

# Launch of National Standard for E-Commerce Transactions

## Overview

Enterprise Singapore and the Singapore Standards Council have launched Technical Reference 76: Guidelines for electronic commerce transactions, on 21 June 2020 ("**TR 76 Guidelines**"). The TR 76 Guidelines are a voluntary provisional standard that seek to provide guidance to online businesses that are implementing, maintaining and improving their internal processes and policies related to business-to-consumer and consumer-to-consumer transactions. In particular, the TR 76 Guidelines may be used by e-marketplaces facilitating transactions for products and/or services between sellers and customers, e-retailers selling products and/or services online, third-party service providers supporting operations relating to online transactions, as well as any other parties seeking to embark on setting up their online businesses.

The guidance provided in the TR 76 Guidelines extends to matters such as how e-commerce businesses may:

- (a) operate in a more customer-friendly manner by:
  - (i) providing clarity, comprehensiveness and transparency of information put up online to enhance the ease of understanding for customers;
  - (ii) adopting a proactive approach in communications with customers to improve customer satisfaction;
  - (iii) providing fair and easy access in the browsing and making of online purchases to enhance the customer's shopping experience;
  - (iv) adopting convenient and responsible payment methods; and
  - (v) having stronger management of delivery processes; and
- (b) have more customer-centric business policies and processes in place, which increase customer satisfaction and strengthen customer relationships.

The TR 76 Guidelines address many aspects of e-commerce transaction processes, from pre-purchase activities of browsing and selection to purchasing and payment procedures, and post-purchase activities which include fulfilment, delivery, tracking of products, and returns, refunds, and exchanges. The guidelines also cover best practices on customer support and managing relations amongst e-marketplaces, merchants and consumers, as summarised below.

### *Pre-purchase activities*

The TR 76 Guidelines provide that accurate and appropriate information regarding the organisation, its products, services, policies related to online transactions and existing membership or loyalty programmes

should be made readily available to customers before they enter into an online transaction. To achieve this, the guidelines include the following recommendations:

- (a) **Content creation:** E-retailers and e-marketplaces should take advantage of technological advancements such as artificial intelligence and machine learning to provide customers with an intuitive and seamless shopping experience that is catered to their shopping behaviour. E-retailers and e-marketplaces should ensure that sufficient information is provided on the website to fulfil statutory and regulatory requirements.
- (b) **Content delivery:** Content should be delivered accurately, unambiguously and precisely across all relevant platforms through an intuitive user interface. Multiple language options should be available, and language options should be clear and accessible to customers.
- (c) **Content governance:** E-retailers and e-marketplaces should strive to keep information related to their products or services up-to-date through consistent verification, and identified errors should be communicated to customers as soon as possible. E-marketplaces should guide and monitor the merchants to ensure that content is presented in an appropriate manner.

#### *Purchase activities*

The TR 76 Guidelines also provide guidance for e-retailers and e-marketplaces in connection with the key aspects and relevant mechanisms surrounding the ordering and payment processes, such as ensuring that information regarding products and services placed in the shopping cart (e.g., applicable product warranty and validity, delivery options, fees and estimated delivery date, additional surcharges based on payment modes) are listed clearly. In particular, the TR 76 Guidelines provide specific guidance under three phases of payment, which include:

- (a) **Before payment:** In the 'before payment' phase, e-retailers and e-marketplaces should strive to ensure that the shopping cart user interface and check-out page are intuitive, clear and display sufficient information. Making changes to the shopping cart before payment should be convenient and straightforward, and mechanisms should be in place to prevent data input errors by customers. A system should also be in place to ensure that products selected by the customer fulfil the country's legal and regulatory requirements.
- (b) **During payment:** E-retailers and e-marketplaces are also advised to apply security and verification measures to protect themselves during the "during payment" phase. Only the information required for the payment transaction should be collected. A payment security strategy should also be in place to identify security risks and fraudulent transactions and appropriate security controls implemented to address these. Upon confirmation of purchase, a notice of confirmation containing relevant information and conforming with data protection regulations should be sent to the customer.
- (c) **After payment:** In the "after payment" phase, e-retailers and e-marketplaces should provide customers with a means of checking the post-payment processes. Should any delays occur, the organisation should have a system for keeping customers informed. A system for checking the product condition and addressing defects should also be in place, along with the corresponding customer options to cancel or make amendments to their orders within a reasonable period of time.

### *Post-purchase activities*

The TR 76 Guidelines also address the key activities to be carried out after purchases have been made by customers, which include: (a) fulfilment; (b) delivery; (c) tracking of products; and (d) returns, refunds and exchanges. The guidelines recommend the adoption of Technical Reference 46 "Last mile delivery – eCommerce data interchange" in connection with the sending of delivery instructions to logistics service providers. Some recommendations include:

- (a) Before delivery, products should be packed in the correct specifications and with appropriate protective packaging. A system for addressing and communicating defects and product unavailability to customers should also be in place. Customers should be clearly informed about the refund policy.
- (b) E-retailers and e-marketplaces should not capture more information than necessary to facilitate deliveries to recipients. Precautions should also be taken to ensure that information collected is securely stored. Customers should be kept informed of any changes in delivery time. The logistics service providers should be provided with relevant product handling instructions. If payment-on-delivery is offered, the payment and available methods of payment should be communicated to all parties involved in the transaction.
- (c) If self-collection is offered, information on self-collection point(s) should be provided to customers. Customers should have the flexibility to choose their preferred location based on their availability. More guidance on self-collection as a delivery option can be found in Technical Reference 61, "Data interchange for last-mile delivery using parcel locker network".

### *Customer support*

The TR 76 Guidelines also recommend the implementation of suitable mechanisms to manage interactions with customers in the areas of general enquiry handling, feedback handling, complaints handling and external dispute resolution. These include:

- (a) **General enquiry handling:** Customer support should be easily accessible and effectively keep customers up to date on the organisation's business policies and procedures. They should also accommodate customers' preferred communication medium;
- (b) **Feedback handling:** E-retailers and e-marketplaces should strive to seek and review both positive and negative feedback from customers relating to their experiences with the online platform. Suitable tools may be used to measure whether customer service goals and objective have been met;
- (c) **Complaints handling:** E-retailers and e-marketplaces should ensure that suitable mechanisms and escalation procedures for handling complaints are in place. These mechanisms and processes should be made accessible and clearly communicated to customers. Reference may be made to ISO 10002, "Quality management – Customer satisfaction – Guidelines for complaints handling in organisations", for more guidance on handling complaints; and
- (d) **Dispute resolution:** Proper measures should be in place to facilitate dispute resolutions in e-commerce transactions. Reference may be made to ISO 10003, "Quality management – Customer

satisfaction – Guidelines for dispute resolution external to organisations", for guidance on the dispute resolution process.

E-retailers and e-marketplaces are also advised to adapt their customer interaction processes to customer expectations and to follow the relevant personal data protection act involved when retaining personal data and maintaining customer confidentiality.

### *Merchant verification*

The TR 76 Guidelines also set out certain strategies for managing the two main relationships featured in e-marketplaces, which include:

- (a) **E-marketplaces and merchants:** The TR 76 Guidelines recommend that e-marketplaces require merchants to provide certain minimum necessary information, including their legal name, relevant information about their registered business, points of contact and bank account details. E-marketplaces should monitor merchants' performance and fulfilment activities, and take action against fraudulent merchants. E-marketplaces can also consider introducing a process to educate merchants on content creation and utilising website features.
- (b) **Merchants and customers:** To create trust between merchants and customers, e-marketplaces can maintain a proper channel for customers to provide feedback and ratings on the merchant. Mechanisms should be in place to verify that the customer has made a purchase with the merchant before giving the feedback and rating, and merchants should not be able to edit or delete poor ratings and reviews. These ratings and reviews should be monitored by the e-marketplace, with appropriate action being taken when necessary.

### Comment

With more businesses establishing online platforms, the TR 76 Guidelines will provide businesses with useful standards as a reference across the e-commerce lifecycle. While compliance with the TR 76 Guidelines does not exempt businesses from their legal obligations (e.g., under the Personal Data Protection Act, the Consumer Protection (Fair Trading) Act, or the Payment Services Act), the TR 76 Guidelines can serve as a useful checklist for developing e-commerce processes and policies that build customer trust and confidence.

If you would like information or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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