Subject: Draft consideration for e-commerce Food Business Operators.

Sir/Madam,

In pursuance of meeting held with e-commerce FBOs on 18th March, 2016 the draft guidelines for food business activities through e-commerce are enclosed herewith for inviting comments, suggestions, etc. from stakeholders.

Yours faithfully,

Encl: As above.

To

All concerned/Commissioners of Food Safety of all States/UTs.

Copy to:

CITO for uploading on the website.
DRAFT
GUIDELINES FOR OPERATIONS OF E-COMMERCE FOOD BUSINESS OPERATORS

In pursuance of Section 18(1)(a), 29(2) and 29(3) of Food Safety & Standards Act, 2006 (hereafter referred as Act), Food Safety & Standards Authority of India (FSSAI) issues the following guidelines for food business activities through e-commerce. Food Business, as defined in Section 3(n) of the Act, encompasses e-commerce mode of business in food articles. As such, all applicable provisions of the Act and the Rules & Regulations made thereunder are to be complied with by e-commerce entities in food business.

The present guidelines are to be read as explanatory memorandum, and do not in any-way supplant any of the requirements under the Act and the Rules & Regulations made thereunder.

1. DEFINITION

   All definitions/terminology used in these guidelines shall have the same meaning under the Act unless specifically provided otherwise. If there is any conflict in the definitions/terminology used in these guidelines and under the Act and the Rules & Regulations made thereunder, the definition/terminology under the Act and the Rules & Regulations made thereunder shall prevail.

   1.1 "E-commerce" means buying and selling of goods and services over digital and electronic network.

   1.2 "Digital and electronic network" means network of computers, television channels and any other internet application used in an automated manner such as web pages, extranets, mobiles, etc.

   1.3 "E-commerce FBO" means any Food Business Operator carrying out any of the activities in Section 3(n) of Food Safety & Standards Act, 2006, through the medium of e-commerce.

   1.4 "Marketplace based model of e-commerce FBO" means providing of an information technology platform by an e-commerce FBO on a digital and electronic network to act as a facilitator between the buyer and seller. E-Commerce marketplace includes entities providing support services to sellers in respect of warehousing, logistics, order fulfillment, payment selection and other services.

   1.5 "Inventory based model of e-commerce FBOs" means an e-commerce activity where inventory of food products and food services is owned by e-commerce FBO and is sold to the customers directly.

2. BUSINESS MODELS OF E-COMMERCE FBOs

E-commerce FBO includes, but is not limited to, the following:

2.1 E-commerce entity providing listing services to sellers/manufacturer/restaurants on their platform, there by providing
platform for commerce to the sellers, manufacturers, restaurants etc.

2.2 Sellers, vendors, importers, processors, packagers or manufacturers who display or offer their food products, including food services, catering services, sale of food or food ingredients for sale to the customers, through either the market based model or the inventory based model of e-commerce.

2.3 Operating and providing storage and/or distribution services to the sellers, vendors, importers or manufacturers of the food products listed on their marketplace.

2.4 Providing transportation services to the sellers, vendors, importers or manufacturers of the food products and/or providing last mile delivery transportation to the end consumers.

3. REGULATORY REQUIREMENTS

3.1 REGISTRATION & LICENSING REQUIREMENTS

3.1.1 E-commerce FBOs mentioned at clause 2.2, 2.3 and 2.4 above shall be covered under schedule-I of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011. These e-commerce FBOs have to obtain license from the Central Licensing Authority for the entire supply chain i.e. Head Office/Registered Office, Transportation, Storage, Distribution, etc.

3.1.2 E-commerce entities providing listing/directory services to the sellers, restaurants, vendors, importers or manufacturers of the food products, may not require to obtain license/registration under the Act, Rules & Regulations made thereunder, subject to their not being engaged in any activities as specified in the definition of Food Business as defined in Section 3(n) of the Act. Further, even these e-commerce entities (covered under clause 2.1 above) shall ensure that no misleading information/false claims pertaining to the sellers, vendors, importers or manufacturers, or food products images are made available on their platform. The ecommerce entities shall clearly specify on their platform that liability of any violation of the FSS, Act and applicable Rules and Regulations made thereunder would be with the sellers, restaurants, vendors, importers or manufacturers of the food products.

3.2 SUPPLY CHAIN COMPLIANCE REQUIREMENTS

3.2.1 The FSS Act 2006 stipulates that every food business operator shall ensure that the articles of food satisfy the requirements of this Act and the Rules and Regulations made thereunder at all stages of production, processing, import, distribution and sale within the businesses under his control. No FBO by himself, or by any person on his behalf, manufacture, sell or distribute any article of food which is unsafe; or misbranded or substandard or contains extraneous matter; or for which a license is required, except in accordance with the conditions of the license.

3.2.2 All e-commerce FBOs are required to sign an agreement with the
sellers which states that the said ‘sellers’ are compliant with FSS Act and Rules and Regulations made thereunder.

3.3 FOOD PRODUCT LISTING AND INFORMATION REQUIREMENTS

3.3.1 The ‘sellers’ who display or offer any ‘pre-packed food’ for sale to the Customers, either on their own e-commerce platform or on the marketplace based model of e-commerce, shall ensure that legible and clear picture of the ‘principal display panel’ of such pre-packed food is made available for viewing by the customers.

3.3.2 The sellers dealing in fresh produce will provide an indicative image of the same produce to the e-commerce FBOs for displaying on their platform to enable the consumers to help recognize the product.

3.3.3 The sellers on the ecommerce platform shall be required to display their License/Registration obtained under the FSS Act and Regulations.

3.3.4 Mandatory food information like storage condition, disclaimers warning, etc. shall be provided without charging consumers supplementary costs. The relevant mandatory food information should also be available before the purchase is concluded.

3.3.5 The food products offered for sale by any e-commerce FBO shall be liable to sampling at any point of the supply chain.

3.3.6 The term ‘seller’ used here should read to mean seller/restaurant/vendor/importer/processor/packager/manufacturer responsible for the listing of their product/offering on the e-commerce platform, and will be visible to the end consumer as the ‘seller’ of the said product/offering.

3.4 DISPLAYING FOOD PRODUCTS REQUIREMENTS

All the FBOs i.e. sellers, vendors, importers, manufacturers, restaurant, hotel etc. shall comply with the basic hygiene and sanitary practices mentioned in the Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011.

3.5 HANDLING OF CONSUMER COMPLAINTS

E-commerce FBO Consumer Complaint Cell shall act as under in respect of complaint received from consumers:-

3.5.1 Complaint relating to product efficacy, quality, or any other such intrinsic issues will be notified immediately by e-commerce FBO to the sellers/importers/manufacturing company concerned for expeditious resolution.

3.5.2 The consumer will also be redirected to the consumer call center of the manufacturer so that consumer directly pursues the matter further.
3.5.3 The sellers, vendors, importers or manufacturers as the case may be, will be liable and bound to take action on the complaint raised by the consumer. The e-commerce FBO will cooperate with the consumers to enable the satisfactory resolution of the complaint by sharing with him all relevant information including seller details.

3.6 RESPONSIBILITY OF ECOMMERCE FBO TOWARDS RECALL

The e-commerce FBO/entities shall immediately delist any food products listed on their platform, which are not in compliance with the FSS Act or Rules or Regulations, made thereunder.

All the terms used herein and not defined shall have the same meaning as assigned to them under the FSS Act and Rules and Regulations thereunder.