

**ROYAL GOVERNMENT OF BHUTAN**  
**MINISTRY OF ECONOMIC AFFAIRS**



**GUIDELINES ON E-COMMERCE, 2019**

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**TRADE REGULATION & MONITORING DIVISION**

**DEPARTMENT OF TRADE**

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MINISTRY OF ECONOMIC AFFAIRS  
ROYAL GOVERNMENT OF BHUTAN  
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THIMPHU



བརྟན་ལྷན་ལྷན་ཁག།  
MINISTER

## Foreword

The rapid development of internet connectivity and powerful online tools has transformed conventional method of doing business. Over the years, e-commerce has become the order of the day and resulted in significant change in business models, witnessing a tremendous growth around the globe and Bhutan is no exception. The emergence of e-commerce in the country has presented enormous opportunities as well as challenges and therefore we must be prepared to embrace opportunities and at the same time address the challenges emanating from e-commerce.

Therefore, the Ministry of Economic Affairs is pleased to publish the “Guidelines on E-commerce 2019” developed by Trade Regulation and Monitoring Division, Department of Trade. The guideline is the first of its kind and will guide the business entities and other relevant stakeholders participating in the e-commerce activities. However, the guideline will be subject to periodic review and revision to keep pace with the changing business environments.

The “Guidelines on E-commerce” aims to primarily promote and facilitate continuous growth and development of e-commerce activities whilst ensuring that economic interests and rights of the consumers are protected from unfair trade practices.

It is my sincere hope that the E-commerce Guidelines will contribute towards promoting a vibrant e-commerce ecosystem in Bhutan.

  
(Lokmath Sharma)  
Tengye Lyonpo

## **1. LEGAL CONTEXT**

The Guidelines on E-commerce is issued as per provisions of:

- a. Chapter 10: E-commerce, of the Rules and Regulation on Trade in Goods, to promote continuous and sound development of e-commerce; and
- b. Section 120 of the Consumer Protection Act, 2012 to regulate market order, safeguard the legitimate rights and interests of the entities in e-commerce activities and protect economic interests and health safety of the consumers.

## **2. OBJECTIVE**

2.1. The objective of the e-commerce guidelines is to primarily promote and facilitate continuous growth and development of e-commerce activities whilst ensuring that economic interests and rights of the consumers are protected from unfair trade practices.

## **3. DEFINITION**

3.1. For the purposes of this guideline, “e-Commerce” refers to transactions of goods or services through the internet, mobile devices or other information networks. Other modes of e-commerce activities such as providing financial products and services, news publications, audio and video programs, general

publications, cultural products and other content through an information network shall also be governed by the respective laws and regulations in force.

#### **4. SCOPE**

4.1. The e-commerce guideline shall extend to ecommerce activities that take place within and from or to the territory of Bhutan.

#### **5. CATEGORY OF E-COMMERCE OPERATOR**

5.1. "Platform Operator" refers to any legal person/organization/agency that provide cyber space, virtual places of business, transaction matching, information distribution and other services to the parties of an e-commerce transaction to enable them to carry out independent e-commerce activities.

5.2. "Operator on Platform" refers to an e-commerce operator that sell goods or provide services to customers through e-commerce platform operated by Platform Operators as defined under 5.1; and

5.3. "Other operator" refers to an e-commerce operator that sell their own goods or provide their own services through self-established websites.

## 6. ELIGIBILITY

6.1. Any Bhutanese citizen having attained the age of 18 years/organization/agency shall be eligible to obtain license and operate in e-commerce business.

6.2. Any individual/entity willing to operate **National e-commerce Portal/Platform**<sup>1</sup> shall seek prior approval from Department of Trade, Ministry of Economic Affairs.

## 7. LICENSING PROCEDURE

7.1. An individual/organization/agency must apply for license in the prescribed form (e-commerce application form) through online G2C services at [www.citizenservices.gov.bt](http://www.citizenservices.gov.bt) as per the existing licensing procedures.

7.2. The platform operator and other operators defined in 5.1 and 5.3 respectively shall obtain e-commerce license for e-commerce business.

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<sup>1</sup> National e-commerce portal/platform refers to portal/platform that sells goods certified as Made in Bhutan by recognized standard bodies in Bhutan.

7.3. The license shall be renewed as per Rules and Regulations on Trade in Goods.

7.4. The existing license holder already engaged in or intending to undertake e-commerce activities shall be required to incorporate as a new activity in their license at the time of renewal.

7.5. Where a relevant sectorial clearance is required, such clearances shall be obtained in compliance to the relevant laws for the purpose of issuing e-commerce license.

## **8. SPECIFIC OBLIGATIONS**

8.1. The e-commerce business entity shall:

8.1.1. Carry out business activities in compliance with the guidelines and other laws and regulations.

8.1.2. Ensure the delivery of goods and services to the consumer in a manner and time provided as per the commitments made or as agreed with the consumers, and assumes the risk and responsibility during the shipment of the goods, unless consumer choose another logistic service.



8.1.3. When collecting or using personal information of the user or consumers, observe the provisions of relevant information laws and regulations.

8.1.4. Issue e-invoices or paper invoice for the goods sold or services provided by them, according to the law.

8.1.5. Publish its business license at a conspicuous position in homepage of its website.

8.1.6. In case that there is a change in the business license information of an e-commerce business entity, such change shall be notified to concerned authority and general public through website and other mode of communication.

8.1.7. Avoid offering platform for contributory infringements of Intellectual Property Rights protected under industrial rights protected under Industrial Property Act 2001 and Copyright Act of Bhutan 2001 and the related international IP treaties to which Bhutan is member.

8.1.8. Comply with rights of the consumers and duties and obligations of business entities with regard to consumer protection as enshrined in Consumer Protection Act of Bhutan 2012 and Consumer Protection Rules and Regulations 2015.

8.1.9. Comply with safety standards prescribed by the government authorities from time to time.

8.1.10. Respect the interest of consumer and avoid any form of exploitation.

8.1.11. Provide consumers with authentic information concerning their goods or services and shall not make any false or misleading representation of goods and services.

8.1.12. While marketing their goods and services, they shall not by words or conduct:

8.1.12.1. Directly or indirectly express or imply a false, misleading or deceptive representation concerning a material fact to a consumer.

8.1.12.2. Exaggerate, or provide ambiguity as to a material fact or fail to disclose a material fact if that failure amounts to a deception or,

8.1.12.3. Fail to correct an apparent misapprehension on the part of a consumer amounting to a false, misleading or deceptive representation.

8.1.13. Not make any advertisement that is likely to imply a false or misleading representation of goods or services.

8.1.14. Develop user friendly procedures which allow consumers to choose whether or not they wish to receive unsolicited commercial e-mail messages. Where consumers have indicated that they do not wish to receive unsolicited commercial e-mail messages, such choice should be respected.

8.2. The e-commerce platform operators shall:

8.2.1. Take necessary disposition measures in accordance with the customs Act and other relevant laws in force and report to relevant competent authorities, where an e-commerce platform operator discovers the information of restricted and prohibited goods on its platform.

8.2.2. Announce the relevant information at a conspicuous position in homepage of its website 60 days in advance, and take necessary measures to safeguard the rights and interests of the relevant business operators and consumers, where an e-commerce platform operator intends to terminate its platform services.

8.2.3. Announce the relevant information at a conspicuous position in the homepage of its website 30 days in advance, and take necessary measures to safeguard the rights and interests of

consumers, where an operator on platform intends to terminate its e-commerce activities.

8.2.4. Continuously display their platform service agreements, trading rules, or links to such information at a conspicuous position in the homepage of its website, and ensure that business operators and consumers can conveniently read and download the information intact.

8.2.5. Engage in cross-border ecommerce in accordance with relevant laws, rules and regulation, and other related guidelines and stipulations of the state concerning the supervision and administration of import and export.

8.2.6. Take technological measures and other necessary measures to ensure cyber-security and stable operation, prevent illegal and criminal online activities, effectively tackle cyber-security incident and guarantee the security of e-commerce trading.

## **9. E-COMMERCE TRANSACTIONS AND SERVICES**

9.1. In the e-commerce activities, a party to an electronic contract shall be presumed to possess the necessary capacity for civil

conduct and to have expressed its genuine intent, unless there is evidence to the contrary.

9.2. Establishment or performance of the contract by a party to an e-contract with an automatic transaction information system shall be legally binding on the party that uses such an automatic transaction information system.

9.3. An e-commerce platform shall set-up payment methods either through a licensed Payment Service Provider, a Bank or a Payment Gateway approved by RMA to provide secure payment services as per the Royal Monetary Authority's Payment and Settlement Rules and Regulations, 2018 and amendments thereto.

9.4. Any payment for import and export through the e-commerce platform shall be made as per the Royal Monetary Authority's Foreign Exchange Rules and Regulation 2018 and amendments thereto.

## **10. DISCLOSURE AND TRANSPARENCY**

### *10.1. Information about the Business*

10.1.1. The e-commerce entity shall provide accurate, clear and easily accessible information about the business to allow consumers make informed choice.

10.1.2. Legal name of the business, address for the business; e-mail address or other electronic means of contact, or telephone number; and, where applicable, an address for registration purposes, Consumer Grievance redress procedures.

### *10.2. Information about the Goods and Services*

10.2.1. They shall provide clear information about the goods and services to enable the consumers to make informed decision before entering into the transaction and avoid risk to the consumer.

10.2.2. They shall clearly reveal the manufactured product in terms of its nature, type, quality and other inherent characteristics and accordingly relay to consumers including the price tag.

10.2.3. They shall refrain from producing and supplying goods and services that are of risk to lives, health and safety of the consumers.

### *10.3. Information about the Transaction*

10.3.1. Prior to making any transaction, they shall disclose all relevant information including fees, charges and payment related to the product or services offered to consumers to enable

consumers to make an informed decision whether to enter into the transaction.

10.3.2. Such information should be conspicuous, accurate, easily accessible, and provided in a way that allows consumers adequate time for review before entering into the transaction. The use of language to conduct a transaction shall be legible to consumers to allow them to make an informed decision about the transaction.

10.3.3. They shall provide consumers with a clear and full text of the relevant terms and conditions of the transaction in a manner that makes it possible for consumers to access and maintain an adequate record of such information.

10.3.4. Where applicable and appropriate, the information shall include the following:

10.3.4.1. An itemization of total costs collected and/or imposed by the business.

10.3.4.2. Terms of delivery or performance.

10.3.4.3. Terms, conditions and methods of payment.

10.3.4.4. Instructions for proper use including safety and health-care warnings.

10.3.4.5. Details of and conditions related to withdrawal, termination, return, exchange, cancellation and/or refund policy information.

10.3.4.6. Available warranties and guarantees.

10.3.4.7. All information that refers to costs shall indicate the applicable currency.

## **11. CONFIRMATION**

11.1. To avoid ambiguity concerning the consumer's intent to make a purchase, the consumer should be able, before concluding the purchase, to identify precisely the goods or services he or she wishes to purchase; identify and correct any errors or modify the order; express an informed and deliberate consent to the purchase; and retain a complete and accurate record of the transaction.

11.2. The consumer shall be able to cancel the transaction before concluding the purchase.

## **12. PRODUCT RETURN, REFUND AND REPLACEMENT**

12.1. Any products that are supplied to consumer are defective and different from advertised and agreed one shall be returned to the supplier for replacement. The cost incurred for product return shall be borne by the supplier.



12.2. If the consumer prefers refund of money in lieu of replacement, the consumer shall be refunded.

### **13. DATA PROTECTION AND E-PRIVACY**

13.1. A service provider, manufacturer and supplier engaged in electronic business shall conduct business in accordance with the prevailing privacy laws and rules to provide appropriate and effective protection for consumers.

13.2. The personal information of the consumers, that include but not limited to, banking details, business status, purchase history shall be maintained confidential unless otherwise required by the law in force, subpoenaed by the court or authorized by the concerned consumer.

13.3. The personal information of the consumer shall be only used for the e-commerce transactions and not for other purposes.

### **14. CONSUMER EDUCATION**

14.1. Consumer Education is the process of raising awareness and knowledge to consumers about the electronic commerce to enable them to know their rights and responsibilities while dealing with online business and make informed decisions. All relevant

stakeholders shall take the responsibility to educate consumers and businesses about the prevailing consumer protection laws and remedies.

## **15. CONTRACT TERMS**

15.1. Any contract terms and agreement executed should be fair, transparent and agreeable to both the parties and should not be unfair to consumers.

15.2. Any contract terms that are executed unfairly taking advantage of the consumers shall be treated null and void.

## **16. DISPUTE SETTLEMENT**

16.1. The platform operator shall put in place appropriate system to resolve consumer complaints arising from e-commerce without undue cost or burden to the consumer.

16.2. In case of disputes, the aggrieved party may approach Office of Consumer Protection for grievance redressal.

## **17. PENALTY**

17.1. Noncompliance to this Guideline shall be dealt as per relevant laws and regulations of the kingdom of Bhutan.

## **18. POWER TO AMEND**

18.1. The Ministry of Economic Affairs shall have the power to amend any provisions of this Guideline from time to time through notifications and other mechanisms.

## **19. INTERPRETATION**

19.1. The Ministry shall be the sole authority responsible for interpretation of this Guidelines and its decision shall be final and binding.