

CHAPTER [2]: Business Rules

Version History

Version	Date	Description
0.2	10th June 2022	Second revision
0.3	14th June 2022	Released to NPs
1.0	15th September 2022	<ul style="list-style-type: none"> - Changed Chapter number from ‘8’ to ‘2’. Changed numbering of all clauses and sub-clauses accordingly - Renamed Chapter from “<i>Network Participant Policies</i>” to “<i>Business Rules</i>” to avoid confusion - Amended reporting requirements of cybersecurity incidents and breaches. Increased number of hours to report any incident from 2 to 6 - Added clause to indemnify network participants in case if their content is modified by other Participants - Removed clause which restricts NPs from conducting security tests of the Network or other Network or Ecosystem Participants - Clarified clause mandating provision for entering GST details for B2B transactions - Added obligations on Buyer App to comply with Time To Live (TTL) declared by Seller App for their catalogue - Added obligation on Buyer Side Apps to be transparent about logic/algorithm used for listing search results - Added obligation on Buyer Side App to publish any prescriptions for minimum standards for displaying search results to Buyers - Buyer Side Apps allowed to not display search results of a product, if relevant and mandatory information required under Applicable Laws is missing - Number of days to report changes in information reported during registration increased from 2 to 7 - Affiliates of Buyer or Seller Apps allowed to operate as Gateways subject to certain conditions - Added clarification that data shared by NPs for purposes of Scoring/Badging shall not be considered a violation of other provisions of the ONDC Network Policy (e.g.: confidentiality) - Changed the term ‘Reputation Ledger’ to ‘Scoring/Badging System’ - Harmonised grievance redress provisions with upcoming Issue and Grievance Management Policy

2.1 Roles and Obligations of Network Participants

- 2.1.1 The Participant will ensure that they have in place relevant policies and measures which ensure compliance with Applicable Law, the Network Participant Agreement and the Network Policy and shall update the same as and when they get amended.
- 2.1.2 The Participant will not conduct any transaction or any activity on the ONDC Network, which is illegal, unsafe, or is in violation of this Network Policy and Applicable Laws.
- 2.1.3 The Participant will not conduct any transaction or any activity on the ONDC Network that involves the purchase, sale, distribution, transfer or disposal of harmful substances including, but not limited to, narcotic drugs and psychotropic substances, or is in violation of this Network Policy and Applicable Law.
- 2.1.4 The Participant will ensure that its services are operational and available in the network ensuring uptime and meeting of other performance parameters as per Annexure I. The Participant must ensure that the content and catalogue on its App are always available to any End User in a non-discriminatory manner.
- 2.1.5 The Participant will enable ONDC Protocol Specifications for its Gateway or Application, as the case may be, as specified in the Network Policy for carrying out the transactions or providing services on the ONDC Network.
- 2.1.6 The Participant will be solely responsible at its own expense for making any change or additions to its current software, system or hardware. ONDC will neither be liable for any such expenses, nor will such expenses be attributable to ONDC.
- 2.1.7 The integrity and accuracy of the information transmitted on the ONDC Network by the Participant is the sole responsibility of the Participant. Further, all data and information must be handled by the Participant as per the ONDC Network Policy.
- 2.1.8 The Participant will obtain necessary consents under the Applicable Law for uploading, processing, transmitting, storing, using, disclosing or transferring information relating to its End Users on the ONDC Network. The Participant shall comply with all Applicable Laws applicable to any data including personal data.
- 2.1.9 The Participant will maintain confidentiality of information, including the display name, login and password details of its respective End Users and its internal users, and shall not disclose, reveal, or publish any material information relating to operations, software, etc. of the ONDC Network and Participant registration details without prior written consent of ONDC, except and to the extent as may be required in the normal course of its business.

- 2.1.10 The Participant will retain all transaction data including, consent logs and data flow logs for such period(s), as may be required by Applicable Law and as specified by ONDC, in a readily accessible and searchable format that allows for retrieval as and when required by Applicable Law or by ONDC in order to comply with the Applicable Laws; on demand by the Customer or any other Participants involved in the transaction; as required for audit or regulatory inspection in accordance with Applicable Law; or for resolution of a grievance by a Customer or a dispute with any Participant as per the grievance or dispute resolution process specified in the ONDC Network Policy.
- 2.1.11 The Participant agrees to furnish all details and information as requested by ONDC from time to time, to the extent they are relevant for the Participant's activities on the ONDC Network.
- 2.1.12 The Participant will notify ONDC, of any unauthorised access of their data and/or systems or any other breach of security apparatus, cyber security incidents, any violation of Applicable Law that they become aware of, within 6 hours to the extent that it may have an impact on the ONDC Network. The Participant will have to report the incident on a designated portal developed and made available by ONDC and also notify ONDC through an email. ONDC will publish a list of email addresses on its website, to whom the security incident or breach must be reported. The Participant must also report the breach/security incident to the competent authorities, as required under Applicable Law.
- 2.1.13 The Participant must ensure complete accuracy and integrity of the information provided during registration to ONDC. In the event of any change to such information, the Participant must promptly inform ONDC of the same, in writing, immediately, but not later than 7 days from which such change shall take effect. The Participant acknowledges and agrees that ONDC may not have independently verified the information provided by the Participant and shall in no way be responsible or liable for the accuracy or completeness of any information. If the Participant provides any information that is untrue, inaccurate, not current, or incomplete, or ONDC has reasonable grounds to suspect that such information is untrue, inaccurate, not current, or incomplete, ONDC reserves the right to suspend or terminate the Participant's membership or refuse any and all current or future use of the Participant's platform or applications (or any portion thereof) on the ONDC Network at any time.
- 2.1.14 The Participant will not, and will adopt reasonable safeguards to ensure that any End User using its services does not engage in the transmission of the following information on the ONDC Network that:
- (a) belongs to another person and to which the Participant has no right or consent for transmission;
 - (b) is grossly harmful, defamatory, pornographic, paedophilic, libellous, invasive of another's privacy, or otherwise unlawful in any manner whatsoever;

- (c) infringes any patent, trademark, copyright or other proprietary rights;
- (d) violates any law for the time being in force;
- (e) is harmful to a child or children;
- (f) deceives or misleads the addressee about the origin of the message or knowingly and intentionally communicates any information which is patently false or misleading in nature but may reasonably be perceived as a fact;
- (g) impersonates another person;
- (h) contains software virus or any other computer code, file or program designed to interrupt, destroy or limit the functionality of any computer resource;
- (i) threatens the unity, integrity, defence, security or sovereignty of India, friendly relations with foreign States, or public order, or causes incitement to the commission of any cognisable offence or prevents investigation of any offence or is insulting other nation; or
- (j) is patently false and untrue, and is written or published in any form, with the intent to mislead or harass a person, entity, or agency for financial gain or to cause any injury to any person.

2.1.15 All text, graphics, seller and buyer interfaces, visual interfaces, photographs, trademarks, logos, sounds, music and artwork, notes, messages, emails, billboard postings, drawings, profiles, opinions, ideas, images, videos, audio files, other material or information generated by the Participant or its End Users on the ONDC Network (collectively ‘Content’) are third-party generated Content and ONDC has no responsibility or liability over such third-party generated Content. ONDC neither originates nor initiates the transmission nor selects the sender and receiver of the transmission nor selects nor modifies the information contained in the transmission.

2.1.16 The Participant understands that its Content may be transferred, unencrypted, and involve (a) transmissions over various networks; and (b) changes to conform and adapt to technical requirements of connecting networks or devices and no claim shall lie against ONDC for such transfer. However, if any Participant alters, modifies, changes any Content of another Participant, the Participant altering, modifying or changing such Content will solely be responsible for any loss incurred by the other Participant.

2.1.17 The Participant will ensure that it will not cause to introduce any malware or trojans or other computer viruses or use any device, software, or routine to interfere or attempt to interfere with the proper working of the ONDC Network.

- 2.1.18 The Participant will not attempt to override, disable, circumvent, or otherwise interfere with any such security components and usage rules embedded as part of the ONDC Network.
- 2.1.19 The Participant will not attempt to gain unauthorised access to any portion or feature of the ONDC Network, systems of other Participants, other systems or services offered on or through the ONDC Network, including but not limited to, by hacking, password ‘mining’, or other illegitimate means. Such attempts at unauthorised access will attract consequences according to the Applicable Law. Such consequences are without prejudice to ONDC’s right to take any action against such Participant under Applicable Law or under ONDC Network Policy.

For the purposes of this clause 2.1.19, *unauthorised access* will include, but not be limited to scanning, scraping information, and changing access privileges of any system owned by ONDC or any other Ecosystem Participant, without permission from the owner/administrator of the system.

- 2.1.20 The Participant may not reverse look-up, trace or seek to trace information on any other End User (including any End User of other Network Participants) or exploit the ONDC Network, or any service, information made available, or offered by or through the ONDC Network in any way where the purpose is to reveal any information (including but not limited to personal identification or information other than your own information) available on the ONDC Network.
- 2.1.21 The Participant will not disguise the origin of any information transmitted on or through the ONDC Network for any transaction on the ONDC Network, by forging of headers or manipulation of identifiers or any other means.
- 2.1.22 The Participant will ensure that their End Users are provided with an option to upload the details of the GST registration on the Buyer Side App or Seller Side App, as the case may be, so as to enable the Customer to avail input tax credit of GST paid on the purchase of goods or services or both goods and services.

For clarity, this option will only have to be provided for business-to-business transactions.

- 2.1.23 The Participant will comply with the provisions of Tax Laws including but not limited to furnishing GST returns, discharging its GST liability, undertaking TDS related compliances and/or undertaking any other compliance within the stipulated time, as may be prescribed and shall keep indemnified any parties from any loss including but not limited to loss of credits etc. suffered on account of non-compliance by the other party. Without prejudice to the generality of the foregoing, the Participant shall further collect tax at source and undertake necessary compliances within the stipulated time limit, if required under GST Laws, in respect of any payment received by it on sale of goods or services by Seller.

- 2.1.24 In case the Participant performs a dual role of a Buyer Side App and a Seller Side App (as applicable) in certain transactions, then the Participant must ensure compliance with the obligations in relation to all such roles performed by it in the ONDC Network.
- 2.1.25 In case an entity operating a Buyer Side App or a Seller Side App (**E1**) and an entity that operates a Gateway (**E2**) are Affiliates:
- a. both such entities shall disclose their relationship to ONDC and other Network Participants;
 - b. E2 shall not share with E1 any information it receives from other Network Participants or ONDC during its operation of the Gateway without explicit consent from such Network Participant and/or ONDC, except such information as it would normally share with any unrelated Network Participant playing a similar role in the normal course of operations on ONDC;
 - c. ONDC reserves the right to order ad-hoc audits to ensure E2 does not grant any unfair advantage to E1 with respect to E2's operations on ONDC;
 - d. ONDC reserves the right to order E2 to submit regular reports on searches and responses, as may be specified, over and above the reporting requirements for Gateways which are not Affiliates of Buyer/Seller Side Apps.
- 2.1.26 The Participant will extend reasonable support and assistance to ONDC and other Participants, including access to the documents and / or information as such Participants or ONDC may require from time to time for compliance under any Applicable Law.
- 2.1.27 The Participant will take all reasonable measures as per the Applicable Laws and security standards to ensure that the collection of all information regarding payment and transaction processing, collection of any sensitive and financial personal information from the End User as well as its sharing with any Network Participant is conducted securely over the ONDC Network.
- 2.1.28 At the time of on-boarding, each Network Participant shall make a full disclosure of the various services it proposes to offer on the ONDC Network.

2.2 Role and Obligations of Gateways

- 2.2.1 Gateway will multicast the search request received from Buyer Side App to all relevant and available Seller Side Apps and vice-versa, based on criteria, including but not limited to, location, availability, and other criteria enabled by ONDC.
- 2.2.2 Gateway will not discriminate against or provide any preferential treatment to any Buyer Side App or Seller Side App or their request or responses, and shall not provide any priority in terms of transmission of search results to a

Network Participant over the other Network Participants or independently filter, edit, modify, or select any search request or responses, except in terms of providing value-added services or other services which are approved by ONDC in writing.

- 2.2.3 While Gateway may provide value added services to Network Participants, basis approval of ONDC. In no instance will Gateway attempt to monetise, directly or indirectly, underlying search data and other transaction data received by Gateway as part of transactions on the ONDC Network except as approved by ONDC.

If a Gateway is an Affiliate of a Buyer Side App or a Seller Side App, any value added services such Gateway offers to its Affiliates must be offered to all other Network Participants on a non-discriminatory basis.

- 2.2.4 Gateway will ensure that it transmits all relevant and mandatory information received from a Buyer Side App or a Seller Side App to the Network Participants as per ONDC Protocol and in compliance with the Applicable Law.

- 2.2.5 Gateway will ensure compliance with due diligence requirements for the information shared and transmitted to other Network Participants through the ONDC Network as required by the Applicable Law, including but not limited to the Information Technology Act 2000 and Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021 (**Intermediary Rules**).

- 2.2.6 Gateway will directly enter into contractual arrangements with other Network Participants to provide services. ONDC will neither be a party nor shall it have any liability or responsibility under such contractual arrangements. However, Gateway must ensure that any commercial terms of such agreements are in compliance with the ONDC Network Policy.

- 2.2.7 Gateway will be compliant with ONDC Protocol Specifications and ensure that all information shared or transmitted by other Network Participants, *inter alia*, Buyer Side Apps and Seller Side Apps, on the ONDC Network is compliant with the Network Policy and Applicable Laws.

- 2.2.8 Gateway will periodically publish search requests and responses in compliance with the ONDC Network Data Governance Chapter.

- 2.2.9 If a Gateway permits the Buyer App to cache catalogue search results of the Seller App, the Gateways must ensure the respective agreement with the Seller App permits such caching of the catalogue search results by the Buyer App.

2.3 Role and Obligations of Buyer Side Apps

- 2.3.1 The responsibility for onboarding of Customers or End Users and the management of the end-to-end order lifecycle including but not limited to onboarding, displaying catalogue in response to search requests, order creation, enabling returns, cancellation, customer support, will be the responsibility of the Buyer Side App as per the arrangement with other Network Participants.
- 2.3.2 All Buyer Side Apps operating as, (i) a company incorporated under the Companies Act 1956 or 2013; or (ii) a foreign company covered under section 2(42) of the Companies Act 2013; or (iii) an office, branch or agency outside India owned or controlled by a person resident in India as provided in section 2(v)(vi) of the Foreign Exchange Management Act 1999, will be required to appoint a nodal officer or an alternate senior designated functionary who is resident in India to ensure compliance with the Applicable Law.
- 2.3.3 All Buyer Side Apps will be required to:
- (a) display (i) their name, (ii) address of their headquarters and branches, (iii) name and details of their website, and (iv) contact details of customer care and grievance officer, prominently to all users of their platform;
 - (b) establish an adequate grievance redressal mechanism according to the number of grievances ordinarily received by it from India. This includes appointing a grievance officer and displaying their details on its platform or apps;
 - (c) ensure that the grievance officer acknowledges the receipt of any consumer complaint and enables follow-up with the relevant Seller App to redresses the complaint as per the ONDC Network Policy;
 - (d) apply best efforts to become a partner in the convergence process of the National Consumer Helpline of the Central Government, for quick resolution of consumer complaints;
 - (e) mention the name and details of the importer for imported goods or services as reported by the Seller or Seller Side App;
 - (f) ensure consumer consent for the purchase of goods or services is expressed through an explicit and affirmative action, and not in an automatic manner such as a pre-ticked checkbox; and
 - (g) effect all payment transactions including refunds in coordination with the Seller Side App according to RBI prescriptions;
 - (h) refrain from: (i) adopting unfair trade practices as defined under Applicable Laws; (ii) imposing cancellation charges when the transaction is cancelled by a Network Participant; (iii) manipulating prices; and (iv) discriminating between consumers of the same class or making arbitrary classification of consumers affecting their rights;

- (i) broadcast all search requests of End Users to Gateway and display only results received from the Gateway. Accordingly, Buyer Side Apps will not display results received independently from any Seller Side App, including their own or their Affiliate's Seller Side App.
- (j) all entities operating Buyer Side Apps in ONDC Network, who also operate a marketplace e-commerce entity in India outside the ONDC Network must:
 - i. participate in the ONDC Network as a Seller Side App and shall make their existing catalogue available on a non-discriminatory basis;
'Non-discriminatory basis' in this clause shall mean:
 - a) that an End User accessing a Buyer Side App from a particular location should be able to get access to the complete catalogue of the Seller Side App as it is made available to a user of a Seller Side App outside the ONDC Network.
 - b) that the Buyer Side App may provide filter functionality however they shall apply the same consistently without providing any unfair advantage to any seller outside or in the ONDC Network.
 - c) that the Buyer Side App shall provide equitable opportunity to all Seller listings received through all Seller Side Apps.
 - ii. ensure all searches initiated by its Customer or End User are relayed to the Gateway simultaneously when relayed to the merchants registered directly with the Buyer Side App;
 - iii. refrain from sending search requests only to the merchants registered directly with such Buyer Side App;
 - iv. ensure that the search results of Sellers displayed to the End User is based on the same logic or algorithm used for merchants directly registered with the Buyer Side App;
 - v. ensure that the Buyer Side App offers its services on the ONDC Network in a non-discriminatory manner with respect to all Seller Side Apps.
- k. ensure all search results received from the Gateway are displayed to the End User in a non-discriminatory manner, unless the product or service search result fails to display all information mandated under Applicable Law or the ONDC Network Policy,
Provided that, the Buyer App discloses, to other Network Participants and ONDC, the key parameters of the logic used for sorting/listing

search results, to ensure that Sellers are able to improve their ranking on listings or results;

Provided further that, the Buyer App may prescribe uniform minimum standards for search results to be displayed to the Buyer, so long as it publishes such standards on its website and application, and applies such standards consistently and fairly to all Sellers.

- 2.3.4 All Buyer Side Apps being marketplace e-commerce entities, must also comply with the following obligations:
- (a) ensure that they faithfully display the descriptions of goods and services as relayed by the Seller and/or Seller Side App;
 - (b) describe any differential treatment that is given to goods, services or Sellers or Service Providers of the same category; and
 - (c) take reasonable efforts to maintain a record of Sellers or Service Providers who repeatedly offered goods or services that have been removed by the platform under Applicable Law.
- 2.3.5 All commercial or contractual or transaction terms are between the Seller, Seller Side App, Buyer Side App, Logistics Service Provider, and the Buyer. The commercial or contractual terms may include, but are not limited to, price, shipping costs, payment methods and terms, date, period, and mode of delivery, and warranties and after-sales services related to products and services. ONDC does not determine, advise, have any control over, or in any way involve itself in the offering or acceptance of commercial or contractual or transaction terms between the Buyer Side App, End Users and other Network Participants.
- 2.3.6 The Buyer Side App will be solely responsible for ensuring relevant due diligence and KYC of Customers or End Users on its platform as per the Applicable Law.
- 2.3.7 Buyer Side App will ensure compliance with due diligence requirements for the information hosted on its platform and shared with other Network Participants through the ONDC Network as required by Applicable Law, including but not limited to the Information Technology Act 2000 and Intermediary Rules.
- 2.3.8 The Buyer Side App will ensure that it displays all relevant and mandatory information received from Network Participants as per Applicable Laws to Customers / End Users. In the event any information or product listing does not have all relevant and mandatory information as per Applicable Laws, the Buyer Side App shall have the right to not display the same to the End Users or Customers.

- 2.3.9 Buyer Side App must enable payments by Buyers through at least one digital method of payment permitted under the Applicable Law, for example: credit card, debit card, UPI, or through payment on delivery by cash, card or UPI.
- 2.3.10 Buyer Side App must clearly display the return and refund policy regarding products and services stating the eligibility for return, exchange or refund, other requirements and timelines, if any, basis the information received from other Network Participants to the Customers or End User, and as required under the Applicable Laws. In the event, the Seller Side App's policy does not allow for returns, exchanges and refunds for certain products, Buyer Side App must clearly convey the same to Customers / End Users on their application at the product listing page as well as before completion of the order.
- 2.3.11 The Buyer Side App must provide the Customer or End Users all customer care support and grievance redressal mechanisms as per the Network Policy and coordinate with the Seller Side Apps' grievance redressal mechanism for returns, exchanges, refunds, or other issues regarding products and services. The ONDC Network shall not be liable to resolve any Customer's grievance and all such obligations must be met by the Buyer Side App which shall be further responsible to coordinate with other Network Participants involved in the transaction.
- 2.3.12 Buyer Side App shall provide the Customer functionalities to initiate cancellation, refund, return or exchange of an order, and allow Customer to raise grievance and further forward the same to the Seller Side App as well as provide updates to the Buyer.
- 2.3.13 If the Seller Side App provides logistics service, upon availing such a service, the Buyer Side App must provide the Customer with a live tracking link of the delivery personnel fulfilling the request, if such delivery is happening on the same day, as received from the Seller Side App. For deliveries on any other day, Buyer Side App shall provide the status of the delivery as received from the Seller Side App.
- 2.3.14 The Buyer Side App will also ensure that it provides all information as required by ONDC Network Policy for building of the Scoring/Badging System as laid out in Clause 2.5.
- 2.3.15 If the Buyer App mandates any specific product attribute, such requirements will be made accessible to other Network Participants.
- 2.3.16 If a Buyer Side App caches the search results relayed by the Gateway containing details of the catalogue offered by Seller Side Apps, at the time of performing a search on the cache data, a parallel search request must be sent to the Gateway, to ensure inclusion of Sellers that may have been added to the Network in the time between the previous update of the cache and the time of the search. Any Buyer App caching information must, at all times, comply with the time-to-live specified by the Seller Apps for every field of the

catalogue, and that they refresh their cached catalogues to ensure most recent listings are made available to the End User.

2.3.17 A Buyer Side App is free to avail the services of any one or more of the Gateways registered with the ONDC Network.

2.4 Role and Obligations of Seller Side Apps

- 2.4.1 The responsibility for onboarding of Sellers and Service Providers made available in the Seller Side App or platform and ensuring the management of the end-to-end order lifecycle will be the sole responsibility of the Seller Side App. This would include, but not be limited to, onboarding, catalogue management, order management, invoicing and reconciliation, logistics, customer support, returns management, payments, refunds and exchanges, which the Seller Side App will manage on its own or in agreement with the Sellers and Service Providers onboarded by the Seller Side App and as provided in the Applicable Law. This may also include warehousing, warranty and inventory management.
- 2.4.2 Seller Side App must have policies relating to cancellations or replacement, part return, refund, exchanges, warranty etc. which are in compliance with Applicable Law and ONDC Network Policy. Seller Side App shall ensure compliance with the same for all orders placed on or through its application on the ONDC Network. Further, Seller Side Apps must ensure that these policies are disclosed to Customers through Buyer Side App.
- 2.4.3 Seller Side App will coordinate with the Buyer Side App to ensure functionalities to process cancellation and refund of an order as well as to process Customer's grievance received from Buyer Side App. It will resolve the said grievance, as required, and provide updates to the Buyer Side App for the Customer.
- 2.4.4 All commercial or contractual or transaction terms will be offered by the Seller Side App to Buyer Side Apps and End Users. The commercial / contractual terms may include (without limitation) price, shipping costs, payment methods and terms, date, period, and mode of delivery, and warranties and after-sales services related to products and services. ONDC does not determine, advise, have any control over, or in any way involve itself in the offering or acceptance of such commercial or contractual or transaction terms between the Seller Side App and the respective End Users.
- 2.4.5 Seller Side App should put in place a mechanism to ensure the accuracy and integrity of the information transmitted on the ONDC Network in respect of the goods or services offered by it as NP-ISBN or by the seller as the NP-MSN to the Network Participants. To ensure this, will be the sole responsibility of the Seller Side App.

- 2.4.6 Seller Side App will ensure that all goods or services that are listed on their platform are discoverable on other Buyer Side Apps on the ONDC Network and will ensure that End Users always have access to the entire catalogue of goods or services offered by the Seller Side Apps.
- 2.4.7 Seller Side App will ensure compliance with due diligence requirements for the information hosted on its platform and shared with other Network Participants through the ONDC Network as required by Applicable Law, including but not limited to the Information Technology Act 2000 and Intermediary Rules.
- 2.4.8 Seller Side App must clearly convey the return, exchange and refund policy related information regarding products and services stating the eligibility for return or refund, other requirements and timelines, if any, to the Buyer Side App. If returns and refunds are not accepted, Seller Side App to clearly state and share this information to the Buyer Side App.
- 2.4.9 If the Seller Side App provides logistics service, upon availing such a service, the Customer should be provided, through the Buyer Side App, a live tracking link of the delivery personnel fulfilling the request, if such delivery is happening on the same day. For deliveries on any other day, the status of the delivery will always be made available.
- 2.4.10 The Seller Side App must provide the Customers or End Users all customer care support and customer grievances shall be resolved in accordance with the terms and conditions and other policies published by the Seller Side App for this purpose.
- 2.4.11 Seller Side App shall ensure that it provides the mandatory declaration in compliance with any Applicable Law mandating displaying of information for any category of products offered on the ONDC Network.
- 2.4.12 All Seller Side Apps operating as, (i) a company incorporated under the Companies Act 1956 or 2013; or (ii) a foreign company covered under section 2(42) of the Companies Act 2013; or (iii) an office, branch or agency outside India owned or controlled by a person resident in India as provided in section 2(v)(vi) of the Foreign Exchange Management Act, 1999, will be required to appoint a nodal officer or an alternate senior designated functionary who is resident in India to ensure compliance with the Applicable Law.
- 2.4.13 All Seller Side Apps will be required to comply with the obligations under all Applicable Laws including but not limited to:
- (a) display (i) their name, (ii) address of their headquarters and branches, (iii) name and details of their website, and (iv) contact details of customer care and grievance officer, prominently to all users of their platform;
 - (b) establish an adequate grievance redressal mechanism according to the number of grievances ordinarily received by it. This includes

appointing a grievance officer and displaying their details on its platform;

- (c) ensure that the grievance officer acknowledges the receipt of any consumer complaint and redresses the complaint as per the ONDC Network Policy;
- (d) apply best efforts to participate become a partner in the convergence process of the National Consumer Helpline, for quick resolution of consumer complaints;
- (e) mention the name and details of the importer for imported goods or services;
- (f) ensure consumer consent for the purchase of goods or services is expressed through an explicit and affirmative action, and not in an automatic manner such as a pre-ticked checkbox; and
- (g) effect all refunds according to RBI prescriptions and within a reasonable period; and
- (h) refrain from: (i) adopting unfair trade practices as defined under Applicable Laws; (ii) imposing undisclosed cancellation or other charges, when cancelled unilaterally by a Network Participant; (iii) manipulating prices; and (iv) discriminating between consumers of the same class or making arbitrary classification of consumers affecting their rights.

2.4.14 If a Seller Side App is a marketplace e-commerce entity, in addition to the other obligations mentioned, such Seller Side App is required to:

- (a) ensure that descriptions of goods and services are accurate and correspond directly with the features of such goods and services through an undertaking by the Seller or Service Provider; describe any differential treatment that is given to goods, services or Sellers or Service Providers of the same category in its terms and conditions generally governing its relationship with sellers on its platform; and
- (b) take reasonable efforts to maintain a record of Sellers or Service Providers who repeatedly offered goods or services that have been removed by the platform under Applicable Law.

2.4.15 If a Seller Side App owns the inventory of goods or services and sells such goods or services to the Customers, such Seller Side App will comply with the following obligations:

- (a) ensure that descriptions of goods and services are accurate and correspond directly with the features of such goods and services;

- (b) refrain from falsely representing itself as a Customer and post reviews about goods and services or misrepresenting the quality or the features of any goods or services;
- (c) ensure that advertisements for marketing of goods or services are consistent with the actual characteristics, access, and usage conditions of such goods or services;
- (d) refrain from refusing to take back goods or withdraw or discontinue services purchased or agreed to be purchased, or refuse to refund consideration, if paid, if such goods or services are defective, deficient, spurious, or if the goods or services are not of the characteristics or features as advertised or as agreed to, or if such goods or services are delivered late from the stated delivery schedule; and
- (e) shall bear liability for the authenticity of goods or services, if it explicitly or implicitly vouches for the authenticity of the goods or services sold by it, or guarantees that such goods or services are authentic.

2.4.16 Further, Seller Side App is also required to display some details prominently to users and share it with Buyer Side App and other Network Participants (through the Gateway) to enable Customers or End Users to make informed decisions, such as:

- (a) information related to return, refund, exchange, warranty and guarantee, delivery and shipment, cost of return shipping, mode of payments, grievance redressal mechanism, and any other similar information which may be required by Customers to make informed decisions;
- (b) information and notices required by Applicable Laws; and
- (c) information on available payment methods, the security of those payment methods, the procedure to cancel regular payments under those methods, any fees, or charges payable.

2.4.17 A Seller Side App is free to avail the services of any one or more of the Gateways registered with the ONDC Network.

2.5 Scoring/Badging System

2.5.1 ONDC will, in due course, by itself or through an authorised entity, create and maintain a Scoring/Badging system or registry for Sellers and Buyers on the basis of data that the Participants may provide with consent as required under the Applicable Laws. The Participant shall be responsible for the data provided to ONDC. For purposes of establishing the Scoring/Badging System, ONDC shall develop and publish the mechanisms of Scoring/Badging .

For clarity, any data-shared with ONDC pursuant to this Clause 2.5 will not be construed as a violation of any other provisions in the ONDC Network Policy related to protection of Confidential Information.

- 2.5.2 ONDC shall create and maintain the Scoring/Badging System by itself or through a third party authorised by it and shall disclose the data or information provided by the Participants to such third party for the purpose of creating or maintaining the Scoring/Badging System.
- 2.5.3 The Participant shall permit ONDC to use and exploit all information stored in the Scoring/Badging system relating to such Sellers or Seller Side App or the Buyer Side App, as ONDC deems fit. To this extent, the Participant shall obtain necessary consents under Applicable Law permitting ONDC for such continued use.
- 2.5.4 Buyer Side Apps and Seller Side Apps must comply with ONDC's Policies and guidelines on the Scoring/Badging System which may include but are not limited to guidelines regarding uniquely identifying a Seller and a Buyer across the network.
- 2.5.5 The Scoring/Badging System shall provide a consolidated rating for Buyers and Sellers and the Buyer Side Apps and the Seller Side Apps must provide for display of the reputation of relevant parties to the users to help them make their business decisions.

ANNEXURE I

Technical Performance Parameters for Network Participants

1. All Network Participants, other than Gateways, are required to ensure uptime on best effort basis and must upfront publish online their availability window as well as any scheduled downtimes.
2. All Gateways will ensure that its services are operational and available in the network round-the-clock ensuring 99.95 percent uptime except for scheduled and pre-published downtime. Gateways must ensure, on best effort basis, that their scheduled downtime is as limited as possible, and shall in no case exceed 30 minutes in a month.
3. Technical Performance parameters are subject to any *force majeure* events and ONDC may waive the failure of meeting the required technical parameters in such cases. All Network Participants must inform ONDC immediately if they face any technical issues due to *force majeure* events.

Summary of Consultation

ONDC sought inputs from the various Network Participants, both onboarded and prospective, and other stakeholders on Chapter 2 Business Rules (Erstwhile Chapter 8 Network Participant Policies v0.3). Summarised below are the feedback/queries received from Stakeholders and ONDC's responses to them.

1. Defining Network Participants and their responsibilities

Clause 2.1 (Erstwhile Clause 8.1) highlights the obligations and responsibilities of Network Participants, which includes Buyer App and Seller Apps.

Stakeholder Inputs

Several stakeholders remarked that Logistics Service Providers have not been separately identified, with their roles and responsibilities marked out separately. Stakeholders suggested if Logistics Service Providers should be separately classified as 'Other Network Participants', with a separate definition to be carved for it.

ONDC's Response

ONDC clarifies that for the sake of the Chapter 2 Business Rules (Erstwhile Chapter 8 Network Participant Policies), Logistics Service Providers will be treated similar to a Seller Side App, and therefore will have to meet all the requirements as written in Chapter 2 Business Rules (Erstwhile Chapter 8 Network Participant Policies) document. Therefore, ONDC will not define parameters such as QC checks, time for pick-up, delivery, return etc. Such commercials will be mutually decided by Network Participants, through the ONDC Protocol.

However, it is clarified that for the purposes of Chapter 3 Commercial Model, ONDC has defined the term Logistics Service Provider (only for the sake of clarity), and entities which fit within that definition must comply with any obligations cast on Logistics Service Providers.

2. Compliance with Network Participant Agreement, Applicable Laws and Statutory Requirements

Clause 2.1.1, Clause 2.1.2 and Clause 2.1.3 (Erstwhile Clause 8.1.1, 8.1.2 and 8.1.3 respectively) require Network Participants to comply with the Network Participant Agreement, Applicable Laws and ensure transactions of illegal, immoral, unsafe nature or being harmful substances, are not conducted on the Network, and put in place relevant internal policies.

Stakeholder Inputs

- i. Network Participants enquired if they are mandated to notify such compliance requirements to their End Users
- ii. Stakeholders remarked that the definition of transactions being immoral or unsafe, would be ambiguous and could be left open to interpretation?
- iii. Stakeholders sought more clarification on if products such as mosquito repellants or general home utility pesticides be classified as harmful substances?

ONDC's Responses

ONDC clarifies that updated policies with compliance to Applicable Laws, ONDC Network Agreement and Network Participant policies are to be communicated to their End Users in their own manner.

ONDC also clarifies that the term 'harmful substances' only includes narcotic drugs, psychotropic substances, explosives, guns, arms and ammunitions, radioactive material, toxic gases and infectious substances and any other substances that are illegal for sale in India.

3. ONDC Protocol Specifications

Clauses 2.1.5 and 2.1.6 (Erstwhile Clause 8.1.5 and 8.1.6 respectively) require Network Participants to enable the ONDC Protocol Specifications, and make the necessary software and hardware changes as may be required to enable the said ONDC Protocol specifications.

Stakeholder Inputs

- i. Stakeholders sought clarification on what is included in the Protocol Specifications
- ii. Stakeholders additionally sought on whether architectural changes on ONDC will exempt Network Participants from the responsibility of bearing costs to the said changes?

ONDC Responses

ONDC clarifies the Protocol Specifications means ONDC Protocol Specifications as defined in the Network Participant Agreement.

ONDC clarifies that no such exception will be granted to Network Participants, for any form of updates to be made to the protocol specifications, which implies that Network Participants are themselves responsible for becoming compliant and must bear the necessary costs, and will otherwise not be allowed to transact on the Network.

4. Information Transmission and Accuracy on ONDC Network

Clauses 2.1.7 - 2.1.11 (Erstwhile Clauses 8.1.7 - 8.1.11) lay out the specific requirements related to data and information flow on the network ensuring data integrity and accuracy, maintenance of readily searchable and accessible data logs and readiness to audit and regulatory requirements as specified by Applicable Laws. Clause 2.1.22 (Erstwhile Clause 8.1.22) restricts Network Participants from disguising the origin of any information transmitted on the ONDC Network

Stakeholder Inputs

- i. Stakeholders enquired on whether additional prescriptions of encryption related requirements will be issued by ONDC?
- ii. Stakeholders enquired on the extent of the data which can be requested from Customers, other Participants and the modalities of manner of requesting data
- iii. Stakeholders also raised concerns on the purportedly "overarching" nature of the provision empowering ONDC to request details and information from Network Participants

- iv. Stakeholders enquired if data masking would be prohibited, to anonymise personal information.

ONDC's Responses

ONDC clarifies that the specificities of data requests by Customers or other Participants will be laid out in the Network Data Governance Policy, which is under development as of the time of writing this.

Regarding the overarching nature of the provision empowering ONDC to request details and information, such a provision intends to cover data sharing for disciplinary processes and requirements to ensure greater transparency for fair and quick investigations.

ONDC clarifies that where information is anonymised, the restrictions under Clause 2.1.22 will not be applicable. This applies to conduct like ip spoofing, forging headers etc., by which the sender of the information pretends to be some other entity.

5. Accuracy and Integrity of Information on ONDC Network

Clauses 2.1.13 and 2.1.14 (Erstwhile Clause 8.1.13 and 8.1.14) relate to specific obligations of ONDC and Network Participants to ensure accuracy of information transmitting on the Network. Clause 2.1.27 (Erstwhile Clause 8.1.27) requires Network Participants to securely conduct collection and transmission of information related to payment, transaction processing and sensitive financial personal information of Users.

Stakeholder Inputs

- i. Stakeholders expressed their contention with the number of days required to report information changes, related to the information declared during registration, which was currently affixed at 2 days.
- ii. Further, certain Network Participants were in disagreement with the use of 'reasonable grounds' to suspect Network Participants relaying untrue, inaccurate, non-updated or incomplete information, which ultimately allows ONDC to suspend and terminate Participants.
- iii. Network Participants expressed reluctance to take absolute responsibility on behalf of End-Users, who may be involved in transmitting unauthorised/illegal information. However, Network Participants agree to put in place safeguards and Terms and Conditions to restrict transmission of unauthorised/illegal information to the best extent possible.
- iv. Stakeholders requested to amend the obligations under Clause 2.1.26 to be exempt from incidents such as hacking and the use of reasonable technical standards for data security

ONDC's Response

ONDC accepts the contention as raised by the stakeholders and accordingly increases the number of days to report information changes to ONDC to 7 days from the previously defined 2 days.

ONDC defends the use of the term ‘reasonable grounds’ to allow ONDC to take the necessary action for different types of circumstances which can emerge, but which will be difficult to define or predict.

ONDC accepts the input from the Network Participant, agreeing to absolve the Network Participant from an absolute responsibility to monitor information uploaded by the End User, and amends to make it a good practice which must be followed by Network Participants, instead.

On the issue of granting exemptions to Network Participants from certain incidents, ONDC has amended Clause 2.1.27 to consider including reasonable measures as per the Applicable Laws and industry accepted security standards.

6. Cyber Security

Clause 2.1.12 (Erstwhile Clause 8.1.12) requires Network Participants to report unauthorised use of their platform, security breaches or cyber security incidents to ONDC and the appropriate authorities. Clause 2.1.17 (Erstwhile Clause 8.1.17) requires that Network Participants will not introduce malware or trojans or use any means to interfere with the functioning of the ONDC Network.

Stakeholder Inputs

Stakeholders proposed that the timeline for reporting be increased from 2 hours to 6 hours from the detection of the incident, since cybersecurity incidents need to be reported to CERTIn within 6 hours of detection of the breach.

ONDC’s Response

ONDC accepts the proposal and amends the clause requiring Network Participants to report to ONDC within 6 hours of detection of breach, along with any Law Enforcement authorities mandated under Applicable Law. Network Participants will be able to report to ONDC through a designated portal developed and offered by ONDC.

7. Obligations and Liabilities Regarding Content Hosting and Transmission

Clause 2.1.15 (Erstwhile Clause 8.1.15) relates to the ensure protection of ONDC against Content created or transmitted on the Network. Clause 2.1.16 (Erstwhile Clause 8.1.16) informs Network Participants of transfer and unencryption of its Content to other Networks. It also informs Network Participants of potential changes to be made to the Content to conform and adapt to technical requirements of other Networks

Stakeholder Inputs

Network Participants raised objections for missing indemnifying clauses protecting Network Participants, in the event, Content generated by these Network Participants, is altered, modified or changed.

Stakeholder, however, sought clarification to understand the purpose of unencrypting content for use by other Networks.

ONDC's Response

ONDC accepts the Network Participants' feedback to indemnify them from any changes made to Content generated by them, by other Participants or for the purpose of use by other Networks. An amendment to reflect the changes, has been accordingly proposed in Clause 2.1.16.

On the proposed use of Content by other Networks, the ONDC Network offers an opportunity to plug other Networks which can offer other Value Added Services on the Network, such as Open Credit Enablement Network (OCEN), which is a protocol specification defined for enabling easy lending for businesses. However, it is clarified that ONDC cannot be held liable for any security issues which arise out of data transferred to OCEN.

8. Tax Compliance Requirements on Network Participants

Clauses 2.1.22 (Erstwhile Clause 8.1.23) require Buyer Side Apps and Seller Side Apps with an option to upload GST details to avail input tax credit of GST paid on good or services, while Clause 2.1.23 (Erstwhile Clause 8.1.24) require Network Participants to comply with the applicable Tax laws.

Stakeholder Inputs

- i. Stakeholders raised doubts on the need for Buyer Side Apps and Seller Side Apps to provide an option to provide GST details for B2C transactions, and should instead be made optional.
- ii. Stakeholders enquired on the need to indemnify other parties from any losses accruing from TDS non-compliance

ONDC's Response

It is clarified that the End Users should be given the option to fill GST details, and it should be left to the discretion of the Buyer Side App or the Seller Side App, as the case may be. However, for B2B e-commerce transactions, ONDC proposes to make the field for entering GST details mandatorily available to the End Users.

ONDC also clarifies that Clause 2.1.23 only seeks to indemnify ONDC from any loss due to any non-compliance by any Network Participant to applicable provisions of the Tax Laws

9. Data Access for Compliance to Applicable Laws

Clause 2.1.26 (Erstwhile Clause 8.1.26) requires the Network Participants to share documents and/or information accurately, as and when may be requested from ONDC for compliance as per Applicable Laws.

Stakeholder Inputs

Stakeholders sought clarity on the type of information which might be requested, along with seeking clarity on the term 'access'. They also contended for the clause to be subject to confidentiality protections of the Network Participants.

ONDC's Response

ONDC clarifies that Network Participants will be required to comply with certain judicial or regulatory orders, under which information and/or documents may be requested of Network Participants. In such cases, it will be infeasible to adequately define the term ‘access’, since the documents/information requested will depend on the nature of the judicial or regulatory order ONDC receives.

10. Disclosures Required during Onboarding

Clause 2.1.28 (Erstwhile Clause 8.1.28) require Network Participants to make a full disclosure of the various services it proposes to offer on the ONDC Network

Stakeholder Inputs

Stakeholders sought clarification on whether these disclosures are requirements under submission of Expression of Interest

ONDC’s Response

Indeed such disclosures are to be made under the submission of the Expression of Interest form.

11. Grievance Redressal

Clause 2.3.3.(a) - 2.3.3.(d) (Erstwhile Clauses 8.3.3.(a) - 8.3.3.(d)) specify the obligations of the Network Participants related to establishing the necessary grievance redressal mechanisms and addressing consumer complaints

Stakeholder Inputs

Stakeholders enquired on the requirements related to qualification of appointed Grievance Officers and as required for convergence with the National Consumer Helpline for resolution of consumer complaints.

ONDC’s Response

ONDC clarifies that the qualification of Grievance Officer and, will be as made under the E-Commerce Rules, 2020.

12. Obligations on Payment Transactions as per RBI Requirements

Clause 2.3.3.g (Erstwhile Clause 8.3.3.g) requires Network Participants to effect payment transactions such as refunds, settlements as per directions prescribed by the RBI

Stakeholder Inputs

Stakeholders sought clarification especially in the event when a particular Seller does not provide refunds, but Buyer requests nevertheless. Additionally, stakeholders sought the requisite Network Policy and Turn Around Time obligations for refunds.

ONDC’s Response

ONDC clarifies that in case the Buyer requests a refund for a product which the Seller has declared to be non-refundable, a dispute under Issue and Grievance Management will have to

be raised. Regarding the refund policy, ONDC clarifies that the modalities of refund will be as per the Applicable Laws between the Seller and the Seller Side App, and as per the Transaction Level Contract between the Buyer Side App and the Seller Side App.

13. Obligations of Buyer Side Apps Offering E-Commerce outside the ONDC Network

Clause 2.3.3 (j) (Erstwhile Clauses 8.3.3 (j)) cast certain obligations for a Buyer Side App, also operating a marketplace e-commerce entity outside the ONDC Network

Stakeholder Inputs

Stakeholders enquired on the need to make these obligations mandatory for Buyer Side Apps

ONDC's Response

ONDC clarifies that the purpose of the clause is to ensure Buyer Side Apps with an external marketplace e-commerce presence, don't use the ONDC Network, without actually bringing value to the Network. Thereby, the clause intends to make it fairer for other Network Participants, illustrated below in the example. If an existing e-commerce entity comes on board as just a Buyer Side App but not as a Seller Side App, its captive Sellers will not be discoverable to Buyers on other Buyer Side Apps, while its captive Buyers will be able to purchase from Sellers on other Seller Side Apps on the ONDC Network. This would be unfair to other Seller NPs, as well as the Buyer NPs.

14. Obligations of Buyer Side Apps to display search results on a non-discriminate basis

Clause 2.3.3 (k) (Erstwhile Clauses 8.3.3 (k)) casts obligations on a Buyer Side App to display all search results received from a Gateway in a non-discriminate manner to the End User

Stakeholder Inputs

- i. Stakeholders enquired on the need to make these obligations mandatory for Buyer Side Apps
- ii. Stakeholders enquired on the effect of the reputation ledger on discoverability of Sellers through Seller Side Apps
- iii. Stakeholders enquired on the uniformity of the algorithms for discoverability of Sellers
- iv. Stakeholders demanded the right to block or ban Seller Apps with fraudulent or suspicious behaviour
- v. Stakeholders expressed a desire to allow Buyer Side App will transact only with Seller Side Apps, with pre-signed agreements

ONDC's Response

The Clause requires Network Participants to maintain a fair criteria for displaying search results of Sellers. So, for example, two sellers who are otherwise identical in their offering, rating and performance must be treated equally in the search results shown to the Buyer.

ONDC also clarifies that it doesn't intend to define algorithms or actual parameters for Network Participants, and it will be left to the discretion of the Buyer Side App to decide on the algorithm to be employed. Network Participants must ensure that the outcome of their

algorithms must be fair to all the Sellers, and in fact must provide guidance to Seller Side Apps/Sellers on ways to improve searchability, without actually being required to disclose business secrets.

ONDC clarifies that the blocking of search results of Seller Side Apps or Sellers showing fraudulent or suspicious behaviour will be permissible, as long as the filtering is applied uniformly amongst all the Sellers.

ONDC clarifies that a transaction level contract between the Buyer App and Seller App is only created when the "confirm" and "on_confirm" APIs are called on the ONDC Protocol, with no separate agreements being applicable to transact on the Network.

15. Obligation of Buyer Side Apps to Seller/Seller Side Apps

Clause 2.3.4 (a) (Erstwhile Clause 8.3.4.(a)) requires Buyer Side Apps to faithfully display descriptions of goods and services as relayed by Seller Apps/Sellers. Clause 2.3.15 (Erstwhile Clause 8.3.16) requires Buyer Side Apps to make product attribute searches accessible to all Network Participants, indiscriminately.

Stakeholder Inputs

- i. Stakeholders enquired on if there's a specific format to be followed for the undertakings to be received by Sellers, and whether Buyer Side Apps will be at the liberty to screen products which are unable to meet the requirements for displaying information, as per the Applicable Laws.
- ii. Stakeholders sought additional clarity on the need to make product attributes searchable across all relevant Network Participants.

ONDC's Response

ONDC clarifies that the format for written assurances to be submitted by Sellers will be as per as prescribed under the E-Commerce Rules, 2020. ONDC concurs with the assertion that Buyer Side Apps are under the liberty to reject products by Sellers which don't meet the requisite product information disclosures.

ONDC clarifies that Clause 2.3.15 is intended to ensure transparency of product attribute searches for visibility to all Network Participants.

16. Obligation of Buyer Side Apps for undertaking KYC Compliance

Clause 2.3.6 (Erstwhile Clause 8.3.6) lays the responsibility on Buyer Side Apps to ensure due diligence and KYC of Customers or End Users on its platform

Stakeholder Inputs

Stakeholder suggested removing the term 'End User' from the Clause, since an 'End User' can be construed to mean Sellers and other entities as well, for whom the Buyer Side App will not conduct any due diligence or KYC.

ONDC's Response

ONDC agrees with the suggestion, and the term 'End User' is removed from the Clause.

17. Obligations of Seller Side App for resolving Customer Grievances

Clauses 2.4.3 and 2.4.10 (Erstwhile Clauses 8.4.3 and 8.4.10) list out the obligations of Seller Side Apps on providing necessary support for facilitating cancellations and refunds, and support for customer grievances. Clause 2.4.13 (a) (Erstwhile Clause 8.4.13 (a)) requires Seller Side Apps to display the name, address, website url and contact details of the customer care and grievance officer, on their platform. Clause 2.4.13(c) (Erstwhile Clause 8.4.13 (c)) requires Grievance Officer of the Seller Side App to acknowledge and redress complaints as per ONDC Network Policy

Stakeholder Inputs

- i. Stakeholders sought greater clarity on the role of Logistics Service Providers in helping facilitate refunds and returns. Additionally, stakeholders enquired whether grievances must be addressed as per the policy adopted individually by Network Participants or otherwise?
- ii. Certain stakeholders also sought clarification on whether obligations under Clause 2.4.13 (a) will be applicable on Logistics Service Providers, since they don't have any direct interface with Buyers.
- iii. Stakeholders enquired if an End User gets the choice to raise a dispute with either the Buyer Side App or the Seller Side App.

ONDC's Response

ONDC clarifies that Logistics Service Providers, will indeed be responsible to process Return to Origin and Return pickups, if the transaction was envisaged to be a cascaded transaction.

ONDC clarifies that grievances on the Network must be addressed as per the Issue and Grievance Mechanism policy, which will be shared with all the Network Participants soon, as it remains under development at the time of writing of this document.

ONDC clarifies that Logistics Service Providers, which are indeed recognised as Seller Side Apps within the scope of this document, may not be required from disclosing details, as required under Clause 2.4.13 (a), to Buyers.

ONDC clarifies that a Customer will raise a dispute with a Buyer Side App, while a Seller will raise a grievance/dispute with the Seller Side App, and the two parties will then have to coordinate with the counterparty to resolve the dispute.

18. Other Seller Side App Obligations

Clause 2.4.15 (b) (Erstwhile 8.4.15 (b)) requires Seller Side Apps from refraining to post fake reviews of their Products, for the purposes of representing the quality of the product or service. Clause 2.4.15 (d) (Erstwhile 8.4.15 (d)) requires Seller Side Apps to refrain from refusal of return of products, refusal to refund, if the product or service is found to be defective or deficient in quality.

Stakeholder Inputs

Stakeholders enquired if any ONDC Network Policy has been envisaged for preventing fake reviews on the Network. Additionally, stakeholders enquired if refusal to take returns and pay refunds would be exempt under prevailing Force Majeure conditions.

ONDC's Response

At the time of writing, ONDC is considering a mechanism to curb fake reviews on platforms, but no substantial policy has been published yet. ONDC will be defining exceptions to Force Majeure clauses as part of the Transaction Level Contract.

19. Scoring/Badging System (Previously called 'Trust, Reputation System and Ratings)

Clauses 2.5.1 - 2.5.5 (Erstwhile 8.5.1 - 8.5.5) lay down the various modalities of establishing a Scoring/Badging System, for rating the Participant's behaviour on the Network, with a view to maintain the health and trust of the Network.

v0.3 of the Chapter referred to the 'Scoring/Badging System' as Reputation Ledger

Stakeholder Inputs

- i. Stakeholders enquired on whether Confidentiality clauses could potentially impinge upon the requirement to make data and information available for the purposes of the reputation ledger
- ii. Stakeholders enquired on the data security considerations in case if the reputation ledger is to be maintained by a third party
- iii. Stakeholders enquired on the underlying need for ONDC to have access to information stored on the Reputation Ledger
- iv. Stakeholders enquired on steps taken to ensure genuinity of ratings of Participants on the Network

ONDC's Responses

ONDC clarifies that data and information shared with ONDC for the purposes of Scoring/Badging System (Previously called Reputation Ledger) will not be construed to be a violation of maintaining protection of Confidential Information, as mandated by other Network Policies.

ONDC seeks to address the important data security considerations related to the Scoring/Badging System (Previously called Reputation Ledger) by third parties, by adopting appropriate privacy and security controls, whose standards will be covered as part of the Network Data Governance and Scoring/Badging System (Previously called Reputation Ledger) Policy, which are still under development, at the time of writing.

On the need for ONDC to have access to information stored in the Scoring/Badging System (Previously called Reputation Ledger), ONDC clarifies that the clause has been particularly added to enable additional functionalities in the future such as fraud detection, for which data will have to be drawn from the Scoring/Badging System (Previously called Reputation Ledger).

ONDC is still developing the modalities of the Scoring/Badging System (Previously called Reputation Ledger), where legitimacy of Ratings of Network Participants will be amongst the key considerations, to ensure a trustworthy and effective Scoring/Badging System (Previously called Reputation Ledger).

20. Technology Performance Parameters

Annexure 1 lays out the minimum technical parameters to be adhered to for staying live on the Network

Stakeholder Inputs

Stakeholders sought clarification on the reason for Network Participants to have optional, instead of mandatory, exemption from failure to meet minimum technical parameters, especially under Force Majeure events

ONDC's Response

ONDC clarifies that it will have the discretion to decide on a case to case basis regarding a particular Network Participant's inability to meet performance criteria, as defined, especially under Force Majeure conditions.