

Open Network For Digital Commerce - ONDC

A project on Open Network for Digital Commerce (ONDC) has been initiated by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India.

The [Department for Promotion of Industry and Internal Trade](#) has issued orders appointing an advisory committee for its Open Network for Digital Commerce.

Open Network For Digital Commerce - Overview

1. To create a platform that can be utilised by all online retailers, Open Network for Digital Commerce will make [e-commerce](#) processes open-source.
 - Earlier, New e-commerce rules were released by the Ministry of Consumer Affairs for consumer protection. The rules seek to bring changes to how e-commerce marketplaces operate.
2. It is expected to digitize the entire value chain, standardize operations, promote inclusion of suppliers, derive efficiencies in logistics and enhance value for consumers.
3. On ONDC, buyers and sellers may transact irrespective of the fact that they are attached to one specific e-commerce portal.
4. ONDC will encourage the usage of standardized open specifications and open network protocols, which are not dependent on any particular platform or customized one.

What does Open-Source Means?

An open-source project, software or process means that the process or project is made available freely for others to use, study, modify and distribute it. These permissions are enforced through an open-source licence easing adoption and facilitating collaboration.

For example, Apple's operating system iOS is closed source whereas Google's Android Operating system is open-source which means Apple's iOS cannot be legally modified or reverse engineered, but Google's Android OS can be modified for the hardware of various smartphone companies.

Aim of ONDC

1. The project ONDC is mainly aimed at curbing "digital monopolies".
2. ONDC, using open specifications and open network protocols independent of any specific platform aims at promoting open networks developed on open sourced methodology.

Implementation of ONDC

1. The task of Open Network for Digital Commerce has been assigned to the Quality Council of India (QCI).
2. ONDC is to integrate e-commerce platforms through a network based on open-source technology.
3. The Open-sourcing project is likely to be on the lines of [Unified Payment Interface - UPI](#), therefore several operational aspects such as onboarding of sellers, vendor discovery, price discovery and product cataloguing could be made open-source by e-commerce platforms.

Significance of Open Network for Digital Commerce

1. If the ONDC gets implemented and mandated, it would mean that all e-commerce companies will have to operate using the same processes.
2. ONDC could give a huge booster shot to smaller online retailers and new entrants.
 - If ONDC is mandated, it could be problematic for larger e-commerce companies, which have proprietary processes and technology deployed for these segments of operations.