

Info Capsule

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FDI POLICY ON E-COMMERCE¹

In order to ensure due compliance of the FDI policy on e-Commerce, Press Note 2 (2018) has been issued. It puts in place certain conditions. These conditions include:

- i. An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.
- ii. E-Commerce marketplace entity will not mandate any seller to sell any product exclusively on its platform only.

This Press Note is effective from February 01, 2019.

Representations have been received to defer the implementation of Press Note 2. The FDI policy on e-Commerce, first pronounced through Press Note 2 of 2000, permitted 100% FDI in B2B e-commerce activities. With a view to provide clarity to the extant policy and after extensive stakeholder consultations, guidelines for FDI on the e-commerce were issued vide Press Note 3 (2016). To provide further clarity to FDI policy on e-commerce, Press Note 2 (2018) was issued.

Stakeholder consultations on creating a framework for National Policy on e-Commerce with representatives from Government Ministries, Departments, Reserve Bank of India, industry bodies, e-commerce companies, telecom companies, IT companies and payment companies have been held. Issues regarding the e-commerce sector are regularly reviewed by the Government.

The e-commerce sector is expected to keep growing in future because of a number of reasons. The FDI policy on e-commerce has remained unchanged. Better enforcement of this policy will contribute significantly to growth of this sector over medium and long term.

This information was given by the Minister of State of Commerce and Industry, C. R. Chaudhary, in written replies in the Lok Sabha.

PROMOTING INTELLECTUAL PROPERTY RIGHTS IN DEFENCE²

Several Ordnance Factories and Defence Public Sector Undertakings (DPSUs) have been carrying out innovative research on the development of certain materials, components / sub-assemblies / assemblies leading to performance upgradation of the existing system / platforms. A need was felt to

¹ Available at: <http://pib.nic.in/PressReleaseDetail.aspx?PRID=1562658>

² Available at: <http://pib.nic.in/PressReleaseDetail.aspx?PRID=1562658>

create a structured mechanism to facilitate and encourage innovative activities with a primary objective to “Boost Intellectual Property culture” which would enhance the Intellectual Capital that is vital for encouraging in-house Research & Development in such organizations. With this objective in view, an Intellectual Property Rights Facilitation (IPF) Cell has been established under the Department of Defence Production on 4th April, 2018 to promote self-reliance in Intellectual Property Rights in Defence Sector.

As part of this initiative, Department of Defence Production has launched the “Mission Raksha Gyan Shakti” on 27th November, 2018 to encourage Defence Public Sector Undertakings (PSUs) and Ordnance Factory Board to boost “IPR culture” in their respective organization to promote self-reliance in defence sector. During the period July to December 2018, 304 IPRs have been filed and 8838 personnel have been trained for this purpose.

The innovative research undertaken by Defence Public Sector Undertakings and Ordnance Factory Board is helping in indigenization of existing system / platform to bring down import contents thereby resulting in cost savings.

The challenges faced by the Defence Public Sector Undertakings and Ordnance Factory Board in pursuing Intellectual Property Rights in defence sector include lack of awareness and availability of trained manpower besides the need to collectively appraise the challenges ahead with private sector, Micro, Small & Medium Enterprises (MSMEs) and end users. The Intellectual Property Rights Facilitation Cell and Mission Raksha Gyan Shakti have been created to address such challenges being faced by Defence Public Sector Undertakings and Ordnance Factory Board.

This information was given by Raksha Rajya Mantri Dr. Subhash Bhamre in a written reply to Shri Md. Nadimul Haque in Rajya Sabha.
