



## **Retailers stand united to ensure enforcement of new DIPP guidelines on FDI in E-commerce marketplace to ensure compliance with the laws of the land**

**April 07, 2016, Mumbai:** Retailers Association of India (RAI) brought together retailers from across the country on a common platform to welcome the new guidelines stated in the DIPP Press Note 3 issued on March 29 which define the emerging new channels. “The note is testimony to the fact that the government wants to ensure a level playing field for all channels. RAI would like to applaud the government for taking a stand on the same. The move received much appreciation from all members of RAI,” said Kumar Rajagopalan, CEO, RAI.

Retailers appreciated the clarification on several important aspects of FDI in e-commerce considering that many e-commerce players in the country have been accessing FDI funds while behaving like quasi retailers. The new guidelines seek to set this right this by clearly defining what construes an e-commerce entity following a marketplace-based model and what it can and cannot do if it seeks FDI through the automatic route.

Retailers were unanimous in their belief that this clarification can create a level playing field only if the government puts its enforcement machinery into action. They believe that it’s high time the e-commerce entities securing international funds and international e-commerce retailers adhered to the laws of the land.

Retailers were positive that, if enforced, the policy will in fact foster a new environment of collaboration between retailers and marketplaces that would ensure customer convenience and delight.

“The clarification has ensured that marketplaces, if run in the right spirit, could complement retailers by acting like malls online. Retailers would be happy to collaborate with them in the same way as they have collaborated with malls so far,” said Rajagopalan.

Enforcement will also encourage a good startup ecosystem in technology as well as retail brand spaces in line with ‘Startup India’ programme of the Honourable Prime Minister of India.

To ensure enforcement of the new DIPP guidelines on FDI in e-commerce, retailers have also submitted a collective note to DIPP. In their submission, retailers have suggested further clarifications to the clauses in the policy that will help prevent its contravention.

*Note: A copy of the RAI submission to DIPP is enclosed.*

### **About Retailers Association of India:**

Retailers Association of India (RAI) is the unified voice of Indian retailers. RAI works with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. It is a strong advocate for retailing in India and works with all levels of government and stakeholders with the aim to support employment growth and career opportunities in retail, to promote and sustain retail investments in communities from coast-to-coast, and to enhance consumer choice and industry competitiveness. Visit <http://www.rai.net.in>

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