ii) **Accelerate Digital Payments and Financial Inclusion:** Promote adoption of secure, accessible, and interoperable digital payment solutions to reduce cash dependency, deepen financial inclusion, and formalize economic activity.
- (iii) **Develop Efficient and Sustainable Logistics Infrastructure:** Strengthen warehousing, fulfillment, and last-mile delivery systems to improve nationwide coverage, reduce delivery costs, and support environmentally sustainable logistics solutions.
- (iv) **Enhance Consumer Protection and Digital Trust:** Build a safe and reliable e-commerce environment through robust data protection, grievance redressal mechanisms, platform accountability, and protection against digital fraud to build user confidence.
- (v) **Facilitate Cross-Border Trade and Global Integration:** Streamline digital export procedures, expand access to global platforms and payment systems, and align with international trade standards.
- (vi) **Strengthen Institutional Coordination and Adaptive Governance:** Foster policy coherence across federal and provincial levels by establishing agile, data-driven institutions capable of responding to emerging technologies and market shifts in real time.

#### **4.4. Guiding Principles**

The implementation of e-Commerce Policy 2.0 will be guided by the following core principles, ensuring that the digital commerce ecosystem evolves to be inclusive, resilient, and future-ready:

- (i) ***Inclusivity and Equity:*** Digital commerce must be a catalyst for inclusive economic participation. The policy prioritizes access for women, youth, rural entrepreneurs, persons with disabilities, and informal sellers, social

commerce participants, addressing structural barriers across geography, gender, language, and scale.

- (ii) ***Agility and Adaptability:*** In a rapidly evolving digital landscape, regulatory frameworks, institutional mechanisms, and policy instruments must remain flexible, data-driven, and responsive to technological and market changes in real time.
- (iii) ***Trust and Transparency:*** A secure and transparent e-commerce environment, built on data protection, platform accountability, and enforceable consumer rights, is essential for user confidence, fair competition, and long-term sectoral growth.
- (iv) ***Sustainability:*** Environmental and social sustainability will be embedded in every layer of the digital commerce ecosystem. Policy 2.0 promotes green logistics, sustainable packaging, carbon footprint tracking, and social protections for gig and platform workers.
- (v) ***Data-Informed Decision Making:*** Evidence-based policymaking and performance monitoring will guide implementation. Real-time analytics, digital observatories, and structured feedback loops will inform decision-making and course correction.
- (vi) ***Government as a Digital Leader:*** The government will continue to lead by example in adopting digital tools across public service delivery, procurement, and payment systems, thereby setting national benchmarks for trust, efficiency, and transparency in digital transactions.
- (vii) ***Whole-of-Government and Multi-Stakeholder Approach:*** Effective implementation requires coordinated action across federal and provincial governments, regulators, and the private sector. A multi-stakeholder approach will ensure alignment of public and private priorities, shared ownership, and co-created solutions.

## 5. Policy Framework

The Policy Framework of e-Commerce 2.0 translates the strategic vision into clear, actionable components that align with each stage of the e-commerce transaction lifecycle. Structured around five interconnected pillars, from digital onboarding to global integration, these pillars reflect the operational journey of an e-commerce transaction, beginning when a buyer or seller enters the ecosystem and continuing through to cross-border integration. It aims to address persistent challenges such as regulatory fragmentation, limited participation and weak infrastructure. Each pillar outlines targeted interventions that reflect both international best practices and local needs. Together, they provide a cohesive roadmap for building a more inclusive, resilient and competitive digital commerce ecosystem that supports entrepreneurship, innovation and sustainable economic growth.

### 5.1. Pillar 1: Digital Onboarding and Participation

**Goal:** *Expand equitable seller and buyer participation across geographies, demographics, and enterprise sizes.*

Inclusive and accessible onboarding is the foundation of a strong digital commerce ecosystem. In Pakistan, a significant segment of potential participants, particularly small businesses, women entrepreneurs, and youth, remains outside the formal digital economy, often due to limited connectivity, complex regulatory procedures, and low levels of digital literacy.

To bridge these barriers, this pillar focuses on five interconnected priorities: expanding **access** through improved digital infrastructure, increasing **efficiency** by simplifying and integrating regulatory processes, building **capability** through digital skills development, increasing **motivation** through incentives for formalization, and promoting **inclusion** through outreach tailored to underserved groups such as women, youth, and informal sellers. Collectively, these measures aim to create an environment where individuals and enterprises can confidently enter e-commerce, sustain their participation, and contribute meaningfully to the digital economy.

Recent national efforts have strengthened digital onboarding. SECP's e-Services portal and FBR's IRIS system have streamlined business registration, while *Raast* has expanded access to secure, low-cost digital payments. Government programs like *DigiSkills* have provided digital literacy to over four million individuals<sup>5</sup>. The Trade Development Authority of Pakistan has promoted digital export readiness through virtual exhibitions, awareness campaigns, and trainings to export through e-commerce platforms<sup>6</sup>. The Ministry of IT and Telecom, through Ignite and PSEB, has supported e-commerce and freelancing through incubation centres, IT parks, skills training, and targeted programs for youth and women<sup>7</sup>. These include device distribution, financial inclusion initiatives, and e-commerce enablement platforms. Development partners have complemented these efforts through outreach and capacity-building for women-led and home-based businesses.

However, structural and operational challenges persist. Sellers are often required to engage with multiple government entities, including SECP, FBR, NADRA, and provincial bodies. This fragmentation leads to duplication, delays, and uncertainty. According to the World Bank, weak coordination among agencies and overlapping procedures significantly increase the compliance burden for small enterprises. In rural areas, poor broadband infrastructure further complicates access. The Pakistan Telecommunication Authority reports that smartphone penetration stands at around 58 percent, with lower coverage and usage in remote regions.

Onboarding also requires navigating technical steps such as digital documentation, e-KYC procedures, and platform-specific compliance. These can be particularly difficult for low-income or first-time sellers and may lead to disengagement or increased costs. Women entrepreneurs, especially in rural and peri-urban areas, face additional challenges related to mobility, affordability, and limited access to tailored support. Young people also face constraints, despite their growing engagement in informal digital selling. Current eligibility rules require individuals to be at least 18 years

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<sup>5</sup> <https://www.digiskills.pk/>

<sup>6</sup> <https://tdap.gov.pk/wp-content/uploads/2022/03/Press-Release.docx-Amazon-FSD.pdf>

<sup>7</sup> <https://moitt.gov.pk/#>

old to formally register a business, preventing younger entrepreneurs from entering the formal e-commerce ecosystem even when they have the skills and motivation to participate.

Despite existing challenges, the potential for expanding digital participation is substantial. With increasing smartphone penetration and growing engagement from youth and aspiring entrepreneurs, Pakistan has a strong foundation to build a more inclusive e-commerce ecosystem. Realising this potential will require targeted efforts to simplify entry, reduce barriers, and ensure that underserved groups are not left behind.

### **5.1.1. Critical Enablers**

The success of digital onboarding depends on coordinated improvements across five interconnected domains: access, efficiency, capability, motivation, and inclusion. These critical enablers provide the structural foundation for expanding participation in Pakistan's e-commerce ecosystem.

- (i) ***Infrastructure and Connectivity:*** Reliable internet access is a prerequisite for digital onboarding. Expanding broadband and mobile coverage, particularly in underserved areas, is essential to enable sellers to register, access platforms, and conduct transactions. Improved last-mile connectivity and accessible public access points are needed to bridge the digital divide.
- (ii) ***Integrated and Streamlined Onboarding Systems:*** A unified and interoperable onboarding system is vital for efficient entry into e-commerce. Digital integration across SECP, FBR, NADRA, and provincial authorities can reduce duplication, shorten processing times, and simplify onboarding for micro and small sellers.
- (iii) ***Digital Capability and Skills Development:*** (iv) Digital literacy and platform readiness are essential for first-time sellers. Expanding targeted training in e-commerce tools, platform navigation, digital marketing, and financial literacy is necessary to build the confidence and capacity of women, youth, and informal entrepreneurs to engage effectively in digital commerce.



- (iv) ***Incentives for Formalization and Participation:*** Targeted incentives are essential to encourage formalization, as compliance costs and complexity deter many informal sellers. Well-calibrated incentives, tied to basic compliance milestones, can lower entry barriers and promote responsible, sustained participation in the formal digital economy.
- (v) ***Inclusive Outreach and Participation Pathways:*** Equitable onboarding requires focused outreach to underrepresented groups such as women, youth, and rural entrepreneurs, who face distinct social and informational constraints. Inclusion must be supported through strategies that extend reach, close awareness gaps, and ensure regulatory frameworks remain responsive to evolving needs, including those of younger entrepreneurs below the age of 18.

### **5.1.2. Policy Actions**

To support the achievement of the critical success factors under Pillar 1, the following interventions are proposed. Where applicable, international precedents have been referenced directly within the interventions to inform design and implementation:

- (i) **National Connectivity Enablement Programme**

The National Connectivity Enablement Programme will be launched through the MoITT-USF framework to expand reliable broadband and mobile internet in underserved districts with strong e-commerce potential. Priority areas will include regions with active informal economies and rising youth and women-led enterprises, aligned with PTA's network plans and the Uraan Pakistan vision. Shared access points will be established at TEVTA campuses, incubation hubs, and postal outlets, supported by Ignite's e-Rozgar centres and Innovation Hubs.

To close last-mile gaps, cost-sharing incentives will be offered to internet service providers in commercially unviable but high-potential areas. A data-driven district prioritization model—developed with PTA, Ignite, and provincial IT boards—will guide rollout based on connectivity gaps and e-commerce readiness. Infrastructure

deployment will be aligned with IT parks and Special Technology Zones to ensure digital sellers benefit from integrated digital ecosystems<sup>8</sup>.

(ii) **National One-Window Digital Onboarding System**

A unified digital onboarding system will be developed and integrated into the Pakistan Single Window (PSW) to streamline registration, identity verification, and compliance processes for micro and small digital sellers. The system will enable simultaneous registration with SECP, FBR, NADRA, and relevant provincial authorities, eliminating duplication, reducing paperwork, and improving ease of entry into the formal e-commerce ecosystem.

Led by the Ministry of IT and Telecommunication (MoITT), in close coordination with the Pakistan Single Window Company, the system will incorporate secure e-KYC protocols, e-signature functionality, guided multilingual user flows, and real-time status tracking. Interoperability will be ensured through standardized APIs and data-sharing arrangements with key regulatory bodies. The platform will be optimized for informal and first-time sellers, especially women and youth, with a focus on usability and inclusion.<sup>9</sup>

(iii) **National E-Commerce Skills Accelerator**

A National E-Commerce Skills Accelerator will be launched to build practical capabilities among new and underserved sellers, with a focus on domestic growth and export readiness. The programme will train participants in product digitisation,

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<sup>8</sup> Rwanda's Broadband for All initiative offers a relevant model, where targeted public investment, last-mile cost sharing, and community digital access centres enabled rural entrepreneurs, particularly women and youth, to participate in the digital economy. Pakistan's programme may adapt similar principles through the MoITT-USF framework to unlock regional e-commerce potential.

<sup>9</sup> Estonia's e-Business Register provides a leading example of unified digital onboarding. Through a single portal, entrepreneurs can register a company, obtain a digital ID, complete tax and compliance steps, and begin operations—often in under 24 hours. The system is fully integrated with national ID and tax databases, enabling real-time authentication, digital signatures, and inter-agency data exchange. Estonia's model illustrates how seamless interoperability and user-centric design can dramatically reduce entry barriers and improve formalization rates among small businesses. (<https://www.rik.ee/en/e-business-register/e-business-register-portal>)

platform navigation, order fulfilment, and compliance with domestic and international e-commerce requirements.

Delivery will be scaled through public-private partnerships using platforms such as *DigiSkills*, *e-Rozgar*, NAVTTC and TEVTA institutions. Mobile-first, local-language content will ensure accessibility for women, youth, and informal sellers. Specialised modules will address cross-border e-commerce, including global marketplace onboarding, logistics, customer engagement, and regulatory compliance.

While the Accelerator will introduce foundational financial skills relevant to digital commerce like using online payment systems and managing transaction flows, comprehensive digital financial literacy, including fraud awareness, dispute resolution, and responsible credit use, will be addressed in depth under Pillar 2: Payments and Financial Systems. This complementary approach ensures sellers are both technically capable and financially confident as they grow their e-commerce presence.

The programme will be implemented by the Ministry of IT and Telecommunication in coordination with the Ministry of Commerce, TDAP, SMEDA, provincial TEVTAs, and platform partners, with the goal of preparing sellers to compete effectively in both domestic and global digital markets.<sup>10</sup>

TDAP will lead export-oriented training streams, with targeted support for women entrepreneurs seeking to access international markets. Skills training will also be integrated with onboarding services at TDAP and SMEDA desks and extended through digital access points established under the National Connectivity Enablement Programme.

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<sup>10</sup> Chile's "Digitalise Your SME" program, led by the Technical Cooperation Service (SERCOTEC), provides targeted training and digital tools to small enterprises with a focus on improving export readiness. Through online learning platforms, regional workshops, and strategic alliances with e-commerce platforms, the program helps SMEs digitize their operations and access international markets. The initiative integrates digital marketing, logistics, and cross-border compliance into its training modules, serving as a model for export-oriented skills development. ([https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/10/making-digital-transformation-work-for-all-in-chile\\_a0b6814a/6b1a524c-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/10/making-digital-transformation-work-for-all-in-chile_a0b6814a/6b1a524c-en.pdf))

#### (iv) **Formalization Incentives for Micro and Informal Sellers**

A time-limited incentive package will be implemented to reduce entry costs and expedite the formalization process for micro and informal e-commerce sellers. These incentives will be linked to specific compliance milestones, including registration, adoption of digital payment systems, and verified sales activities. Preferential tax rates will be extended to sellers using traceable digital payments, drawing on provincial models, such as in Punjab and Islamabad, where restaurants accepting card or QR payments benefit from reduced sales tax. This structure will be adapted for e-commerce to encourage early digital compliance.

Export-oriented sellers will receive targeted support for onboarding onto global marketplaces, including assistance with compliance, listings, and logistics readiness. These incentives will be co-financed through the Export Development Fund (EDF), aligned with Pakistan's digital trade strategy.

The programme will be implemented by MoITT via national and provincial onboarding systems, in coordination with MoC, FBR, SECP, and provincial revenue authorities. The objective is to de-risk formal entry, expand participation in the formal economy, and enhance Pakistan's visibility in global digital markets.<sup>11</sup>

#### (v) **Inclusive Participation and Outreach Programme**

To expand equitable access to e-commerce, an Inclusive Participation and Outreach Programme will be launched to engage underrepresented groups, particularly women, youth, and rural entrepreneurs, who face distinct social, geographic, and informational barriers. The programme will integrate inclusive communication strategies, community-based partnerships, and regulatory adaptability into the national onboarding system.

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<sup>11</sup> A comparable approach was adopted in *Indonesia's MSME Go Digital programme*, which bundled tax incentives with platform onboarding support to accelerate formalization of small sellers. The government offered simplified tax rates for digitally active MSMEs and partnered with leading marketplaces to onboard sellers through subsidized registration, training, and logistics support.

**Source:** Government of Indonesia, Ministry of Cooperatives and SMEs, 2022; World Bank Digital Economy Diagnostics – Indonesia (2023).

Localized outreach will be delivered through partnerships with women's chambers, youth networks, and community-based organizations, using culturally appropriate materials, local languages, and trusted intermediaries to close awareness gaps. Content will be optimized for mobile and low-bandwidth environments to improve reach in underserved areas.

Regulatory pathways will be introduced to enable formal participation of youth aged 15 to 18, under appropriate supervision, allowing them to register e-commerce businesses with guardian consent or institutional oversight. This will align formal systems with the evolving entrepreneurial activity already occurring in this age group.

Implementation will be led by MoITT in partnership with the Ministry of Commerce, provincial authorities, youth development programs, and relevant development partners. The objective is to ensure inclusive access to digital onboarding channels, responsive to the diverse needs of Pakistan's aspiring e-commerce participants.<sup>12</sup>

Collectively, these policy interventions aim to create a more accessible, efficient, and inclusive onboarding ecosystem. They lay the foundation for broad based participation in Pakistan's digital commerce landscape and set the stage for measurable outcomes in formalization, inclusion, and economic growth.

### 5.1.3. Expected Outcomes

The proposed interventions are expected to deliver the following outcomes:

- **Expanded formal participation** in e-commerce by micro and small enterprises, including women, youth (15-18 years), and rural entrepreneurs.
- **Improved connectivity** in underserved districts, enabling access to digital platforms and onboarding services.

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<sup>12</sup> Several international models permit youth under 18 to formally participate in business activity through structured legal frameworks. For example, in the United Kingdom, individuals aged 16 and above can register as sole traders or even establish private limited companies, provided they meet basic legal obligations. Guardian consent is not mandatory but financial and legal responsibilities are clearly defined. In the United States, many states allow minors to operate businesses with parental or guardian oversight, and platforms like Etsy and eBay enable teenage entrepreneurs to participate through supervised accounts.

- **Enhanced digital skills** among first-time sellers through accessible, targeted training.
- **Reduced onboarding time and cost** through integrated registration and compliance systems.
- **Greater diversity in participation**, with improved representation across regions, genders, and age groups.
- **Stronger export readiness** of local sellers, equipped with skills and formal credentials to access global marketplaces.

## 5.2. Pillar 2: Payments and Financial Systems

**Goal:** *Drive the transition to secure, inclusive, and interoperable digital payments to reduce reliance on cash, build user trust, and support seamless and formalised e-commerce participation across all segments.*

A reliable, accessible, and trusted digital payments infrastructure is essential for the growth of e-commerce. It enables faster, more secure transactions, reduces dependency on cash-on-delivery (CoD), improves transaction traceability, and enhances buyer-seller trust. Over the past five years, Pakistan has made substantial progress in laying the foundations for a modern digital financial ecosystem. The State Bank of Pakistan has launched several transformative initiatives, including *Raast* instant payment system, which facilitates a significant volume of instant person-to-person (P2P) transactions, offering real-time, cost-effective, and interoperable digital payments to millions of users nationwide<sup>13</sup>. This has significantly enhanced transaction speed and reduced costs for both consumers and businesses.

Complementing this, SBP has accelerated financial inclusion by licensing Electronic Money Institutions (EMIs)<sup>14</sup>, expanding access through Asaan Digital Accounts (ADA)<sup>15</sup>, and authorizing five Digital Retail Banks<sup>16</sup> to innovate in

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<sup>13</sup> Raast processed 496.1 million transactions valued at PKR 11.6 trillion in FY23-24 (<https://www.sbp.org.pk/PS/PDF/FiscalYear-2023-24.pdf>)

<sup>14</sup> <https://www.sbp.org.pk/ps/PDF/List-of-EMIs.pdf>

<sup>15</sup> <https://www.sbp.org.pk/bprd/2022/CL15-Annex.pdf>

<sup>16</sup> <https://www.sbp.org.pk/press/2023/Pr-20-Sep-2023.pdf>

underserved market segments. Merchant acceptance is also growing, supported by initiatives to standardize QR codes<sup>17</sup> and drive interoperability across platforms.<sup>18</sup>

Despite notable advancements, the adoption of digital payments remains uneven across population segments. The usage of mobile wallets in rural populations lags behind urban areas, and interoperability issues continue to hinder growth, as users experience transaction failures due to platform incompatibility. Security concerns like fraud and limited dispute resolution also limit wider adoption.<sup>19</sup> Government-to-person (G2P) and person-to-government (P2G) initiatives, such as Ehsaas and e-Pay Punjab, have played a role in building public trust in digital financial systems. Nevertheless, cash-on-delivery (CoD) remains the dominant mode of e-commerce payment, underscoring persistent gaps in consumer confidence, financial literacy, and trust.

The growing fintech ecosystem presents a strong opportunity to bridge these divides. Startups offering embedded finance, Buy-Now-Pay-Later (BNPL), and escrow-based payments are creating user-centric solutions. However, targeted policy interventions are needed to scale adoption, enhance trust, improve interoperability, and promote inclusive participation, particularly for women, youth, and rural populations.

### 5.2.1. Critical Enablers

The success of a modern logistics and fulfillment ecosystem depends on coordinated progress across four interconnected domains: infrastructure, standardization, returns management, and sustainability. These critical enablers provide the structural foundation for an efficient, inclusive, and resilient e-commerce delivery network.

- (i) **Secure and Interoperable Payment Infrastructure:** A secure, efficient, and interoperable payment system is critical for seamless digital transactions. Continued enhancement of platforms like Raast, expansion of digital payment

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<sup>17</sup> <https://www.sbp.org.pk/disd/2022/CL2-Annex.pdf>

<sup>18</sup> These efforts have been instrumental in driving the growth of digital payments, with retail payments volume increasing by 35% to 6.4 billion and value rising by 35% to PKR 546.6 trillion in FY23-24. (<https://www.sbp.org.pk/PS/PDF/FiscalYear-2023-24.pdf>)

<sup>19</sup> According to the Karandaaz Financial Inclusion Survey 2022, 22% of adults in rural areas reported using mobile wallets, compared to 36% in urban areas; 23% of users cited transaction failures due to platform incompatibility; 54% of respondents expressed concerns over digital transaction security.

acceptance points (such as POS and QR codes), and universal interoperability between banks, wallets, and fintechs are essential to achieving frictionless, low-cost digital commerce at scale.

- (ii) **Financial Inclusion and Access to Capital:** Broadening access to formal financial services for unbanked and underbanked populations, particularly informal online sellers and MSMEs, is crucial. This requires streamlining digital onboarding through simplified e-KYC processes, promoting Asaan Digital Accounts, and enabling access to alternative credit solutions and micro-financing tailored to the needs of digital sellers.
- (iii) **Digital Financial Literacy:** Widespread digital payment adoption depends on increasing the awareness and confidence of consumers and businesses in using digital payment methods and managing online finances. Targeted digital financial literacy programs are needed to address behavioural barriers and reduce the preference for cash.
- (iv) **Cross-Border Payment Enablement:** To unlock export potential for e-commerce, digital payment systems must support low-cost, compliant, and efficient international transactions. Addressing forex limitations, integrating with global payment gateways, and streamlining customs and tax procedures are necessary to enable Pakistani sellers to participate effectively in global marketplaces.

## **5.2.2. Policy Actions**

To advance the objectives outlined under Pillar 2: Payments and Financial Systems, the following policy action are proposed. These measures are designed to strengthen digital payment infrastructure, enhance financial inclusion, improve digital financial literacy, and facilitate cross-border participation in e-commerce.

### **(i) National Payment Interoperability and Acceptance Expansion Initiative**

A coordinated national initiative will be launched to accelerate interoperability across digital payment providers and expand acceptance infrastructure



for micro and small sellers. Building on *Raast* and existing SBP-led frameworks, the initiative will promote the adoption of interoperable QR codes and affordable merchant solutions across both formal and informal commerce segments. Implementation will prioritise high-potential yet under-digitised regions, with a focus on MSMEs, women-led enterprises, and rural markets.

Cost-sharing mechanisms and targeted incentives will be introduced to encourage the adoption of interoperable payment solutions by service providers and merchant aggregators. Led by the State Bank of Pakistan, the initiative will draw on international best practices, including merchant acceptance expansion models from markets such as Indonesia and Ghana, to inform its design and implementation.<sup>20</sup>

## **(ii) Simplified Digital Onboarding and Tiered e-KYC Framework**

To reduce entry barriers and enable broader participation in the digital financial ecosystem, a national framework will be developed to scale and standardise simplified digital onboarding and tiered e-KYC across financial service providers. The framework will promote risk-based KYC models, real-time API integration with NADRA, and interoperability to ensure a seamless and consistent onboarding experience across banks, wallets, and fintech platforms.

Led by the State Bank of Pakistan, the initiative will prioritise underserved segments, particularly women, youth, informal sellers, and rural populations, through mobile-first platforms, agent-assisted onboarding, and inclusive, multilingual user flows. The design will draw on international best practices in regulatory flexibility, account tiering, and last-mile delivery models<sup>21</sup>.

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<sup>20</sup> Indonesia's *QRIS* (Quick Response Code Indonesian Standard), introduced by Bank Indonesia, established a mandatory, unified QR code standard that ensures full interoperability across banks and e-wallets. By streamlining merchant onboarding and reducing reliance on proprietary systems, QRIS has enabled widespread adoption among MSMEs, including in rural and informal sectors. Ghana's Universal QR Code system, implemented by GhIPSS, similarly integrates mobile money and bank payments into a single, national framework. Supported by the Mobile Money Interoperability (MMI) platform and strong regulatory alignment, the model has facilitated broad-based digital payment adoption, particularly among underserved and unbanked populations. These approaches demonstrate the impact of cohesive regulatory mandates, simplified infrastructure, and targeted inclusion strategies in accelerating merchant digitisation and financial participation.

<sup>21</sup> Pakistan has made important progress in enabling digital onboarding through biometric e-KYC and agent banking, with SBP-led frameworks, NADRA integration, and mobile-first solutions implemented by digital banks and EMIs. However, Bangladesh and Nigeria offer valuable lessons in scaling and institutionalising these systems.

### **(iii) Inclusive E-Commerce Financing Enablement Programme**

A dedicated programme will be launched to expand access to working capital and embedded financial services for small digital sellers. The initiative will support fintechs, platforms, and digital banks in developing alternative credit scoring models that leverage transaction histories, platform data, and digital payment records to assess borrower risk more accurately.

The programme will include targeted incentives for first-time borrowers and explore blended finance instruments and credit guarantee schemes to de-risk lending to underserved segments. Implementation will be led jointly by the State Bank of Pakistan and Ministry of IT and Telecommunication, in partnership with digital lenders, credit bureaus, and development partners. International models, such as Tokopedia's MSME finance programmes in Indonesia and marketplace-driven credit solutions in Brazil, will inform the programme's design and rollout.<sup>22</sup>

### **(iv) National Digital Financial Literacy and Trust-Building Campaign**

Building on the State Bank of Pakistan's Financial Education Roadmap<sup>23</sup>, a focused national campaign will be launched to strengthen digital financial literacy and trust in online payments among e-commerce users. The campaign will promote safe use of digital wallets and payment platforms, with emphasis on transaction security, fraud prevention, dispute resolution, and reducing reliance on cash.

Led by the State Bank of Pakistan, in collaboration with the Ministry of IT and Telecommunication, the initiative will complement existing efforts by tailoring content

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Bangladesh's real-time, centralised e-KYC platform is accessible to all licensed providers and supported by a clearly defined, risk-based account tiering structure. Its extensive network of mobile financial service agents, integrated with NGOs and rural institutions, facilitates assisted onboarding at scale. Nigeria's three-tier KYC framework similarly enables progressive account access with varying documentation requirements. Together, these models underscore the importance of regulatory standardisation, inclusive delivery channels, and coordinated infrastructure in driving financial inclusion at scale.

<sup>22</sup> Indonesia's Tokopedia has developed embedded finance solutions for MSMEs by leveraging platform transaction data to assess creditworthiness, enabling access to working capital without traditional collateral or formal credit histories. Similarly, in Brazil, platforms such as Mercado Libre and Nubank have pioneered marketplace-driven lending by using e-commerce and digital payment data to offer tailored credit products to small sellers. These models demonstrate the potential of data-driven, platform-integrated financing solutions to expand credit access for underserved and digitally active entrepreneurs.

<sup>23</sup> National Financial Education Roadmap 2025-29 (<https://www.sbp.org.pk/PFLW/pdf/NFER-DOC.pdf>)

for e-commerce participants, especially women, youth, and rural users, and delivering it in local languages through mobile-first formats. Delivery will be coordinated via *DigiSkills*, *e-Rozgar*, TEVTA, financial institutions, and digital platforms.

The campaign will also raise awareness of emerging financial tools such as Buy-Now-Pay-Later (BNPL), embedded finance, and escrow payments, equipping users to navigate digital commerce safely and confidently.

#### **(v) Cross-Border Digital Payments Facilitation Initiative**

To enhance the participation of Pakistani sellers in global e-commerce, a dedicated initiative will be launched to streamline cross-border digital payment processes and reduce transaction costs for small-value exports. Building on the integration of *Raast* with regional systems such as the Arab Monetary Fund's Buna platform, the initiative will expand digital connectivity with global payment networks and simplify foreign exchange procedures for digital exporters.

Priority actions will include integration with international payment gateways (where possible), pilot testing of cross-border payout mechanisms for SMEs, and simplification of foreign exchange procedures for digital exports. The initiative will also support partnerships with intermediaries that facilitate indirect access to platforms like Alipay+, enabling limited interoperability even where direct market entry (e.g. by PayPal) remains pending.<sup>24</sup>

Implementation will be led jointly by the Ministry of IT and Telecommunication and the State Bank of Pakistan, in coordination with the Ministry of Commerce, FBR, and Pakistan Customs.

#### **(vi) Public Sector Payments for Digital Financial Inclusion**

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<sup>24</sup> While global platforms such as PayPal have yet to formally launch services in Pakistan, access exists via Xoom (a PayPal subsidiary), and local fintechs are advancing cross-border interoperability. Notably, the State Bank of Pakistan has enabled Raast's integration with the Arab Monetary Fund's Buna system for cross-border transactions, and fintechs like NayaPay have partnered with Alipay+ to facilitate QR-based acceptance across 25+ international wallets. These developments demonstrate viable pathways for enhancing international payment connectivity, even in the absence of direct market entry by global players.

Government-to-person (G2P) and person-to-government (P2G) digital payment channels will be leveraged to expand access to financial services and accelerate the adoption of digital payments among underserved populations. Building on existing platforms such as Ehsaas and e-Pay Punjab, the initiative will scale digital disbursement and collection systems to serve as effective entry points into the formal financial ecosystem.

Integration with simplified onboarding and e-KYC frameworks will enable seamless account creation for low-income, rural, and youth users through trusted government touchpoints. The initiative will also broaden the range of public services accessed through digital payments, including taxes, utility bills, and social transfers.

The approach will draw on international models such as Peru’s digital wallet programme, which demonstrates how public-sector payment flows can be leveraged to advance financial inclusion and support transition away from cash.<sup>25</sup>

#### **(vii) Regulatory Innovation Support for Embedded Finance and Open Banking**

To accelerate responsible innovation in digital payments and financial services, the State Bank of Pakistan will expand the application of its Regulatory Sandbox, guided by the 2025 Guidelines<sup>26</sup>. The initiative will enable controlled, time-bound testing of emerging business models, including Buy-Now-Pay-Later (BNPL), escrow-based payments, and platform-integrated credit for MSMEs and informal sellers, within a supervised environment.

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<sup>25</sup> Peru’s digital payments ecosystem has rapidly expanded through the widespread use of mobile wallets such as Yape and Plin, which now serve over half of the adult population. A key driver of this growth has been strong adoption of wallet-based payments, supported by regulatory mandates for interoperability across providers and integration with national ID systems. The central bank’s move to require QR-code interoperability among wallets enabled seamless P2P transfers and drove rapid uptake, especially in low-income and rural communities. While Pakistan has made significant progress with foundational infrastructure like Raast, Peru’s experience illustrates how consumer-facing wallet adoption—combined with interoperability and targeted outreach—can serve as a powerful catalyst for inclusive digital financial participation.

<sup>26</sup> SBP’s Regulatory Sandbox Guidelines (2025) provide a structured framework for testing innovative financial solutions under regulatory oversight. The guidelines enable cohort-based testing by a range of entities—including non-licensed firms—subject to eligibility, risk, and impact criteria. Supported by SBP’s Innovation and Fintech Hub, the sandbox allows experimentation with products that do not yet fall under existing regulations. (<https://www.sbp.org.pk/DFSG/PDF/RegulatorySandboxGuidelines.pdf>)

Participation will be open to startups, EMIs, banks, and other innovators, including non-licensed entities, supported by SBP's Innovation and Fintech Hub. Testing cohorts will operate under predefined safeguards covering consumer protection, data privacy, and risk mitigation. In parallel, the development of open finance protocols will be advanced to support secure data sharing and ecosystem interoperability.

Collectively, these policy interventions aim to strengthen Pakistan's digital payment infrastructure, promote inclusive financial access, and build public trust in digital transactions. By addressing interoperability gaps, simplifying onboarding, expanding access to finance, and supporting responsible innovation, Pillar 2 lays the groundwork for a secure, inclusive, and efficient financial ecosystem that can underpin the sustainable growth of e-commerce across all segments.

### 5.2.3. Expected Outcomes

The proposed policy actions are expected to deliver the following outcomes:

- **Increased adoption of secure, low-cost digital payments** by small businesses, women-led enterprises, and rural sellers through improved interoperability and merchant acceptance infrastructure.
- **Expanded account ownership and financial access** among underserved populations via simplified onboarding and tiered e-KYC frameworks.
- **Greater availability of working capital** for e-commerce sellers through data-driven credit scoring, alternative lending models, and blended finance mechanisms.
- **Improved financial confidence and safety** among users through targeted literacy campaigns focused on digital payments, fraud prevention, and dispute resolution.
- **Strengthened participation in global e-commerce markets** by SMEs through more efficient cross-border digital payment systems and integration with international platforms.

- **Broader use of public-sector payment channels** to drive digital financial inclusion and support the transition from cash to formal financial systems.
- **Enhanced regulatory support for inclusive innovation** through sandbox testing and open finance frameworks focused on MSMEs and informal digital sellers.

### 5.3. Pillar 3: Logistics and Fulfillment Services

**Goal:** *Build an efficient, integrated, and sustainable logistics and fulfillment ecosystem to enable reliable, affordable, and scalable e-commerce growth across domestic and cross-border markets.*

An efficient logistics and fulfillment system is essential for the growth of e-commerce. It ensures that goods are delivered reliably, affordably, and on time, which enhances buyer trust and enables sellers, particularly MSMEs, to expand their market reach and meet consumer expectations. However, Pakistan's logistics ecosystem faces systemic challenges that constrain the full potential of digital commerce, both domestically and internationally.

Last-mile delivery in rural areas remains costly and complex due to dispersed populations, inadequate infrastructure, and limited coverage by service providers. Fragmented warehousing, incomplete address systems, slow customs clearance, and limited shipment tracking further reduce reliability and increase operational costs. Cross-border trade is also hindered by complex documentation, weak integration with global logistics networks, and high airfreight charges. These challenges disproportionately affect women-led and rural MSMEs, many of whom lack access to affordable, end-to-end fulfillment services.

Despite these challenges, Pakistan's logistics sector has evolved in response to rising e-commerce demand. Public and private investments have driven the growth of urban fulfillment centres, enhanced parcel tracking, and introduced initiatives such as the national postal e-Locator. Several third-party logistics (3PL) providers have expanded dedicated e-commerce delivery services, while some digital platforms now offer integrated fulfillment solutions, including warehousing, delivery, and returns management for small businesses.

Nevertheless, major gaps remain. Logistics infrastructure continues to be concentrated in urban centres, contributing to a rural-urban divide in service delivery. Rural sellers and buyers often face longer delivery times, limited coverage, and higher costs. Modern warehousing and fulfillment infrastructure is largely absent in secondary cities and rural districts, limiting the ability of small businesses to store, process, and ship orders efficiently. Unstandardized address systems further complicate deliveries, particularly in informal settlements, where failed or delayed shipments are more common. The uneven adoption of digital tools and tracking technologies across logistics providers also limits transparency, reduces efficiency, and weakens customer trust.

Limited access to affordable reverse logistics restricts sellers' ability to offer returns and exchanges, which are essential components of customer satisfaction in e-commerce. Cold chain logistics for temperature-sensitive goods remain underdeveloped, constraining the growth of sectors such as agri-commerce and pharmaceuticals. Sustainability is an increasing concern, as the transport sector contributes approximately 25 percent of Pakistan's total greenhouse gas emissions. Additionally, many logistics and platform-based gig workers operate without formal protections such as insurance, health coverage, or fair wages, raising concerns about worker safety and welfare.

Addressing these challenges is vital to reducing delivery costs, improving reliability, and enabling broader participation in e-commerce. A modern, inclusive, and sustainable logistics ecosystem is essential not only for commercial growth but also for bridging regional divides and strengthening Pakistan's role in cross-border digital trade.

### **5.3.1. Critical Enablers**

Achieving a modern, efficient, and inclusive logistics and fulfillment ecosystem requires coordinated progress across the following key enablers:

- (i) **Integrated Infrastructure and Inclusive Service Access:** Expanding warehousing, fulfillment centres, and last-mile delivery services beyond major cities is essential to reduce rural-urban delivery gaps and ensure nationwide e-commerce accessibility. The logistics infrastructure must be

designed to meet the needs of small businesses across diverse geographies, enabling affordability, reliability, and scalability.

- (ii) **Address Standardization and Geo-Mapping:** Establishing a unified national address and geo-location framework is necessary to reduce delivery errors, improve tracking, and increase reliability, particularly in informal settlements and underserved regions.
- (iii) **Robust Reverse Logistics Systems:** Developing cost-effective and accessible return logistics infrastructure and policies is important for enhancing customer trust and seller confidence in digital transactions. Enabling platform-neutral return mechanisms and integrating them into broader fulfillment systems will improve efficiency and consumer experience.
- (iv) **Sustainable and Inclusive Logistics Ecosystem:** Promoting low-emission delivery vehicles and eco-friendly packaging is essential to reduce the environmental impact of logistics operations. At the same time, ensuring fair compensation, safety standards, and social protections for gig and platform-based logistics workers is critical to building a resilient and inclusive e-commerce delivery network.

### 5.3.2. Policy Actions

To support the achievement of the critical enablers outlined under Pillar 3, the following policy actions are proposed. These measures are designed to strengthen logistics infrastructure, promote digital transformation, expand affordable fulfillment access, enable scalable returns systems, and embed sustainability and social responsibility into the sector. International best practices have been referenced, where applicable, to inform design and implementation.

#### (i) National Programme for Inclusive E-Commerce Logistics Infrastructure

A National E-Commerce Logistics Infrastructure Expansion Programme will be launched to extend warehousing, fulfillment centres, and last-mile delivery to underserved secondary cities and rural districts with high e-commerce potential. Led by



the Ministry of Communications, in coordination with BoI, Pakistan Post, NLC, and provincial planning departments, the programme will use a data-driven approach to identify investment gaps and prioritise regions with rising digital commerce activity.

To attract private sector participation, the programme will leverage the P3A-led public-private partnership (PPP) model, offering streamlined regulatory facilitation, land access, and blended financing. Infrastructure projects will be encouraged to adopt smart logistics technologies and interoperable systems, allowing integration with e-commerce platforms and MSME networks. To ensure equitable access, the programme will promote inclusive models such as shared fulfillment hubs, modular warehousing, and partnerships with MSME clusters in rural and peri-urban areas.

The programme will support the digital transformation of Pakistan Post, in line with its proposed modernization plan, and encourage the adoption of national fulfillment service standards, including packaging, delivery timelines, parcel tracking, and returns handling, to promote reliability and consumer trust across all providers. It draws inspiration from models such as Indonesia's National Logistics Ecosystem, which integrated public and private systems to boost e-commerce delivery performance.<sup>27</sup>

## **(ii) National Addressing and Geo-Mapping System**

A unified national digital addressing and geo-location system will be developed to improve delivery accuracy, reduce failed shipments, and enhance logistics efficiency. The system will assign unique, verifiable digital addresses, particularly in informal settlements and rural areas, and be made interoperable with private logistics systems, e-commerce platforms, and public services.

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<sup>27</sup> Indonesia's National Logistics Ecosystem (NLE), launched by the Ministry of National Development Planning (BAPPENAS) in 2020, is a government-led initiative to integrate public and private logistics systems through a unified digital platform. It streamlines cargo handling, warehousing, and last-mile delivery by facilitating real-time data exchange, reducing administrative bottlenecks, and enhancing coordination across ports, customs, and logistics providers. The NLE has significantly reduced dwell times and improved delivery reliability, particularly for e-commerce and SMEs operating in remote areas. (<https://mag.wcoomd.org/magazine/wco-news-105-issue-3-2024/national-logistics-ecosystem-indonesia/>).

Led by NADRA, in partnership with MoITT, Pakistan Post, and provincial governments, the initiative will build on existing tools such as Pakistan Post's e-Locator<sup>28</sup> and align with the logistics modernization effort under the P3A-led revamp of Pakistan Post's network. This will enable automated address verification, parcel routing, and geo-mapping integration into logistics workflows.

Public awareness campaigns will promote uptake by consumers and small businesses. *Nigeria's What3Words*<sup>29</sup> postal integration highlights how geolocation tools can enhance logistics precision in address-deficient areas.

### **(iii) National Framework for Reverse Logistics Infrastructure and Returns**

To support a reliable and inclusive e-commerce fulfillment system, a national framework for reverse logistics will be developed to improve the availability, affordability, and interoperability of return logistics infrastructure. Led by the Competition Commission of Pakistan (CCP), in collaboration with the Ministry of Commerce, MoITT, Pakistan Post, and private logistics providers, the initiative will promote operational consistency and market coordination across return flows.

The framework will set minimum service and policy benchmarks for returns handling, such as timelines, verification, tracking, and resolution, and facilitate partnerships for shared return processing hubs and last-mile pickup points, especially in secondary cities and underserved regions. To ensure wider access, the framework will promote platform-neutral standards and encourage logistics providers to extend reverse logistics services to MSMEs at equitable rates. Interoperability and digital tracking for returns will also be promoted through integration with fulfillment systems.

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<sup>28</sup> Pakistan Post's e-Locator service allows users to generate standardized digital addresses based on geographic coordinates. This initiative provides a foundational framework for improving delivery accuracy, especially in unstructured areas.

<sup>29</sup> Nigeria's postal service integrated the What3Words digital addressing system to improve last-mile delivery in areas lacking formal address structures. This innovation helped reduce delivery failures and expand logistics coverage in informal and rural areas. (<https://what3words.com/packages.pairings.shield>)

This initiative draws from international models that show how coordinated, market-led reverse logistics networks can improve efficiency, reduce return-related losses, and enhance consumer satisfaction<sup>30</sup>.

#### **(iv) Green Logistics and Decent Work Enablement Programme**

To support sustainable and inclusive growth of the e-commerce logistics sector, a Green Logistics and Decent Work Enablement Programme will be launched. Led by the Ministry of Climate Change, in coordination with the Ministry of Communications, Ministry of Labour and Manpower, Ministry of IT and Telecommunication, and logistics industry associations, the initiative will advance environmentally responsible delivery practices while strengthening protections for logistics workers.

The programme will encourage the transition to low-emission delivery solutions, including electric vehicles, sustainable packaging, and route optimisation technologies. Policy measures such as concessional financing, green procurement preferences, and voluntary sustainability standards will be explored to promote private sector adoption. Simultaneously, the initiative will implement fundamental labour protections for platform-based and gig workers including safety training, accident insurance, and fair compensation schemes.

#### **5.3.3. Expected Outcomes**

The proposed policy actions under Pillar 3 are expected to deliver the following outcomes:

- **Expanded logistics coverage** through increased availability of warehousing, fulfillment centres, and last-mile delivery services in underserved secondary cities and rural districts.

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<sup>30</sup> In the United Kingdom, a mature e-commerce return system has developed through partnerships among major retailers, third-party logistics providers (3PLs), and the Royal Mail. Services include nationwide parcel return drop-off points at local shops, standardized pre-paid return labels included with purchases, and robust digital tracking of returned items, a service-led model that supports consumer confidence and efficient reverse logistics through private-sector cooperation.

- **Greater affordability and inclusivity** in fulfillment services for MSMEs through shared infrastructure models and improved integration with e-commerce platforms.
- **Enhanced delivery accuracy** and reduced shipment failures resulting from the implementation of a unified national digital addressing and geo-mapping system.
- **Improved interoperability and efficiency** of reverse logistics networks through standardized service benchmarks and platform-neutral returns infrastructure.
- **Increased consumer trust** and reduced return-related friction via consistent return timelines, verification, and tracking systems integrated into fulfillment operations.
- **Wider adoption of environmentally sustainable logistics** practices, including electric vehicles, sustainable packaging, and route optimization technologies.
- **Strengthened social protection** for logistics workers through safety training, insurance schemes, and fair compensation frameworks for gig and platform-based personnel.

Collectively, these policy actions are expected to lead to improved overall logistics performance and reliability in alignment with global e-commerce standards and digital trade ecosystems.

#### 5.4. **Pillar 4: Consumer Protection and Trust**

**Goal:** *Strengthen consumer confidence and safety in digital commerce by promoting transparency, ensuring fair and timely dispute resolution, protecting personal data, and enforcing consumer rights consistently across platforms.*

A trusted digital commerce environment is essential for the sustainable growth of Pakistan's e-commerce sector. In an ecosystem where transactions are often remote and products intangible until delivery, user confidence in secure payments, reliable delivery, and credible return mechanisms is critical for encouraging repeat purchases and expanding digital participation. For consumers, trust is built through clear information, consistent service standards, and accessible redress options. For

sellers, particularly MSMEs, predictable rules and platform accountability are vital to reduce disputes and support responsible growth.

Consumer protection in Pakistan's digital commerce has seen progress over the past five years, supported by regulatory reforms and institutional initiatives. The E-Commerce Policy Framework (2019) laid the groundwork for integrating consumer protection into Pakistan's digital commerce landscape by emphasizing legal harmonization, platform accountability, and accessible grievance redress mechanisms. Other efforts, such as the expansion of online complaint systems by the Competition Commission of Pakistan (CCP) and greater coordination between federal and provincial consumer protection bodies, have further contributed to developing minimum standards around returns, refunds, product disclosures, and seller transparency.

Despite these developments, systemic gaps persist. Regulatory responsibilities remain fragmented across jurisdictions, resulting in inconsistent enforcement and limited dispute resolution capacity. A significant proportion of consumer complaints remain unresolved beyond mandated timelines due to overlapping mandates and the absence of clear accountability mechanisms between platforms and regulators. Many users, especially in rural and peri-urban areas, lack awareness of their rights and available grievance channels, often facing vague refund policies and inconsistent seller responses. The prevalence of counterfeit products, misleading advertisements, and weak data privacy standards continues to undermine trust.

Digital risks are increasing, and while the Prevention of Electronic Crimes Act (PECA) addresses fraud, data protection, and platform responsibility, enforcement in e-commerce is weak. Many platforms lack clear refund policies, and there are no rules for emerging risks like algorithmic manipulation or AI deception. This systemic trust deficit disproportionately affects first-time users, rural populations, and vulnerable segments, constraining their ability to benefit from digital commerce.

Advancing this vision will require targeted interventions that strengthen the foundational elements of consumer protection in digital commerce, including regulatory clarity, institutional capacity, user empowerment, and cross-platform accountability.

Pillar 4 seeks to institutionalise trust through proactive regulation, credible enforcement, digital literacy, and coordinated mechanisms that protect both buyers and sellers. This will support responsible innovation, level the playing field for ethical businesses, and foster a safe and transparent digital marketplace for all.

#### **5.4.1. Critical Enablers**

Achieving a trusted, inclusive, and user-centric digital commerce environment requires coordinated progress across the following critical enablers.

- (i) **Modernised Legal and Regulatory Framework:** A comprehensive and technology-responsive legal framework is essential to define consumer rights, platform obligations, and regulatory jurisdiction in digital commerce. This includes harmonising federal and provincial laws, closing gaps in e-commerce-specific provisions, and introducing enforceable standards for dispute resolution, data privacy, and platform conduct.
- (ii) **Integrated and Interoperable Grievance Redress System:** A unified digital redressal infrastructure, interlinked across platforms, regulators, and consumer protection bodies, is critical to ensuring timely, transparent, and accountable complaint resolution. The system should support real-time complaint tracking, automated referrals, and institutional coordination across jurisdictions.
- (iii) **Strengthened Data Protection and Cybersecurity Governance:** Robust regulatory mechanisms are required to protect consumer data, prevent unauthorised use, and ensure secure digital transactions. This entails implementing globally aligned data protection principles, establishing platform-level security obligations, and enhancing institutional capacity to respond to breaches and emerging cyber threats.

- (iv) **Active Oversight of Digital Fraud and Deceptive Practices:** A proactive surveillance and enforcement mechanism is necessary to address growing risks such as counterfeit listings, false advertising, algorithmic bias, and AI-generated scams. Regulatory agencies must be equipped to use digital forensics and AI tools to monitor platforms, investigate violations, and impose timely penalties.
- (v) **Transparent and Standardised Platform Policies:** Uniform requirements for product disclosures, pricing breakdowns, refund and return policies, estimated delivery times, and redress procedures should be mandated across e-commerce platforms. Clear platform accountability and fair algorithmic practices will reduce disputes, prevent exploitation, and enhance consumer confidence.

#### **5.4.2. Policy Actions**

To strengthen consumer protection and trust in Pakistan's digital commerce ecosystem, the following policy actions are proposed. These measures aim to modernise legal frameworks, improve enforcement, empower users, and ensure platform accountability through coordinated institutional reform and technology-driven solutions.

##### **(i) National E-Commerce Consumer Protection Framework**

To establish a future-ready legal foundation for consumer trust in digital commerce, a National E-Commerce Consumer Protection Framework will be introduced. Led by the Competition Commission of Pakistan (CCP), in coordination with the Ministry of Law and Justice, Ministry of Commerce, and provincial consumer protection councils, this framework will modernise existing consumer protection laws to address the specific risks and dynamics of online trade.

It will define enforceable rights for digital consumers like clear entitlements around returns, refunds, and dispute resolution, and establish platform and seller responsibilities, including liability for counterfeit goods, misleading advertisements, and failure to fulfill commitments.

Accompanying this framework, simplified public-facing guidance will be developed to educate consumers – particularly rural and first-time users – on their rights and redress options in digital commerce.

To ensure legal coherence, the framework will integrate relevant provisions from the Prevention of Electronic Crimes Act (PECA), the forthcoming Personal Data Protection Bill, and existing trade-related regulations governing cross-border e-commerce. Mechanisms for addressing cross-border consumer complaints will also be included to support international e-commerce participation. Accompanying this framework, simplified public-facing guidance will be developed to educate consumers on their rights and redress options in digital commerce.

The framework draws on international models such as Chile’s digital consumer law reforms to inform its design and implementation.<sup>31</sup>

## **(ii) National Digital Grievance Redress System**

To ensure timely, transparent, and accessible dispute resolution in digital commerce, a National Digital Grievance Redress System will be established. Led by the Ministry of Information Technology and Telecommunication, in collaboration with the CCP, FIA, and provincial consumer protection agencies, this system will centralise the handling of e-commerce complaints through a unified, user-friendly digital platform.

The platform will allow consumers to lodge, track, and escalate complaints related to product misrepresentation, delivery delays, data misuse, non-fulfilment, or refund disputes. It will include multilingual support, a clear escalation matrix, and standardised service-level agreements, including a 72-hour initial response time to ensure timely redress. The system will be interoperable with regulators, financial institutions, and platforms, to facilitate coordinated and enforceable resolution. A dedicated outreach campaign will be launched in parallel to raise awareness about the

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<sup>31</sup> Chile’s 2021 digital consumer protection reforms amended the country’s Consumer Protection Law to explicitly cover online transactions. The updated framework introduced enforceable consumer rights for digital purchases, platform liability for misleading practices, mandatory transparency in refund and redress procedures, and specific rules for e-commerce advertising. It provides a scalable model for developing countries seeking to modernize consumer law in response to digital market growth.



grievance process, with special emphasis on reaching digitally underserved users through local languages and accessible media formats.

Drawing on international best practices from South Africa's National Consumer Commission, the system will also generate real-time analytics to spot recurring problems and support regulatory interventions.<sup>32</sup>

### **(iii) E-Commerce Platform Compliance Code**

A mandatory code of conduct will be introduced for all e-commerce platforms operating in Pakistan. Developed by the CCP in consultation with the Ministry of Commerce and e-commerce industry associations, the code will establish enforceable standards for platform accountability. These will include requirements for transparent seller verification, timely redress of complaints, clear refund and return timelines, delisting mechanisms for counterfeit products, and the disclosure of algorithms used in search and recommendations.

The code will also mandate that platforms display consumer protection policies, including rights, return procedures, and complaint channels, prominently in user-friendly formats and local languages. This will ensure that consumers are equipped with the information they need to make informed decisions and assert their rights.

This policy action draws on international experience, including models from Indonesia and the European Union, where hybrid approaches combining platform self-regulation with enforceable consumer protection standards have been used to promote accountability and enhance trust in digital marketplaces.<sup>33</sup>

### **(iv) Strengthening Cybersecurity and Data Protection for E-Commerce Users**

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<sup>32</sup> South Africa's National Consumer Commission (NCC) operates under the Consumer Protection Act (2008) and provides a centralized mechanism for handling consumer complaints, including those related to e-commerce. The NCC offers an accessible online portal for lodging complaints, sets clear timelines for responses, and facilitates referrals to accredited dispute resolution bodies when necessary. Its approach to coordination among regulators and enforcement agencies offers a relevant model for Pakistan to build digital redress infrastructure.

<sup>33</sup> Indonesia's Ministry of Trade [Regulation No. 50/2020](#) mandates e-commerce platforms to verify seller identities, disclose terms of sale, and take down counterfeit goods upon notification, while promoting voluntary industry codes. The [European Union's Digital Services Act \(2022\)](#) introduces binding obligations on online platforms for transparency in algorithmic decision-making, consumer redress, and removal of illegal content, while encouraging co-regulatory frameworks to complement enforcement.

To enhance user confidence in digital transactions, targeted measures will be introduced to improve data protection and cybersecurity standards within the e-commerce ecosystem. Led by the Ministry of IT and Telecommunication, in coordination with the National Cyber Crime Wing of FIA, CCP, and the forthcoming Data Protection Authority, this initiative will aim to safeguard consumer information, mitigate digital fraud, and promote secure platform practices.

The action will include implementation of e-commerce-specific data handling protocols, mandatory data privacy disclosures, and minimum cybersecurity compliance standards for platforms handling sensitive customer information. Consumer-facing digital platforms will be required to adopt secure authentication mechanisms, inform users of data usage practices, and promptly report breaches. Awareness campaigns will be conducted to educate consumers on safe online practices, fraud prevention, and identity protection.

This policy action draws on international models such as Brazil's General Data Protection Law (LGPD), which integrates e-commerce into broader data governance frameworks to enhance consumer rights and corporate accountability in digital markets.<sup>34</sup>

Collectively, the alignment of legal, institutional, and technological reforms, aims to reduce systemic risks, strengthen platform responsibility, and expand consumer safeguards in Pakistan's e-commerce ecosystem.

### 5.4.3. Expected Outcomes

The proposed policy actions are expected to deliver the following outcomes:

- **Clear legal protection for digital consumers** through enforceable rights, standardised return and refund protocols, and harmonised jurisdictional frameworks that align with the unique risks of e-commerce.

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<sup>34</sup> [Brazil's General Data Protection Law](#) (Lei Geral de Proteção de Dados Pessoais – LGPD), enacted in 2020, establishes comprehensive data protection rules across sectors, including e-commerce. It mandates transparent data usage policies, consumer consent, and robust accountability mechanisms for digital platforms. The law is enforced by the National Data Protection Authority (ANPD), which works with sectoral regulators to ensure compliance in digital marketplaces.

- **Faster and more transparent dispute resolution** via a centralised grievance redress system that improves user access, tracks complaints across regulators, and ensures timely and accountable outcomes.
- **Greater platform accountability and integrity** through mandatory compliance standards on seller verification, algorithmic transparency, and counterfeit delisting, improving trust in digital marketplaces.
- **Stronger cybersecurity and data protection safeguards** for consumers, with minimum platform security requirements, breach notification protocols, and enhanced enforcement capacity to prevent misuse of personal information.
- **Reduced incidence of online fraud and deceptive practices**, enabled by proactive monitoring mechanisms, coordinated enforcement, and integration of AI tools to detect violations and improve regulatory responsiveness.
- **Improved consumer awareness and digital literacy**, especially among first-time, rural, and vulnerable users, through multilingual guidance and public-facing campaigns embedded across policy actions.

Together, these outcomes will foster a safer, more transparent, and inclusive e-commerce environment, driving greater user participation, repeat transactions, and sustainable digital market growth.

## 5.5. Pillar 5: Integration into Global e-Commerce Ecosystems

***Goal:** Facilitate the seamless integration of Pakistani businesses into global e-commerce ecosystems, expanding digital export opportunities and enhancing the country's competitiveness in international trade.*

Global e-commerce is reshaping international trade by reducing entry barriers and enabling businesses, particularly MSMEs, to reach consumers across borders without the need for extensive export infrastructure. For Pakistan, cross-border e-commerce represents a significant opportunity to diversify exports, integrate into global digital value chains, and empower micro and small exporters to access international markets in a cost-effective and scalable manner.

This pillar focuses on enhancing Pakistan's readiness for cross-border e-commerce by streamlining export and import procedures, strengthening trade facilitation infrastructure, and aligning domestic regulations with international digital trade standards. It also aims to build the institutional, logistical, and technological capacity needed for competitive participation in the global digital economy.

Pakistan has made initial progress in this domain. The State Bank of Pakistan's regulatory framework for B2C e-commerce exports, introduced in 2021, allows small-value shipments of up to USD 5,000 per consignment with simplified documentation requirements, enabling MSMEs to initiate cross-border sales without undergoing the traditional export regime<sup>35</sup>. S.R.O. 14(I)/2021 introduced procedural clarity for the import and export of e-commerce goods, including courier registration and streamlined digital clearance through the WeBOC system.<sup>36</sup> Other developments include pilot logistics programs by Pakistan Post, efforts to digitize customs and export documentation, and early-stage public-private dialogue on integrating Pakistan into emerging digital trade agreements and frameworks and de minimis provisions introduced in the 2020 Customs Rules to enable clearance of low-value imports (up to PKR 5,000 current Finance Bill proposes PKR 500) via courier and postal services<sup>37</sup>.

Despite these steps, cross-border e-commerce participation remains limited. Challenges include complex export documentation, limited interoperability with international payment systems, high shipping costs, and logistics constraints that disproportionately affect MSMEs operating outside major urban centres. These regulatory and procedural gaps inhibit the speed, cost-efficiency, and scalability required for global e-commerce competitiveness.

To unlock Pakistan's digital export potential, a coordinated and future-ready policy approach is needed. This includes simplifying digital export compliance, improving last-mile and cross-border logistics, strengthening digital trust and payment systems, and negotiating digital trade provisions within bilateral and multilateral

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<sup>35</sup> <https://www.sbp.org.pk/epd/2020/FEC7.htm>

<sup>36</sup> [https://www.commerce.gov.pk/wp-content/uploads/2021/03/SRO14-2021\\_opt.pdf](https://www.commerce.gov.pk/wp-content/uploads/2021/03/SRO14-2021_opt.pdf)

<sup>37</sup> [http://www.pcp.gov.pk/SiteImage/Downloads/6047\(20\)Ex%20Gaz-II%20.pdf](http://www.pcp.gov.pk/SiteImage/Downloads/6047(20)Ex%20Gaz-II%20.pdf)

frameworks. With targeted reforms, Pakistan can enable its MSMEs to become active and competitive players in global e-commerce market, estimated to exceed USD 7 trillion by 2030.

#### **5.5.1. Critical Enablers**

Achieving seamless and competitive integration into global e-commerce ecosystems will require coordinated progress across the following critical enablers:

- (i) **Streamlined Digital Trade Facilitation:** Simplifying and digitising cross-border trade procedures, including customs clearance, documentation, and regulatory compliance, is essential to reduce transaction costs, improve turnaround times, and support low-value, high-frequency B2C shipments. The development of a dedicated export facilitation framework will help operationalise these reforms for e-commerce exporters.
- (i) **Export-Oriented Logistics Infrastructure:** Dedicated investments in parcel-level logistics systems, including consolidation hubs, express lanes, and export-focused fulfillment solutions, are needed to complement domestic logistics reforms under Pillar 3. Trade-specific enhancements such as international tracking, returns handling, and cold chain facilities will improve delivery reliability and enable broader MSME participation in global markets.
- (ii) **Interoperable and Inclusive Cross-Border Payment Systems:** Strengthening integration with international digital payment networks and improving remittance workflows will enable secure, affordable, and timely financial transactions. Tailored facilitation measures and regulatory innovation will be critical to ensure access for small-value exporters.
- (iii) **International Market Access and Regulatory Alignment:** Expanding Pakistan's digital trade footprint through bilateral and multilateral cooperation frameworks is essential to reduce market entry barriers, align technical standards, and improve platform interoperability. Structured engagement with trade partners and cross-border service providers will be key to enabling frictionless e-commerce exports.

- (iv) **MSME Export Readiness and Platform Enablement:** Equipping MSMEs with the knowledge, tools, and support to succeed in international e-commerce requires coordinated efforts in training, platform onboarding, and market-specific compliance. Targeted support for women-led, youth-led, and rural enterprises will help ensure inclusive participation in digital export growth.

### 5.5.2. Policy Actions

To unlock Pakistan's digital export potential and enable MSMEs to compete effectively in global e-commerce markets, the following policy actions are proposed. These measures aim to streamline trade procedures, improve logistics and payment systems, align with international standards, and provide targeted support for small exporters.

#### (i) National E-Commerce Export Facilitation Framework

To streamline digital export procedures and promote MSME participation in global e-commerce, a dedicated facilitation framework for low-value B2C export shipments will be introduced. Led by the Ministry of Commerce, in collaboration with the FBR, SBP, and PSW, the framework will focus on simplifying documentation, digitising export workflows, and reducing processing times for small consignments.

Building on the existing regulatory framework, which permits exports of up to USD 5,000 per consignment with simplified documentation, this initiative will review current processes to identify further facilitation measures in consultation with exporters, logistics providers, and financial institutions. It will aim to operationalise de minimis export thresholds, clarify risk-based inspection criteria, and ensure seamless integration with the PSW system to support paperless clearance and automated approvals for low-risk shipments.

By aligning trade facilitation measures with global best practices<sup>38</sup> and focusing on the specific needs of micro and small exporters, the framework will reduce

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<sup>38</sup> South Korea's cross-border e-commerce export facilitation model offers a notable international benchmark. Through an integrated fast-track system, micro and small exporters can dispatch low-value consignments via Korea

compliance burdens, improve delivery reliability, and enable faster market entry for Pakistani sellers on international e-commerce platforms.

## **(ii) E-Commerce Export Logistics Enablement Programme**

To strengthen trade-specific logistics infrastructure for cross-border e-commerce, a targeted programme will be launched to improve export processing, tracking, and fulfillment for small parcels. Led by the Ministry of Commerce, in collaboration with Pakistan Post, NLC, PSW, and private logistics providers, the initiative will focus on establishing export consolidation hubs, dedicated e-commerce lanes, and improved last-mile delivery options.

Building on the broader domestic logistics reforms under **Pillar 3**, this programme will address export-specific needs such as parcel-level tracking, returns handling, and logistics for high-potential sectors. Pilot interventions will extend services to secondary cities to support nationwide MSME participation in international e-commerce. This policy action draws on international models<sup>39</sup> where governments have introduced dedicated e-commerce export corridors and partnered with logistics providers to improve fulfillment speed, tracking, and scalability for digital exporters.

## **(iii) Cross-Border Digital Payment Integration Framework**

To enable seamless and secure international transactions for e-commerce exporters, a dedicated framework will be introduced to strengthen Pakistan's integration with global digital payment systems. Led by the State Bank of Pakistan, in collaboration with MoITT, MoC, and PSW, this initiative will streamline cross-border remittance procedures and expand access to trusted international payment gateways.

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Post with minimal documentation, bypassing conventional customs procedures. The system enables digital declaration, logistics coordination, and customs clearance through a single window, significantly reducing time and compliance burdens. Unlike Pakistan's current framework, which focuses primarily on foreign exchange procedures, South Korea's model delivers an end-to-end facilitation experience by tightly integrating customs, logistics, and trade financing for MSMEs.

<sup>39</sup> [Thailand's Digital Logistics Framework](#), led by the Ministry of Commerce and the Thailand Post, introduced dedicated e-commerce export lanes, regional fulfilment centres, and integrated parcel tracking systems to support MSME participation in cross-border trade. The initiative also facilitated digital integration with customs and international marketplaces, improving delivery speed, reliability, and export readiness for small online sellers.

The framework will involve a review of existing foreign exchange regulations and the Regulatory Framework to Facilitate B2C e-Commerce Exports to identify procedural gaps and introduce facilitation measures for small-value, high-frequency e-commerce payments. Regulatory sandbox pilots and public-private partnerships will be leveraged to test interoperable payment solutions, reduce onboarding frictions, and ensure compliance with anti-money laundering and data security standards.

Complementary efforts will be undertaken to support MSMEs in adopting global payment tools through capacity-building programs, simplified onboarding processes, and enhanced visibility into transaction costs and settlement timelines. Emphasis will be placed on expanding collaboration between domestic payment service providers and international networks to improve coverage, reliability, and affordability.

This policy action draws on international best practices where central banks have modernised regulations to expand digital payment access and enable integration with global payment platforms.<sup>40</sup>

#### **(iv) Bilateral E-Commerce Integration Frameworks with Trade Partners**

To expand global market access for Pakistani e-commerce sellers, bilateral e-commerce cooperation frameworks will be developed with priority trade partners. These frameworks will focus on reducing frictions for small-value digital exports by promoting regulatory alignment, streamlining customs processes, and facilitating access to international platforms and payment systems.

Led by the Ministry of Commerce, in coordination with MoITT, SBP, FBR, PSW, and TDAP, these agreements will be pursued through e-commerce chapters in trade agreements or standalone digital cooperation MoUs. Priority will be given to high-potential markets in the GCC, ASEAN, and Africa, where diaspora demand and digital adoption are rising.

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<sup>40</sup> In Egypt, the Central Bank undertook a series of [regulatory reforms between 2019 and 2022](#) to support digital payments and cross-border e-commerce. These included the launch of a regulatory sandbox for fintech pilots, streamlined licensing for payment providers, and frameworks for interoperability with international payment platforms. These reforms significantly improved digital financial inclusion and supported SME participation in e-commerce exports.



Areas of collaboration may include mutual recognition of digital trade standards, simplified documentation for low-value consignments, secure digital payments integration, and improved interoperability of platform and logistics systems. Opportunities for structured engagement with global marketplaces and cross-border service providers will also be explored.

This initiative builds on international models that embed digital trade facilitation and e-commerce enablement within bilateral trade cooperation frameworks.<sup>41</sup>

#### **(v) National MSME E-Commerce Export Enablement Programme**

To build the capacity of micro, small, and medium enterprises (MSMEs) for global digital trade, a comprehensive national programme will be launched to support export readiness and improve access to international e-commerce marketplaces. Led by the Trade Development Authority of Pakistan, in coordination with SMEDA, MoITT, MoC, and private sector partners, this initiative will provide integrated support across training, platform onboarding, and market expansion.

The programme will deliver targeted training on cross-border e-commerce compliance, global digital marketing, intellectual property protection, and fulfillment logistics. Advisory services and digital toolkits will be provided to help MSMEs align with platform-specific requirements and destination market regulations. Parallel efforts will support onboarding to leading global marketplaces through strategic partnerships, technical assistance, and cost-sharing incentives. Emphasis will be placed on enabling participation of women-led, youth-led, and rural enterprises, including through mobile-first and vernacular content delivery.

This initiative draws on international models<sup>42</sup> where export development agencies have successfully bundled technical training, financial incentives, and platform

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<sup>41</sup> [Singapore's Digital Economy Agreements \(DEAs\)](#), including those with Australia, the UK, and South Korea, provide an example of bilateral digital trade integration. These agreements incorporate provisions for paperless trade, e-invoicing interoperability, digital identity mutual recognition, and regulatory cooperation to streamline cross-border e-commerce and digital services.

<sup>42</sup> Malaysia's eTRADE Programme, implemented by the Malaysia External Trade Development Corporation (MATRADE), provides an integrated model of e-commerce export readiness. It offers financial assistance for

onboarding into a single, demand-driven programme to accelerate MSME integration into global digital markets. It will complement skills-building efforts under Pillar 1 and financial access measures under Pillar 2, ensuring a coherent export enablement pathway for small sellers. Public-private partnerships with platforms, payment providers, and logistics firms will be leveraged to provide hands-on support and reduce costs for exporters entering new markets.

Collectively, the proposed policy actions under Pillar 5 are expected to unlock Pakistan's e-commerce export potential by streamlining digital trade procedures, enhancing access to cross-border payment and logistics systems, and equipping MSMEs to compete effectively in international markets. Through coordinated institutional reforms and strategic international engagement, these interventions will strengthen Pakistan's integration into the global digital economy, increase export participation by small businesses, and position the country to benefit from emerging digital trade opportunities.

### 5.5.3. Expected Outcomes

The policy actions under Pillar 5 are expected to deliver the following outcomes:

- **Simplified and streamlined export procedures** for low-value e-commerce shipments, enabled by digitised documentation, paperless clearance, and operationalised de minimis thresholds, reducing time and compliance burdens for MSMEs.
- **Improved logistics performance for cross-border e-commerce** through dedicated export lanes, parcel-level tracking, and fulfilment infrastructure tailored to small exporters, enhancing reliability and speed of international deliveries.

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onboarding on platforms such as Amazon and Alibaba, tailored training on international e-commerce logistics and compliance, and support for digital marketing and product localization. The programme has been instrumental in helping Malaysian MSMEs expand their global digital footprint through a combination of capacity-building and market facilitation tools.

- **Greater access to international digital payment systems** through regulatory reforms, sandbox pilots, and expanded partnerships with global networks, improving transaction efficiency, affordability, and financial inclusion for digital exporters.
- **Expanded market access for Pakistani e-commerce sellers** via bilateral cooperation frameworks that reduce trade frictions, promote regulatory alignment, and facilitate engagement with global platforms and payment systems.
- **Enhanced MSME export readiness and competitiveness**, supported by tailored training, technical assistance, and onboarding incentives, enabling a wider and more diverse base of sellers, including women-led and rural enterprises, to succeed in global digital markets.

Together, these outcomes will unlock Pakistan's e-commerce export potential by enabling micro and small enterprises to participate competitively in the global digital economy, contributing to export diversification, inclusive growth, and stronger international trade integration.

## 6. **Implementation Mechanism**

Effective delivery of E-Commerce Policy 2025 will require institutional coordination, performance-driven planning, transparent monitoring, and inclusive stakeholder engagement. The following structure outlines how implementation will be governed, phased, and evaluated.

### 6.1. **Governance and Institutional Structure**

The implementation of E-Commerce Policy 2025 will be anchored in a tiered and agile institutional architecture designed to ensure whole-of-government coordination, technical coherence, and structured private sector engagement.

#### 6.1.1. **National e-Commerce Council (NeCC)**

The NeCC, chaired by the Minister of Commerce, will serve as the apex policy coordination and oversight body. It will provide high-level strategic guidance, ensure

inter-agency and federal-provincial coordination, and monitor cross-pillar implementation. Membership will include senior representatives from relevant ministries, provincial departments, regulators, development partners, and key industry associations.

The NeCC will:

- Approve annual implementation work plans;
- Review progress on KPIs and delivery milestones;
- Resolve inter-agency bottlenecks and implementation challenges;
- Endorse mid-course policy adaptations, if needed.

The Council will convene twice a year, with additional sessions as required.

#### **6.1.2. E-Commerce Secretariat (ECS)**

The E-Commerce Secretariat (ECS), housed within the Ministry of Commerce, will serve as the central implementation and coordination body for the Policy. It will act as the Secretariat to the NeCC and provide day-to-day oversight of policy execution across all five pillars.

The ECS will be responsible for:

- Coordinating with implementing agencies and Thematic Working Groups (TWGs) to ensure timely and coherent execution of policy actions;
- Developing and consolidating annual work plans and progress reports for NeCC approval;
- Facilitating evidence-based decision-making through data analytics, policy briefs, and implementation reviews;
- Serving as the primary interface for provincial stakeholders, development partners, and private sector representatives.

The ECS will maintain a dedicated team and may be supported by partner agencies and external experts as needed.

### **6.1.3. Pillar Working Groups (PWGs)**

Dedicated Thematic Working Groups (TWGs) will be established for each of the five policy pillars to drive coordinated implementation. Operating under the strategic oversight of the NeCC and supported by the E-Commerce Secretariat, each TWG will be led by the designated implementing ministry or agency and include relevant federal, provincial, regulatory, technical, and private sector stakeholders.

Core responsibilities will include:

- Developing annual implementation plans aligned with NeCC-approved targets;
- Coordinating timely execution of policy actions across stakeholders;
- Submitting biannual progress updates to the Secretariat;
- Flagging bottlenecks and recommending course corrections;
- Facilitating structured stakeholder engagement and public-private dialogue.

TWGs will convene at least quarterly and may form sub-groups to address cross-cutting or technically complex issues as needed.

### **6.1.4. Provincial Coordination Mechanisms**

Effective implementation of E-Commerce Policy 2025 requires close coordination with provincial authorities across devolved domains such as taxation, consumer protection, and SME support.

The E-Commerce Councils already notified by the provincial governments will be the focal point to liaise with the E-Commerce Secretariat and participate in the NeCC and Thematic Working Groups. These focal points will ensure alignment of provincial initiatives with national priorities, facilitate data sharing, and coordinate joint planning. Joint work plans will be developed to address region-specific needs, harmonise regulatory frameworks, and enable targeted capacity-building and infrastructure support.

### **6.1.5. Private Sector and Platform Engagement**

Structured engagement with private sector actors like e-commerce platforms, logistics firms, fintechs, and MSME networks, will be institutionalised to ensure policy actions remain market-responsive and inclusive. The E-Commerce Secretariat will coordinate regular consultations, feedback loops, and working sessions with key industry stakeholders, while Thematic Working Groups will engage sector-specific partners during implementation.

It will be ensured that private sector insights inform design, delivery, and continuous refinement of interventions, and strengthen trust and alignment between public policy and digital commerce actors.

## **6.2. Implementation Timeline (Pillar-Wise)**

Following is the implementation roadmap, organized into short-, medium-, and long-term priorities for each policy pillar:

### **6.2.1. Pillar 1: Digital Onboarding and Participation**

- **Short Term (Year 1):** Launch Unified National Onboarding Portal; initiate regulatory simplification review; establish e-commerce facilitation desks across major cities.
- **Medium Term (Years 2-3):** Scale inclusive onboarding campaigns targeting women and rural entrepreneurs; expand walk-in support centres and vernacular digital literacy programs; mandate data disaggregation by gender and location.
- **Long Term (Years 4-5):** Evaluate incentives for formalisation; integrate onboarding systems with provincial registries; institutionalise public-private partnerships for MSME outreach.

### **6.2.2. Pillar 2: Payments and Financial Systems**

- **Short Term (Year 1):** Implement Payment Interoperability and Security Trust Frameworks; launch Regulatory Sandbox 2.0 for digital commerce payment innovations.

- **Medium Term (Years 2-3):** Expand rural agent networks and offline payment tools; enhance access to embedded finance for small sellers; roll out incentives to reduce reliance on cash-on-delivery (COD).
- **Long Term (Years 4-5):** Integrate digital credit scoring mechanisms into MSME finance systems; conduct platform trust audits; develop future-ready policies for next-generation payment ecosystems.

### 6.2.3. Pillar 3: Logistics and Fulfillment Services

- **Short Term (Year 1):** Roll out national fulfillment infrastructure programme; launch address geo-mapping initiatives; publish logistics workforce safety guidelines.
- **Medium Term (Years 2-3):** Scale reverse logistics systems and dedicated e-commerce logistics hubs; pilot green logistics technologies; promote cold chain adoption.
- **Long Term (Years 4-5):** Consolidate climate-resilient logistics infrastructure; enable real-time logistics data exchange; enforce implementation of a national addressing standard.

### 6.2.4. Pillar 4: Consumer Protection and Trust

- **Short Term (Year 1):** Launch Unified Digital Grievance Redress Platform; issue Platform Compliance Code; establish AI-enabled fraud detection task force.
- **Medium Term (Years 2-3):** Introduce sector-specific data protection protocols; expand consumer outreach in underserved areas; conduct platform algorithm audits.
- **Long Term (Years 4-5):** Align national trust frameworks with global standards; scale digital consumer education campaigns; integrate platform performance dashboards.

### 6.2.5. Pillar 5: Integration into Global E-Commerce Ecosystems

- **Short Term (Year 1):** Digitise B2C export workflows through PSW; launch MSME Export Readiness Programme; establish national IP Assistance Desk for digital exporters.
- **Medium Term (Years 2-3):** Operationalise the Global Marketplace Access Facility; negotiate digital trade cooperation frameworks; scale pilot e-commerce export logistics corridors.
- **Long Term (Years 4-5):** Institutionalise bilateral digital trade agreements; expand public-private co-financing for global onboarding; align export frameworks with emerging WTO norms.

These timelines will be operationalised through annual pillar-specific work plans, prepared by the Thematic Working Groups, approved by the National e-Commerce Council (NeCC) and monitored by the E-Commerce Secretariat (ECS), to ensure coherent and adaptive delivery of *E-Commerce Policy 2025*.

## 6.3. Monitoring & Evaluation

A robust Monitoring & Evaluation (M&E) framework will be central to tracking progress, ensuring accountability, and enabling adaptive implementation of *E-Commerce Policy 2025–30*. It will provide real-time visibility into performance, support evidence-based decision-making, and enable structured course correction across all policy pillars.

### 6.3.1. Key Performance Indicators by Pillar

The following high-level indicators will guide measurement of outcomes and inform annual reviews:

- **Pillar 1: Digital Onboarding and Participation**
  - Number of new MSMEs formally onboarded to digital platforms
  - Percentage share of women-led and rural sellers among new entrants
  - Average onboarding duration and cost per seller
- **Pillar 2: Payments and Financial Systems**



- Reduction in share of cash-on-delivery transactions (target: below 30% by 2027)
- Number of MSMEs adopting digital payment channels
- Volume and frequency of embedded finance accessed by e-commerce sellers
- **Pillar 3: Logistics and Fulfillment Services**
  - Average rural vs. urban last-mile delivery time (in days)
  - Number of operational e-commerce fulfillment hubs
  - Percentage of delivery fleet adopting green or low-emission technologies
- **Pillar 4: Consumer Protection and Trust**
  - Grievance resolution rate within 72 hours (target: 95%)
  - Percentage of platforms complying with the national platform code
  - Number of digital fraud cases reported and successfully resolved
- **Pillar 5: Integration into Global E-Commerce Ecosystems**
  - Growth in B2C e-commerce export value (target: 300% by 2030)
  - Number of Pakistani sellers active on international e-commerce platforms
  - Number of trade agreements or frameworks incorporating digital trade provisions

### 6.3.2. Annual Reviews and Adaptive Planning

The National e-Commerce Council (NeCC) will conduct an annual review to:

- Assess progress against pillar-level targets;
- Review updates from Thematic Working Groups (TWGs);
- Approve annual implementation plans and recommend course corrections.

Mid-year technical updates will be submitted by TWGs to the E-Commerce Secretariat to highlight bottlenecks, emerging risks, and areas requiring policy recalibration.

### 6.3.3. Independent Evaluation

Independent third-party evaluations will be conducted at the end of Year 3 and Year 5. These reviews will assess:

- Policy relevance and systemic impact;

- Effectiveness of institutional mechanisms;
- Inclusion and participation of underrepresented groups;
- Readiness for policy renewal and scaling.

Findings will inform both national strategy and future iterations of e-commerce policy development, ensuring institutional learning and international alignment.

## **7. Conclusion**

E-Commerce Policy 2025-30 marks a pivotal shift in Pakistan’s digital transformation journey – moving from foundational reforms to a bold, future-facing strategy designed to drive inclusive growth, global competitiveness, and institutional resilience.

Anchored in a lifecycle approach, the policy provides a coherent framework that supports participants throughout the full transaction journey i.e. onboarding, payments, logistics, consumer trust, and global integration. It builds on the foundations laid by the 2019 policy, addressing persistent gaps in interoperability, digital inclusion, and trust, while embracing the opportunities created by mobile-first innovation, fintech growth, and the rise of social commerce. By embedding sustainability, transparency, and inclusion at its core, the policy moves beyond regulatory intent to operational execution.

Among its flagship innovations is the formal recognition and inclusion of youth aged 15 to 18 in the e-commerce ecosystem aimed at unleashing the entrepreneurial potential of Pakistan’s digitally native generation. By introducing supervised participation pathways and age-appropriate compliance mechanisms, the policy enables younger entrepreneurs to access formal markets, build digital businesses, and contribute meaningfully to economic growth.

The policy also institutionalizes coordinated delivery mechanisms through the National e-Commerce Council (NeCC), Thematic Working Groups (TWGs), and a dedicated E-Commerce Secretariat. Through real-time monitoring, stakeholder

engagement, and adaptive planning, it transforms e-commerce from a sectoral priority into a national development engine.

By expanding access, lowering barriers, and embedding trust, *E-Commerce Policy 2025–30* creates the conditions for innovation, investment, and inclusive digital opportunity. It is not only a roadmap for today, but a foundation for Pakistan’s digital future, where young people, women, MSMEs, and rural entrepreneurs are not only participants, but leaders in the global digital economy.

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