

CAREC - PAKISTAN

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E-Commerce Industry of Pakistan

- E-commerce sales going to reach \$1bn by the end of year 2018
- 85% of the e-commerce sales are based on cash on delivery (COD)
- No. of internet users in Pak have increased from 44.5 million to 52 million – one of the basic causes of increase in e-commerce trading

E-commerce Law in Pakistan

- No particular law available for e-commerce dealings in Pakistan because most of the laws were made a century ago.
- However, in 2002, Electronic Transactions Ordinance was introduced to protect Pakistani e-commerce locally and internationally.
- Eight different domains related to e-commerce are managed through ETO.

Details related to Electronic Transactions Ordinance 2002

- 1. Recognition of Electronic Documents:

Legal recognition to documents, information, records has been provided by this ordinance. These pieces of information can be presented in court as evidence without the need of witnesses.

This enhances the speed and efficiency in accessing the records and documents through electronic means and yield exponential impact on Commerce, Administration and Governance in Pakistan.

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- 2. Electronic Communications

The Ordinance especially lays down rules regarding how to associate/attribute a particular electronic communication to a particular recipient or sender.

This is vital to E-Commerce since it gives legislative cover and clarification to what would otherwise under common law be akin to the 'postal rule' and lead to multiplicity of interpretation on the origin, receipt and time and place of offers, acceptances and creation of contracts and vital communications that not only affect Commercial interest but also rights of citizens in general.

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3. Digital Signature regime and its evidential consequences

Instead of becoming technology specific when defining what would legally deemed to be secure electronic documents, records, communications and information, the Ordinance defines the principles that are required in any security application for it to be deemed legally secure

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- 4. Providers of Certification of Web Site & Digital Signatures

In order to provide security and guarantee that websites and E-Businesses are reliable not only with regard to their security procedures but also with respect to reliance being placed upon them for transacting commercially, the birth of the certification service provider and encryption (digital signature) providers in Pakistan will go along way to boost the IT industry and promote International standards and thus economic growth both for the domestic as well as international (exportable) markets.

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- 5. Stamp Duty

The Ordinance further incentivizes the transition from paper-based to paperless E-Environments and E-Commerce by excluding the payment of Stamp Duty on Electronic Transactions, with the exception of items such as Negotiable instruments and transfer of immovable property.

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- 6. Attestation, notarization, certified copies

The legal requirement for attestation, notarization are excluded and the process by which certified copies of Electronic forms are to be obtained are laid out in the Ordinance

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7. Jurisdictions

Consequent upon the very global nature of E-Commerce and the Virtual and Electronic Environment, it was necessary to allow jurisdiction over matters that may have substantial foreign elements and as long as they are connected in any way to connected to or have an effect on any person, systems or events within Pakistan to the Pakistani Courts. This provides greater degree of security to E-Commerce in Pakistan and Pakistani Consumers as it allows them recourse in their own jurisdiction.

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- 8. Offences:

Violation of privacy (data protection) and damage caused to electronic systems leading data loss or alteration etc. are covered under the Ordinance.

Where to go next?

- ETO discussed in the previous slides is just an indirect way to protect e-commerce trade. Specific laws detailing the offenses in the e-commerce transactions have to be made to ensure the safety of the businesses and individual consumers. Analysis of laws made by other countries and adjusting them with the home environment could be one of the solutions that can be readily implemented to secure the billion dollar industry.

**THANK YOU FOR
YOUR TIME!**