



## UNDERSTANDING E-COMMERCE UNDER CYBER LAW

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**Best Citation** - JEYASHREE.G, UNDERSTANDING E-COMMERCE UNDER CYBER LAW, *International Journal on Cyberspace Law and Policy*, 1 (1) of 2023, Pg. 82-86, ISBN - 978-81-960677-4-8.

### ABSTRACT

All of us love it when we hear the word Shopping . This applies to every person no matter his or her age , be it Rich or Poor or be it an Elderly person or a Youth . Age doesn't even matter when it comes to Shopping . As Technology is growing day by day , even the Internet has also reached almost all Remote Villages and frankly we can say that the whole world is at our fingertips . Earlier we used to go and shop things in a particular shop situated in an area . As everything has rapidly grown , now all of us have switched to Online Shopping such as purchasing with Amazon , Flipkart and many more online platforms such as these . We have also heard many of them doing Online Business sitting at home and earning higher amounts just sitting and working for a few hours . So as we speak about this concept of E-Commerce , the benefits that we enjoy just by sitting at home are endless . All these Kinds of Transactions occur in a platform known as Cyberspace accompanied with the development of the Internet . It sounds Interesting Right . Let's go in detail and study these which makes us feel Interesting .

### I. INTRODUCTION

The Organization for Economic Cooperation and Development (OECD) defines "e-commerce" as a new way of conducting business over networks that make use of non-proprietary protocols created through an open standard-setting procedure, like the Internet. According to the FDI Policy[1], "e-commerce" refers to the exchange of services as well as real and digital goods over digital and electronic

networks. Simply stated, e-commerce is the practice of conducting business online as opposed to through more conventional physical channels. This encompasses all online retail activities like ordering products, using services, getting things delivered, making payments easier and managing the supply chain and services. E-commerce is the term used to describe any form of transaction conducted online . E-commerce covers all of the internet's and the web's law and administrative facets. Cyber Law encompasses everything that is concerned with, connected to, or arising from any legal issues or aspects pertaining to any action of netizens and others in cyberspace. The combined term "Netizens" is made up of the words "Internet" and "Citizens."

### II. LEGAL FRAMEWORK OF CYBERLAW

The legal framework of cyber law includes the legal components of all transactions occurring online. Cyberlaw, for example, encompasses e-contracts that are completed by opening a website, different economic interactions, punitive provisions for cybercrimes, etc. It is a virtual platform, cyberspace. It is the standard term used to define anything having to do with the Internet and the varied online culture, including social networking, e-commerce, and e-governance, among others. Due to its pervasiveness, the function of cyber law policy is crucial.<sup>111</sup>

### III. JURISDICTION

<sup>111</sup> <https://www.lexology.com>

Since the internet is accessible to everyone in the world, all international tribunals have jurisdiction. Netizens, also known as cybercitizens, are a person or entity constantly participating in the online environment.

#### A. THE INFORMATION TECHNOLOGY ACT , 2000 AND ITS OBJECTIVES

In the context of the widespread acceptance of the need for the exposition of the cyber regulation framework, the Information Technology Act of 2000 was passed. In order to bring about uniformity among the nations of the world with regard to cyber regulation, UNCITRAL (United Nations Commission International Trade Law) approved the model law on e-commerce in the year 1996. The Information Technology Act goes into detail about data protection. As the Internet has grown, more and more personal information about individuals is available online and subject to misuse. The study of big data is something that attests to this issue. According to big data analysis, people's queries can be used to influence their decisions by examining their search behavior patterns. By defining a "cyber café," the new information technology legislation has improved the institution for catching hold of those who engage in cyber phishing. Previously, these cafes would carry out this activity, but now, following notification, the shopkeeper must be provided with personal identification in order to track down the offender and foster deterrence. The Act has significantly increased the resources available for conducting cyber investigations by allowing an investigator to look into a cybercrime. Since the amendment, an investigator may now also look into a cyber offense. Previously, only a commissioner was permitted to look into cyber crimes.<sup>112</sup>

The Primary Focus of this Legislation were to -

1. To give electronic data interchange and other forms of electronic communication used

in transactions, known as e-commerce, formal recognition.

2. To understand why bankers should keep their books of accounts in electronic form: the bankers' books of accounts have always been a source of proof and have been examined, rendering the banks accountable.

3. The Information Technology Act recognized electronic evidence in a court of law, amending the Indian Penal Code, Indian Evidence Act, Banker's Book Evidence Act, and Reserve Bank of India Act to make access to justice simpler and the Indian legal system more active over time.

4. To identify papers submitted to the government: e-Government has greatly benefited society as a whole because resources are more easily accessible online and because it successfully eliminates the need for middlemen, which in turn reduces the need for corruption.

5. Government recognition of electronic data storage: The DigiLocker, where citizens can access their essential documents like voter identification, PAN cards, driving licenses, etc., is recognized by the government. Another story that generated a lot of buzz was the government's requirement that internet service providers save data for India.

6. Recognizing Electronic Fund Transfer between Banks and Financial Institutions: The introduction of e-banking has injected a pace never before seen in the banking industry. One could argue that the introduction of online banking has virtually placed the bank in the account holder's hand.

7. to verify the validity of a digital signature used for the legal verification of any information or object.<sup>113</sup>

#### **IV. ETHICS IN E-COMMERCE**

<sup>112</sup> <https://www.termsfeed.com>

<sup>113</sup> <https://www.geeksforgeeks.org>

Any discipline must always include ethics as a key element. E-commerce ethics are crucial because immoral or oppressive business practices can upset the market's equilibrium. A new company must function according to its core values and guiding principles, which are also a part of the company's ethics. It is the moral and legal responsibility of the company to protect customer data privacy and engage in encryption to protect it from hackers. The ethical responsibility of businesses also involves refraining from making false claims about their goods, i.e., refraining from promising customers the moon just to win their loyalty.<sup>114</sup>

#### **V. IMPORTANT ISSUES IN GLOBAL E-COMMERCE**

Despite the fact that e-commerce has a wealth of benefits and applications, it also has a unique set of technological challenges and drawbacks. Since e-commerce is a worldwide phenomenon, its problems are also universal. A few of the key concerns in international e-commerce are as follows:

A. E-SECURITY - Since the internet has connected the two ends of the world, it is now simpler for a person (a hacker) to remain in his remote physical location and cause the data or financial breach of the Victims. The security of end-users has always been a major worry worldwide.

B. LEGAL ASPECTS OF E-COMMERCE - The e-commerce model legislation has been approved by UNCITRAL, as was previously discussed, but whenever an international model code is developed, it comes with its own safeguards for the sovereignty of each individual state, allowing local laws to vary while still using the model laws as a guide.

C. CONTRACTS AND LIABILITY - E-contracts made online have been granted legal recognition, and their obligations are also

enforceable, but doing so becomes extremely difficult when the parties are from different countries and there is no provision for the application of particular laws.

D. TAXATION - The calculation of taxes becomes more difficult due to the fact that different countries use different tax evaluation methods in accordance with their own legislation. Various aspects of taxation, such as tax collection, sales tax collection, determining the taxpayer's residence, determining the source of income, and jurisdiction, are already difficult tasks in the context of taxation.

E. COPYRIGHTS - Since there are so many sellers, buyers, and goods available through global e-commerce, it is challenging to keep an eye out for copyright violations with so many people to deal with.

F. JURISDICTION - Since the Internet is accessible to everyone in the world, all judges have been granted jurisdiction over the cases.<sup>115</sup>

#### **VI. TYPES OF E-COMMERCE**

E-Commerce/E-Business are broadly classified into six main categories. They are as follows -

A. BUSINESS TO BUSINESS (B2B) - Refers to all goods and sales transactions done electronically between two businesses, typically between producers and wholesalers. Indiamart may be the well-known website serving as a bridge between these wholesalers and manufacturers.

B. BUSINESS TO CUSTOMER (B2C) - Indian consumers have access to a wide range of popular e-commerce where they can buy products and services. In this case, the e-commerce website acts as a platform for the sale of the products' final consumers immediately. For instance, Myntra, Amazon, and Flipkart.

<sup>114</sup> <https://www.ibef.org>

<sup>115</sup> <https://www.legalserviceindia.com>

C. CUSTOMER TO BUSINESS (C2B) - when the customer exchanges products or services for cash. An example would be a customer review or an influencer promoting a business to his fans.

D. CUSTOMER TO CUSTOMER (C2C) - This model typically relies on the internet's financial system and different social media to function. The best example to comprehend e-commerce at the consumer to consumer level is the well-known phenomenon "OLX pe Bech de!" An international illustration of this type of e-commerce is eBay.

E. BUSINESS TO ADMINISTRATION (B2A) - This e-commerce category refers to the goods and services that businesses provide to the government. Consider the tiny business that supports the local administrative body's IT needs.

F. CONSUMER TO ADMINISTRATION (C2A) - All transactions in which a payment is made online to the government, such as taxes and doctor appointments, fall under this heading.<sup>116</sup>

### **VII. ADVANTAGES OF E-COMMERCE**

A. LOWERS THE COST OF SALE - The availability of a wide range of choices at the click of a button makes it possible to compare the prices of different goods and services and choose the best option at the lowest cost.

B. LESS DELIVERY TIME AND LOWER COST OF LABOR - The quantity of money or effort put into a product or service determines its price fundamentally. Since e-commerce eliminates the need for physical contact, it requires less effort than would otherwise be necessary.

C. ITS AN AREA OF BUSINESS WERE IT IS NOT AFFECTED BY FACTORS SUCH AS TIME AND DISTANCE - The internet, which can be viewed from any location in the world with little setup needed, serves as the operating environment

for e-commerce. The traditional barriers that any company faces in regards to time and distance restrictions are not present for the e-commerce houses.

D. CHEAPEST MEANS OF DOING BUSINESS - The benefit of having a company built on servers is that, even though they occupy digital space in servers, they do not need to invest in physical space, which raises the quality of their products by saving money on overhead.

E. PROVIDES A SOLUTION BY DECIMATING IN PRICE FIXATION - Since e-commerce significantly reduces the costs incurred by the sellers, the final cost before it reaches the customer is greatly influenced by the costs incurred by the company operator.<sup>117</sup>

### **VIII. DISADVANTAGES OF E-COMMERCE**

A. SPECIAL AND COSTLY HARDWARE AND SOFTWARE ARE REQUIRED - Although being present in the digital world requires less financial outlay than buying a real location, the cost of the software and hardware both rise as a result.

B. FEWER PEOPLE ONLY USE E-COMMERCE - Indian trade was highly reliant on the unorganized local businessmen and traders who ran things at the ground level. Even though internet users have greatly increased, it has not yet reached the level of preference that is comparable to local markets, with the average family still preferring the physical market to the online one.

C. UNABLE TO PERSONALLY AND PHYSICALLY EXAMINE THE PRODUCT - Physically inspecting the product has always been required for a traditional purchase of goods, providing the customer a sense of control over the caliber of the products or services they will be consuming. However, in the age of e-commerce, traditional methods are becoming less and less popular.

<sup>116</sup> Information Technology Law and Practice - Cyber Laws and Laws Relating to ECommerce - By Vakul Sharma and Seema Sharma, Seventh Edition .

<sup>117</sup> <https://www.lexology.com>



D. ITS NOT SUITABLE FOR PERISHABLE COMMODITIES - When money is required for purchasing things through an online store, the seller's investment grows, which lowers his profits. Therefore, perishable goods are not appropriate for e-commerce. However, companies like Big Basket have already made inroads into this customer market segment.

E. THE WEBSITE MUST BE MAINTAINED AND UPDATED REGULARLY - Because the internet serves as the primary means of communication between buyers and sellers, routine upkeep of the internet is essential to maintaining the rate at which service offers are expanding.

F. SKILLED PEOPLE ARE REQUIRED TO MAINTAIN THE WEBSITE - Because it protects website visitors from malicious software or viruses, experienced workers are needed to not only keep the platform at its current level but also to continuously improve it.<sup>118</sup>

## **IX. CONCLUSION**

Despite being distinct from a brick and mortar company entity due to its digital presence, e-commerce has its own set of benefits and drawbacks. To create a cyber regulatory structure in accordance with the model laws adopted by UNCITRAL, the Information Technology Act, 2000 was passed into law. Depending on the parties involved in the deal, there are different types of e-commerce. On a global basis, these e-commerce transactions present a number of issues related to security, jurisdiction, taxation, etc. The aspects of the system that must be known when dealing with the e-commerce system are its benefits and drawbacks. The article's discussion of ethics near the conclusion discusses how important it is to establish the entity's reputation.

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