

*Research Article***A Legal Analysis on Resolving Recently Growing Online Business Frauds in Bangladesh****Md. Adnan Kabir****School of Law, Chittagong Independent University, Bangladesh
adnankabir@ciu.edu.bd****ABSTRACT**

In the recent time, the E-commerce sector has been facing serious challenges due to the fraudulent behaviors of a number of E-commerce businesses. Thousands of consumers have lost their money due to these fake transactions. The main purpose of this article is to help to mitigate online business frauds by reviewing the current legislation and regulations in Bangladesh. This research is a descriptive type of research and secondary data and information have been used for study purpose. The study has analyzed existing business laws and provisions, their applicability and deficiencies in reducing online business frauds and dangers. This study finds that there is no committed code or law establishing consumer rights in online businesses. The current laws have not been changed in such a way that online business matters can be handled properly. The study concludes that the legislature may amend existing laws and provisions and also they may consider some foreign countries provisions for taking actions against the fraudulent e-commerce as well as online business organizations. The outcomes of the present study obviously indicate that the risks of online business frauds directly affect consumer behavior when shopping online. Therefore, reducing these risks through undertaking just and proper laws and provisions can increase the trust of the online shopping consumers.

Keywords: Online business; Frauds in Online Business; Laws and Provisions.

A. INTRODUCTION

In recent time, the Covid-19 outbreak has made people more dependent on online shopping platforms for the purchase of their daily necessities as governments across the world have imposed restrictions on public movement and social gathering. Although the restrictions are eased now, in many countries including Bangladesh, a large number of people have stuck to online shopping for various reasons (Hasan, 2020). Bangladesh Bank introduced regulations for online transactions in 2009 and at the same time, Wimax Internet was introduced in the country. In addition, payment gateway

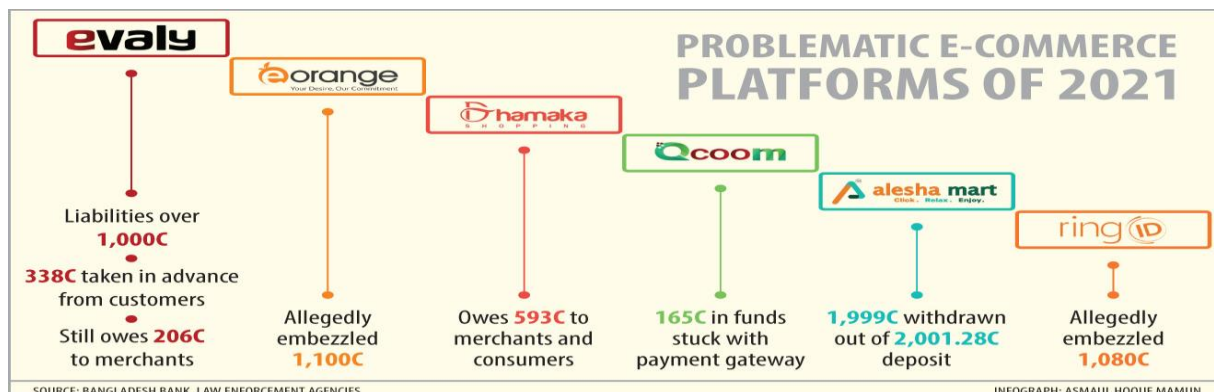
infrastructure was developed for the first time in the country in 2010 with the establishment of 'SSLCOMMERZ.(the largest payment gateway aggregator in Bangladesh and a pioneer in the FinTech industry since 2010. Initially, the platform was launched in collaboration with Dutch Bangla Bank Limited and Brac Bank, but now it is the largest payment gateway in Bangladesh (Islam et.al, 2021). As a result of the ongoing pandemic, many small businesses and people have begun operating on a virtual platform. Internet changes the way of selling products and services in comparison to traditional marketing mix. Consumers now use the internet to research and

purchase products/services online (Lee, 2009, quoted in Hassan, Momen, & Sultana, 2010). Small businesses and merchants have benefited from social media platforms since they help them save money. In this regard, some recent statistics regarding current increasing trend of online businesses are: i) In Bangladesh, there are around 2,500 e-commerce sites and 150,000 Face book pages, with Dhaka, Chattogram, and Gazipur accounting for 80 percent of total online sales (Chawdhury et.al., 2020).ii) According to the latest data from Statista, Bangladesh had an e-commerce market of 1648 million USD in 2019. It is estimated that in 2023 market size will be of nearly 3077 million USD (Bhuiyan, 2021). iii) According to the president of the e-commerce association of Bangladesh (e-cab), the present market size of e-commerce in Bangladesh is over USD1 billion (BDT 8,000 crore), with 50,000 orders per day and a 75 percent annual growth rate. Market Players mostly include: Individuals – 35000, 25000 Small and medium Enterprises (SMEs). E-CAB Vice President estimated that valuation of the sector in 2021 might have crossed Tk20,000 crore — about \$2.32 billion (The Dhaka Tribune, 2021).

However, with the increased online transactions, another concern also emerges - fraudulence in the digital market arena. In this regard, what is worrying is that many buyers face fraudulence while buying online; news of such e-commerce fraud has made the headlines many

times in the recent past, especially since the COVID-19 outbreak (OECD, 2020). On-line businesses are increasingly being scrutinized for unfair, misleading, and fraudulent economic activities. Financial scams, false claims of corona virus treatment or prevention, price gouging of critical items, and the promotion of dangerous or counterfeit goods are just a few examples (OECD, 2020). In this context, a recent study (Chuprina, 2021) has concluded that with 59.5% of the world population having access to the internet and global payment fraud is on the rise and will cost merchants \$40.62 billion in losses by 2027. The annual research report titled "Cyber Crime Trend in Bangladesh 2020", of Cyber Crime Awareness (CCA) Foundation, found that more than 11.48% of customers were deceived in 2020 from various e-commerce and Face book commerce (f-commerce) websites. The number was 7.44% in 2019 (Bhuiyan, 2021). A Bangladesh Bank report on e-commerce transactions showed that through the formal channel the transactions dropped to Tk 743 crore in October in 2021 after reaching an all-time high of Tk 1,277.4 crore in June 2021 due to online business frauds. The transactions in October were 41.53 per cent or Tk. 534.4 crore lower than the transactions in June (Murtuza, 2021). The below table presents very recent E- Commerce frauds statistics of some fraudulent E- commerce Platforms of Bangladesh in 2021.

Table-01: Showing e commerce fraud statistics of fraudulent e commerce Platforms in the year 2021.



Source: Bangladesh Bank, Law Enforcement Agencies (The Dhaka Tribune, 2021).

Global payments fraud has tripled, rising from \$9.84 billion in 2011 to \$32.39 billion in 2020. It is projected to cost \$40.62 billion in 2027—25% higher than in 2020 (Merchant Savvy, 2020). In many cases of breach of contract of sale were reported in connection with an internet business. These contractual infractions cause problems for both buyers and sellers, resulting in many payment delays across the country (Anju, 2021). In order to create a conducive environment for online business, security and trust are paramount. In a better world, this would include laws and regulatory frameworks that allow for unlicensed trade in products and services, consumer protection, data protection, cybercrime prevention, and market access, etc (The Bangladesh's E-Commerce Policy Framework, 2021). In this regard, in June 2021, to ensure customer rights and to stop fraudulent activities, Bangladesh Bank introduced an 'escrow service' for e-commerce. According to the new guidelines, banks or financial institutes will withhold online

consumers' advance payments until the seller has appropriately delivered the product (TBS Report, 2021). The challenges of e-commerce development in the country include the lack of appropriate national policy support, specific e-commerce development strategies, financial security, slow and expensive internet, delivery channels, and operational infrastructure, cooperation and staff shortage (Hasan, 2020).

Juniper Research (2022), in a study titled "Digital Advertising Fraud: Key Trends, Competitor Landscape & Market Forecasts 2022-2026, opined that those advertising in the US will potentially suffer the most in financial loss due to fraudulent activity, with total losses in the US expected to surpass \$23 billion in 2022. In a study, Chowdhury et al. (2021) found that there is no effect of fraudulence practice on gender, age group and education level in the E-commerce in Bangladesh. But the online fraudulence practice increases during the COVID-19 period from before COVID-19 period, specially no refund after

returning product. Government may create cyber-crime department to always monitor E-commerce activities to stop fraudulence of e-commerce and take action to implement with existing acts and rules. In a research, Yeasmin and Wu (2021) commented that strong legislations can work as deterrents to cybercrime in the domain of e-commerce. In addition to having strong legislations, it is significant to have effective regulatory authorities and law enforcing agencies across the entire nation. After establishing stronger legislations, the executive bodies of Bangladesh may be properly trained and encouraged to cognize the incidents of fraud or other cybercrimes on the internet as well as online business.

Online business as well as E-commerce fraud is a criminal deception conducted during a commercial transaction over the Internet with the goal of financial or personal gain of the fraudster while negatively affecting the bottom line of the merchant. It is a crime in which the perpetrator develops a scheme using one or more elements of the Internet to deprive a person of property or any interest, estate, or right by a false representation of a matter of fact, whether by providing misleading information or by concealment of information (legal-dictionary). On-line businesses are increasingly being scrutinized for unfair, misleading, and fraudulent economic activities. Financial scams, false claims of corona virus treatment or prevention, price gouging of critical items, and the promotion of dangerous or counterfeit goods are just a few examples

(OECD, 2020). In the OECD Policy Response to Corona Virus (2020) Report, it is seen that, "in the United States, more than 22,000 consumer complaints about COVID-19 fraud were reported to the Federal Trade Commission (FTC) by mid-January 2020 by mid-April 2020, which is total more than USD 22 million in consumer losses. Other phishing scams, malicious software and identity theft scams have enticed consumers to share their data under false pretenses, either from health organizations or from disease control agencies such as the World Health Organization". Many customers with little knowledge of the online shopping process end up being deceived. There are so-called organized groups that use online shopping forums and Face book pages, post attractive product ads, and promise to deliver products to consumers through courier service fees; but customers do not receive the goods they order most of the time (Sahoo, Hossain, & Hassan, n.d.) The below table-2 presents some statistics where the consumers encounter fraudulent activities.

Table-02: Showing the statistics of Consumers Encounter Fraudulent Activities

Category	Where Do Consumers Encounter Fraudulent Activities?
Online	54%
Mobile Spam Calls	18%

Category	Where Do Consumers Encounter Fraudulent Activities?
Door-to-Door Sales	13%
Postal Mail	12%
In Stores	5%

Source: (Chuprina, 2021)

A Bangladesh Bank report on e-commerce transactions through the formal channel found out that the country's e-commerce sector witnessed a rough ride in 2021 as the sector had boomed in the first half of the year before the business suffered a serious setback due to scams by a number of e-commerce companies, shattering the public trust in the firms. The transactions dropped to Tk 743 crore in October in 2021 after reaching an all-time high of Tk 1,277.4 crore in June 2021. The transactions in October were 41.53 per cent or Tk 534.4 crore lower than the transactions in June. In February 2020, the transactions through e-commerce platforms were Tk 247.1 crore (Murtuza, 2021). The challenges of e-commerce development in the country include the lack of appropriate national policy support, specific e-commerce development strategies, financial security, slow and expensive internet, delivery channels, and operational infrastructure, cooperation and staff shortage (Hasan, 2020). In 2018, the Government of Bangladesh published a digital commerce policy as a guideline for e-

commerce websites and to ensure consumer rights. In addition, it was established that consumer right, copyright, hacking, and product pricing issues were to be enforced directly by the Ministry of Commerce. In June 2021, to ensure customer rights and to stop fraudulent activity, Bangladesh Bank introduced an 'escrow service' for e-commerce. According to the new guidelines, banks or financial institutes will withhold online consumers' advance payments until the seller has appropriately delivered the product. So, in order to create a congenial environment for online business, security and trust are paramount. In a better world, this would include laws and regulatory frameworks that allow for unlicensed trade in products and services, consumer right protection, data protection, cybercrime prevention, and market access, etc (The Bangladesh's E-Commerce Policy Framework, 2021). Managing the entire e-commerce system by establishing a legal structure and changing required sections of key laws and ordinances to protect the interests of consumers is a demand of time. However, above stated research findings mainly focus on regulatory framework, national policy support (Anju, 2021); (The Bangladesh's E-Commerce Policy Framework, 2021), nature of fraud, various fraud related statistics, payment related problems, cyber crime department to ensure e-monitoring (Juniper Research, 2022), specific e-commerce development strategies, financial security, slow and expensive internet, delivery channels, and operational infrastructure, cooperation and staff shortage etc.,(Hassan,

2020), establishing and ensuring copyright, hacking and product pricing issues to be enforced directly by the Ministry of Commerce. But it is very important to re-examine the existing business laws and provisions, applicability of these laws in case of online businesses, limitations of these laws and provisions, specially, resolving online fraud related cases which are still untouched areas of research. In this context, this study is an endeavor by the researcher to explore existing laws and provisions regarding online business, applicability and limitations of these laws to resolve fraud related issues and some probable measures to mitigate the same in Bangladesh perspective. Some foreign laws and provisions regarding online business are also discussed in this study.

In order to create a congenial environment for online businesses, security and trust are also paramount. In this regard, Yeasmin and Wu (2021) in their research found that strong legislations can work as deterrents to cybercrime in the domain of e-commerce rights are available in legal arena to protect and promote online shopping system in Bangladesh. Anju, (2021) in her research mentioned that appropriate government regulatory bodies, such as the BTRC, could collaborate with online e-commerce platforms to store corporate data online. To create a congenial environment for online businesses, this would include laws and regulatory frameworks that allow for unlicensed trade in products and services, consumer right protection, data protection, cybercrime

prevention, and market access, etc. (The Bangladesh's E-Commerce Policy Framework, 2021). So, considering the above context, it is very crucial to review the existing business laws and provisions, applicability of these laws in case of online businesses specially resolving online business fraud related cases and the flaws of these laws and provisions. It is hopeful that the findings of this research may be beneficial to the law maker, policy maker and regulatory authorities, while preparing their future policies regarding mitigating online business frauds in Bangladesh.

Previous research that discusse to study has a comprehensive perspective and provides a bird's eye view of the online shopping practice in Bangladesh and extended with an examination of legal available remedies in respect of online shopping irregularities (Smriti, 2019). Discussed about the present position, customer satisfaction, fraudulence practice and protective remedies in the COVID-19 pandemic situation (Chowdhury et.al, 2021). The study is to predict the areas in financial statements susceptible to fraud in the banking sector of Bangladesh (Karim, & Hossain, 2021). The study to draw out the common characteristics of frauds associated with pandemics, and to identify any risks unique, identifies some novel crime types and methodologies arising during the current pandemic that were not seen in previous pandemics, and that many frauds would occur anyway, but some specific – mainly online - frauds occur during pandemics (Levi, & Smith,

2022). Discuss about a rules generation framework for a fraud-detection system – an automatic rules generation using distributed tree-based ML (machine learning) algorithms such as Decision Tree, Random Forest and Gradient Boosting, where the components of expert rules are used as the features for the model (Vorobyeva, & Krivitskaya, 2022). Adopting an interpretive structural modeling technique for data analysis, we construct a framework and reveal a road map for organizations to become analytically capable in online fraud detection. Our study adds to the discourse of the application of Business Assistance to combat online fraud.

B. RESEARCH METHODS

This study is a descriptive and qualitative based research. Secondary data and information have been applied in this study. As we know, qualitative method is more intrusive and less structured than quantitative research techniques. Such method is adopted to get an idea of the facts which influence legal approach in online business system. The sources of secondary data used in the study are: articles text books, journals, web site papers/ documents, seminar papers, newspaper articles etc. For having a proper idea about the issue, articles and research reports stated in the literature review have been studied and analyzed critically. This study is an attempt to organize and summarize the literature about particularly online business, frauds in online business, existing laws and regulations in online businesses to enlighten the research routes that

will contribute to the advancement of the discipline.

C. RESULTS AND DISCUSSION

1. An Overview of Emerging Online Business and related Frauds

Any form of business transaction that occurs through the internet is considered as an Online Business. E business as well as Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks including internet. Electronic commerce or e-commerce consists primarily of the distributing, buying, selling, marketing, and servicing of products or services over electronic systems such as the Internet and other computer networks (Hand Book of research on Public Information Technology). E-commerce is the term used to describe the initiation, negotiation, and processing of transactions via the Internet. Historically in the world, e-commerce had been started its journey since 1969 with limited application (Chawdhury et.al., 2020). Gradually, it became as revolution with the development of internet scope. Like other parts of the world, in Bangladesh, online shopping has given our day-to-day activities a new dimension. Bangladesh pioneered e-commerce in the late 1990s. Earlier e-commerce sites were essentially gift sites aimed at Bangladeshis living abroad who were not residents of Bangladesh (Saha, 2014). This form of marketing strategy has recently established itself as the favored method of

promotion. Consumers can quickly locate their desired product by visiting the retailer's website or looking among alternative vendors utilizing a shopping search engine that displays the same product's availability and cost across other e-retailers (Smriti, 2019). Over the last few years, internet connections have improved and the number of people who have access to the web has increased thus making way for e-commerce business to flourish. In 2016, \$50 million was invested in the e-commerce sector in Bangladesh. Out of which \$10 million was from Foreign Direct Investment (Khan, 2020).

However, in spite of growing facilities and benefits of online business, customers have been facing various types of anomalies while shopping online. Like as faulty products unsatisfactory services, false and misleading advertising or trading, gift vouchers, scams and online safety, return policy, hidden charges etc. According to the Federal Trade Commission's 2019 Annual Report, e-commerce fraud constituted 53% of 3.2 million consumer complaints, and phishing made up 20% of complaints last year. In total (including online and telephone fraud), customers lost more than \$1.9 billion to fraudsters in 2019 (Forbes Technology Council, 2021). In recent years, fraud statistics have shown alarming increases. This is especially significant in the US, the UK and the Netherlands (Junger, Wang, & Schlömer, 2020). In the Netherlands, for instance, between 2005 and 2017, 'deception' increased by a factor of 2.3, 'forgery' by a factor 2.4, 'extortion' by a factor of 1.8, and 'hacking a computer

system' by a factor of 3.9 (Junger, Wang, & Schlömer, 2020). According to a UK based Juniper Research report, some statistics of global business frauds are stated below: (i).It is found in the report that spending on fraud detection and prevention platform services will exceed \$11.8 billion globally in 2025, from \$9.3 billion in 2021;(ii). Account takeovers, "silent" fraud, chargeback fraud, and identity theft are the most common fraud threats with online retailers; (iii).By 2025, China will be the largest market suffering from ecommerce fraud in the world with over 12 billion USD, accounting for more than 40% of the value of global ecommerce frauds; (iv).A new study from Juniper Research (2021) has found that merchant losses to online payment fraud will exceed \$206 billion cumulatively for the period between 2021 and 2025. This figure, equivalent to almost 10 times Amazon's net income in the 2020 financial year, demonstrates why merchants must make combating fraud, through the use of machine learning based fraud prevention platforms, an immediate priority; (v).Accordingly, the research recommends that fraud detection and prevention vendors focus on building platforms that can cover all the emerging channels of payment traffic, including new areas such as open banking payments, supported by data partnerships, and backed by large-scale machine learning, to achieve the best outcomes (Juniper Research, 2021).

In the context of Bangladesh, there are no specific rules and code of dealing with online businesses in existing laws which will explain how

the e-business or online business will pursue the contract with the customers.

a. Available Online business / Shopping Sites in Bangladesh

Online business or E-business involves buying and selling of products and services by businesses and consumers through an electronic medium. In a pandemic situation like the ongoing Covid-19, people from different countries including Bangladesh rely on online purchase. There are a number of free classified websites and online shopping marketplaces in Bangladesh like Ekhanai.com, Bikroy.com, Kaymu, Rokomari.com, Othoba.com etc. The year 2013 has been an important year in the history of e-commerce in Bangladesh. This year, BASIS and Bangladesh bank jointly observed e-commerce week for the first time in the country. Bangladesh bank gave permission to buy products and services online using international credit cards. With the addition of WiMAX, internet speed increased at the same time, boosting online business. Despite this progress, we have seen some significant investments in recent years, with companies such as Ajkerdeal, Rokomari, Akhoni [now Bagdoom], and others beginning operations (Moslem, 2017).

b. Some major categories of e-commerce are as follows

Broadly, e-commerce is classified into four categories: business to business or B2B (Cisco), business to consumer or B2C (Amazon), consumer to consumer or C2C (eBay) and Business-to-Government (B2G). B2C commerce

involves e-commerce between businesses and the consumers. This form of e-commerce involves the purchase of books or any form of consumer goods. It also includes purchase of software, e-books, games, songs as well as e-banking. ajkerdeal.com, bdbazar.com, daraz.com, bajna.com are some examples of B2C (Khan, 2020).

(1) B2B (Business to Business); e-commerce refers to all electronic transactions involving the exchange of products or services between businesses. This sort of electronic commerce is generally used by producers and traditional commerce distributors. B2B e-commerce is expected to grow at a faster rate year over year than B2C e-commerce (17%), with B2B e-commerce sales in the United States expected to reach \$1.13 trillion by 2020. In 2016, China's e-commerce is estimated to generate 2.5 trillion USD in B2B sales.

(2) B2C (Business to Consumers); The Business-to-Consumer type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers. It corresponds to the retail section of e-commerce, where traditional retail trade normally operates.

(3) Consumer-to-Consumer (C2C); type e-commerce encompasses all electronic transactions of goods or services conducted between consumers. Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out.

(4) Consumer-to-Business (C2B); In C2B there is a complete reversal of the traditional sense of exchanging goods. This type of e-commerce is very common in crowd sourcing based projects. A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products.

**c. Online Business Frauds and its types-
some global situation**

Common examples of security threats that include hacking, misuse of personal data, monetary theft, phishing attacks, unprotected provision of services, and credit card frauds. Some important types are discussed below that often plague online businesses (Qureshi, 2022):

(1) Financial Frauds- Financial fraud has afflicted online businesses since their inception. Hackers make unauthorized transactions and wipe out the trail costing businesses significant amounts of losses. Some fraudsters also file requests for fake refunds or returns. Refund fraud is a common financial fraud where businesses refund illegally acquired products or damaged goods; **(2) Spam-** Where emails are known as a strong medium for higher sales, it also remains one of the highly used mediums for spamming. Nonetheless, comments on your blog or contact forms are also an open invitation for online spammers where they leave infected links in order to harm you. They often send them via social media inbox and wait for you to click on such messages. Moreover, spamming not only affects your website's security, but it also

damages your website speed too; **(3) Phishing-** It is one of the common security threats of ecommerce where hackers masquerade as legitimate businesses and send emails to your clients to trick them into revealing their sensitive information by simply presenting them with a fake copy of your legitimate website or anything that allows the customer to believe the request is coming from the business. Common phishing techniques include emailing your customers or your team with fake "you must take this action" messages. This technique only works your customers follow through with the action and provide them access to their login information or other personal data which the hacker can exploit as per his benefit; **(4) Bots-** You may recognize bots from your good books such as those that crawl the web and help you rank your website in Search Engine Result Pages. However, there are exclusive bots developed to scrape websites for their pricing and inventory information. The hackers use such information to change the pricing of your online store, or to garner the best-selling inventory in shopping carts, resulting in a decline in sales and revenue; **(5) DDoS Attacks-** Distributed Denial of Service (DDoS) attacks and DOS (Denial of Service) attacks aim to disrupt your website and affect overall sales. These attacks flood your servers with numerous requests until they succumb to them and your website crashes; **(6) Brute Force Attacks-** These attacks target your online store's admin panel in an attempt to figure out your password by brute-force. It uses programs that establish a

connection to your website and use every possible combination to crack your password. You can protect yourself against such attacks by using a strong, complex password. Do remember to change it regularly.

2. Laws and Provisions applicable for growing Online Business Frauds

E-commerce platforms are subject to a number of laws. The Penal Code 1860, the Contract Act 1872, the Sale of Goods Act 1930, the Special Powers Act 1974, the Bangladesh Standards and Testing Institution Ordinance 1985, the Consumer Protection Act 2009 and the Trade Marks Act 2009, and the Digital Security Act 2018 are just some of the laws that can be used to combat e-commerce fraud. These are briefly discussed below: **(a) Contract Act 1872-** When a purchaser hits the "I Agree" or "Purchase" button, he or she acknowledges the contract according to Section 52 of the Contract Act 1872, and if either party breaks the contract, the other party can take action under Section 53 of the Contract Act. They can also sue for breach of contract damages under Section 54; **(b) The Penal Code 1860** - False weighing tools, fraudulent weighing, and other issues are addressed in sections 264-267 of Chapter XIII of the Bangladesh Penal Code 1860. This act has no particular provisions relating to e-commerce or online business; **(c) The Sale of Goods Act 1930-** specifies the terms of a contract for the sale of commodities. This statute, on the other hand, governs the customary contract for the sale of goods. It has several unique characteristics, such

as the transfer of ownership of the items, delivery of goods, rights and obligations of the buyer and seller, remedies for breach of contract, and implied conditions and warranties in a contract for sale of goods etc. If a customer unlawfully rejects a good, the seller can sue him for non-acceptance, according to Section 56. If the seller fails to deliver the product in a timely manner, the buyer may sue him. Certain problems with the internet buying system can be alleviated by a more permissive reading of the law; **(d) The BSTI Ordinance** establishes a body responsible for goods standardization, testing, metrology, quality control, grading, and marketing. **Section 30-32 safeguards** consumer rights by bringing violations such as illegal use of a standard mark, disrespect for export or sale limitations within the scope of the law. Such legislation could be used to effectively address online buying issues; **(e) The Trade Mark Act, 2009-**In the Trade Mark Act, Sections 71-78, is intended to prohibit certain unfair trade activities involving trademarks that have the potential to deceive customers. Falsifying and falsely applying trademarks, selling and utilizing fake trade names, and misrepresenting trademarks are all covered by these regulations. Many internet sites strive to deceive buyers by offering counterfeit or phoney products under the name of a well-known brand. To increase profits, sellers frequently utilized original trademarks on low-quality products; **(f) Special Powers Act, 1974-**Section 25C of the Criminal Code specifies that anybody who sells tainted food, articles, drinks, or cosmetics that are

harmful to one's health can face the death penalty, life in prison, or a 14-year sentence of solitary confinement. This holds true for e-commerce sites as well; **(g) Consumer Protection Act, 2009-** Any act that affects the rights of consumers is punishable under Sections 40-51 of Chapter IV of the Consumer Protection Act. There are some grounds for filing a complaint, and they are as follows (Dhaka Tribune, 2020): (i) When a product, service, or medicine is sold or is being sold at a price higher than the fixed-rate price; (ii) When any contaminated product or medicine is knowingly sold or being sold; (iii) When any food product is knowingly mixed with ingredients that are harmful to one's health; (iv) Making false or misleading representations in marketing to defraud buyers; (v) Non-delivery or non-supply of any goods or service after payment; (vi) Providing underweight or short-measured products: Use of such weight, instrument for weighing, or yardstick tape by any seller which displays less than the perfect weight or measure; (vii) Manufacturing or producing false medicine; (viii) When any expired medicine or product is sold or is being sold; (ix) When any defective product or unsatisfactory service is provided. As online shopping includes cyber threats, the Information and Communication Technology Act, 2006, can work as a safeguard against illegal data collection, intentionally obstructing computer systems; **(h) Digital Security Act 2018-** "If any person conducts fraud by utilizing any digital or electronic media, such act shall be an offence," says Section 23 of the

Digital Security Act 2018. Furthermore, any person who commits an offence under sub-section (1) must be punished by imprisonment for not more than 5 (five) years, or by a fine not exceeding Taka 5 (five) lac, or by both. Furthermore, any person who commits the offence described to in sub-section (1) for the second or subsequent time shall be punished with imprisonment for not more than 7 (seven) years, or a fine not exceeding Taka 10 (ten) lac, or both; **(i) Digital Commerce Operation Guidelines, 2021** - On July 4, 2021, the Ministry of Commerce announced Digital Commerce Operation Guidelines, 2021, as a successor to the National Digital Commerce Policy 2018. This policy aims to ensure and preserve accountability and openness in the online, web, and e-commerce industries.

3. Measuring the performance of the available Laws to mitigate Online Business Frauds

This section presents various flaws and defects of existing laws and provisions regarding online business and online business related frauds and some probable measures to overcome the same. As stated in the preceding section, now the performance of the existing laws has been discussed under the following sections: **(a) In Section 52, 53 and 54 of the Contract Act 1872,** "the term *e-commerce platform* is not mentioned. However, they can be used to adjudicate the legal issues. However, though existing Contract Act does not include the word 'online shopping' but this law will be applicable to mitigate disputes based on online shopping; **(b) The Consumer Rights Protection Act, 2009'**

(CRPA, 2009)"enacted with the express purpose of protecting consumer rights. However, there are no sections in this Act that specifically addresses e-business or internet commerce. The Director General was entrusted by the CRPA in 2009 to accept and resolve consumer complaints. A large number of complaints are received by the authority. When it comes to dealing with consumer complaints stemming from online transactions, however, the complainant has very little recourse". In this regard, if **section 45 of the CRPA 2009**"is amended so as to incorporate the phrase **"online service,"** it will be easier for concerned authorities to provide remedy of complaints arising out of online business; **(c) Sections 264–267 of Chapter XIII of the Bangladesh Penal Code 1860,** give guidelines on "false instrument of weighing and fraudulent use of weight which are punishable by fine and/or imprisonment. However, if we use it on e-commerce platforms, it can be a safeguard against fraud relating to weight; **(d)** Trademark issues are also very important in ending e-commerce fraud. **Sections 71–78 of the Trademark Act 2009**"are evidently devised to suppress fraudulence related to falsely applying trademarks, trade names or exaggeration of trademarks; **(e) According to Section 56 of the Goods Sale Act 1930,** "if buyers wrongfully reject to buy the good, sellers can file cases against them for non-acceptance. Similarly, cases can also be filed against sellers by customers if the sellers do not deliver the product. However, certain difficulties relating to online shopping

system can be mitigated through liberal interpretation of this law. According to this law if the seller delivers any goods less in quantity as he contracted to sell, the buyer may reject the product (Sen, & Mitra, 1956). So, in the above section necessary amendment may be made regarding online business; **(f) Sections 30–32 of the Bangladesh Standard and Testing Institution Ordinance, 1985** "provide for some guidelines which protect certain rights of consumers by considering some acts as offences such as the improper use of standard mark and disregard of export or sale restrictions; **(g) According to Section 25C of the Special Powers Act 1974** " if sellers sell adulterated food, articles, drinks, cosmetics that are injurious to health, sellers can be punished with death penalty or with life imprisonment or with rigorous imprisonment for 14 years. The provision can also be used to e-commerce; **(h) Sections 40–51 of Chapter IV of the Consumer Protection Act 2009**"provide for guidelines on the punishment for any act that threatens the rights of consumers. To file complaints, there are some grounds under which the complaint can be lodged and they are: when any product, services or medicine is sold at a rate more than the fixed rate; when any adulterated product or medicine is sold knowingly; when any adulterated food product that is injurious to health is sold; **(i) Section 23 of Digital Security Act 2018** provides, " if any person commits fraud by using any digital or electronic medium, then such act of the person shall be an offence. Besides, If any person

commits an offence under sub-section (1), he shall be punished with imprisonment for a term not exceeding 5 (five) years, or with fine not exceeding Taka 5 (five) lac, or with both. Moreover, If any person commits the offence referred to in sub-section (1) for the second time or repeatedly, he shall be punished with imprisonment for a term not exceeding 7 (seven) years, or with fine not exceeding Taka 10 (ten) lac, or with both”.

Besides, we can consider the following international laws and provisions to develop our e-commerce sector as stated below: **Federal Trade Commission (FTC)** is the primary agency in the United States that regulates e-commerce activities. This includes rules governing a variety of ecommerce activities such as commercial email, online advertising, and consumer privacy. Besides this, **UNCITRAL** adopted a model law in 1996 on electronic commerce, and some of our neighboring countries, such as India, enacted legislation recognizing the evidence and validity of electronic signatures and contracts. Furthermore, Japan has Law concerning Electronic Signatures and Certification Services, Law No. 102 of 2000 and Unauthorized Computer Access Law, 2013 to recognize the electronic crimes. **The impactful regulation** of China on e-payment system by taking interim measures for the administration of Online Banking business 2002 is exemplary (Turag, 2021).

D. CONCLUSION

From the study findings, it is seen that there is no dedicated code or rule that establishes online business consumer rights. Current legislation has not been altered in such a way that the issues of online businesses may be properly addressed. As a result, current laws are indirectly questioned in order to address e-business discrepancies as well as anomalies. In addition, the findings of the study revealed some flaws and weaknesses that act as roadblocks to enacting effective ecommerce legislation and developing a sustainable business climate in Bangladesh. Bangladesh Government must take initiative for a just and proper legal system to ensure and secure a sound business climate in order to meet economic targets (middle Income Economy 2031 and Developed Economy 2041). This study also suggests that distinct legislation for e-commerce should be enacted as soon as possible in Bangladesh. Complexity in the legal field could be reduced in order to preserve the interests of online business consumers. A specific law ensuring online business related consumer rights with the compilation of all required solutions may be made by the legislature. Existing laws, specifically Contract Act 1872, Sale of Good Act 1930, and Consumer Protection Act 2009 and Digital Security Act 2018 may be amended to mitigate online business difficulties. Besides, to recognize the electronic crimes, legislature may consider some foreign laws like: Japan’s Electronic Signatures and Certification Services 2000, Unauthorized Computer Access Law, 2013,

Indian legislation recognizing the evidence and validity of electronic signatures and contracts, China's e-payment system by taking interim measures for the administration of Online Banking business 2002 etc. The findings of this study will provide meaningful insights about recent online business crimes (Table -1) in Bangladesh and in making just and proper laws and regulations to minimize the fraudulent activities of E commerce industries. It is hopeful that this research may provide some insights to the policy makers as well as legislatures for establishing future policies and so to establishing a congenial business environment in Bangladesh.

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