

Overview of the Legal Environment in Jordan Towards Organizing the Virtual E-Store. A Comparative Study

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Abstract

The recent surge in electronic commerce has led to the emergence of virtual electronic stores, prompting the introduction of international and national legislation to define their concept, nature, and scope. This study examines electronic stores and their legislative framework within the context of Jordan. Notably, Jordan currently lacks a dedicated law for electronic commerce, resulting in electronic stores being governed by the general rules of Jordanian Trade Law. Interestingly, the Jordanian Transactions Law does not include specific provisions for regulating online stores. Additionally, the study analyzes and compares relevant laws from the UK, Malaysia, Algeria, and Saudi Arabia. The findings indicate that although the Jordanian legislature has defined the concept of electronic stores, the nature of these establishments remains ambiguous. Therefore, there is a pressing need for specialized provisions to clarify their nature. It is proposed that specific legal provisions be incorporated into either the Jordanian Trade Law of 1966 or the Electronic Transactions Law of 2015. Alternatively, the suggestion is to enact a dedicated law tailored specifically to electronic stores.

Keywords: Electronic commerce, e-store, Jordanian legislations, Trade Law 1966, Electronic Transactions Law 2015.

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1. Introduction

The rapid progress in science, technology, and economic activities has given rise to new implementation types and methods. New businesses must adopt strategies that foster global competition and actively contribute to the development of information technologies. The Internet has revolutionized electronic interaction, significantly impacting information exchange, organizational systems, and entrepreneurial endeavors.

The accessibility of global information networks has opened doors for e-commerce, reshaping national markets and integrating them into the global economic system. This rapid growth of e-commerce has become a contemporary phenomenon in economic relations, necessitating comprehensive regulatory support at both national and international levels.

Leading economies have recognized this transformation, underscoring the influence of international e-commerce on national priorities. Consequently, there is an increasing need for regulatory frameworks capable of addressing the evolving challenges and opportunities presented by the dynamic landscape of e-commerce (Kwilinski & Pavlo Berzin, 2019).

One of the most prevalent applications of Internet business today is online shopping. This mode of shopping has seen rapid expansion in developed countries, benefiting both customers and retailers. However, in developing countries, online shopping remains relatively new. Concurrently, online shoppers have voiced concerns about product quality and expect retailers to provide top-notch logistical services and reliable, timely delivery.

As online shopping continues to rise in popularity, the importance of direct delivery to customers becomes more apparent. Yet, online retailers face significant challenges in managing product delivery logistics, especially in the last mile. The complexities of delivery have led to the downfall of many pioneers in the online grocery industry.

Traditionally, customers would visit physical stores, select items, pay at the counter, and leave with their purchases. Online shopping involves a similar process, albeit without the physical visit. Instead, customers select and pay for items virtually. Online grocery shopping, as an Internet business application, has gained significant attention for its benefits, including a broader selection, competitive prices, convenience, and time savings (Al-Nawayseh, 2012).

In Jordan, registered grocery retailers are primarily small and medium-sized enterprises (SMEs), employing up to 100 workers. SMEs often face resource and market share constraints, with a limited range of products or services. The adoption of online services and their delivery logistics can significantly impact SME operations (Al-Nawayseh, 2012).

An electronic contract involves an agreement facilitated through internet communication systems. While similar to traditional contracts in content and conditions, electronic contracts may require legal treatment that

accommodates innovative formation methods (Alnsoor, 2017).

This study will examine the provisions of online store regulations in the Jordanian trade law of 1966 and the Jordanian Transactions Law of 2015. These laws govern the legal framework for electronic stores in Jordan and will be analyzed accordingly.

2. Conceptual Framework for the E-Store

The rise of e-commerce stands out as a significant milestone in the marketing landscape (Barwise & Kathy, 2022). With the widespread availability of telecommunications and information technologies, consumers now have easy access to information about various vendors. Innovative software tools enable convenient online comparisons of product images, quality, and pricing. However, this technological shift has resulted in decreased profits for vendors (Berthon, Holbrook, & James M., 2000). In the fiercely competitive arena of B2C e-commerce, vendors find themselves compelled to adhere to traditional economic and marketing principles to ensure long-term success amidst a growing number of competitors.

Current trends underscore a notable impact on how potential consumers perceive web stores. Retailers' design choices influence consumers' perceptions of the retailer and, consequently, their intentions to shop at a specific retailer (Li, & Ping Zhang, 2002). While research on consumer behavior in electronic retail is increasing, there appears to be a gap in studies examining consumer preferences for a particular web-based retailer over other comparable options. It's important to note, however, that consumer preferences toward specific web stores can be influenced by the types of products they are seeking (Tractinsky & Oded, 2003).

When shopping for products with varying levels of risk, consumers typically prioritize different store attributes (Lowengart & Noam, 2001). The design attributes of web stores are weighted differently based on the types of products or services these stores offer. It is crucial to recognize that the nature of the products sought by consumers plays a pivotal role in shaping their preferences toward certain web stores.

2.1 The Legal Nature of the E-Store

Customer loyalty plays a crucial role in the success of online stores, which operate in a fiercely competitive environment. Online shoppers leverage powerful search engines to find the best deals among competing stores (Reichheld & Phil Schefter, 2000). Loyalty to e-stores leads to repeat purchases, increased willingness to pay premium prices, resistance to rival marketing efforts, and reduced customer acquisition costs (Pee, Jiang, & Gary Klein, 2019). Furthermore, loyal customers are more inclined to spread positive word of mouth about a particular online store.

The cumulative purchases made by customers over time contribute to the formation of customer loyalty. Hence, researchers need to explore how changes in antecedent factors affect loyalty development among consumers. It has been observed that repeat purchases can influence the perceived usefulness of a website and consumer satisfaction (Cenfetelli, Izak Benbasat, & Al-Natour, 2008). It's important to note that online shopping limits consumers' ability to exercise caution during purchases as they cannot physically inspect goods or interact directly with the seller. This poses higher risks for e-consumers compared to traditional consumers (Amin & Mohd Nor, 2013).

The proliferation of online stores is attributed to the advantages of e-commerce. Setting up an online store is more cost-effective than establishing a physical store, as it requires minimal equipment and supplies. Traditional stores, on the other hand, incur higher operational costs, including employee salaries, benefits, and utility expenses. One significant advantage of online stores is their 24/7 accessibility, allowing consumers to shop anytime, anywhere with an internet connection. However, drawbacks include the inability to physically inspect goods and the requirement for consumers to cover shipping costs.

The surge in online stores has led to increased demand for personal shopper services and collaboration between online sellers and shipping companies, resulting in new shipping service providers. Additionally, a buy-in service model is emerging, where online sellers purchase desired goods on behalf of consumers for a pre-agreed fee (Purba, 2021). Moreover, there is a growing trend in electronic payment support, targeting hobbyists or specific communities, such as rare item collectors in Jordan. This shift has the potential to disrupt traditional business models, highlighting changing consumer behavior and technological advancements' impact.

The primary goal of a commercial store is to sell goods, and the legal dynamics surrounding stores continually evolve (Al-Daboubi & Alqhaiwi, 2022). Physical stores and online stores are governed by different legal frameworks. Physical store owners must adhere to general legal rules, fostering trust principles in commercial transactions. In contrast, online stores are subject to distinct regulations, particularly regarding privacy and their digital nature, as transactions occur within an electronic environment.

Merchants, whether individuals or companies, engage in commercial activities using their names and accounts. According to Article 9 of the Jordanian Commercial Law (1966) and Article 10(1) of the Egyptian Commercial Law (1999), merchants have the legal capacity to own physical stores. However, a physical store is not a requirement for merchant status; registration at the commercial registry suffices (Al-Oqaili, 2020). Failure

to comply with registration may lead to legal consequences, though the merchant status remains.

In traditional commerce, government authorities have full control over commercial transactions, ensuring their validity and monitoring transactions of goods and services. However, this level of oversight is not applicable in e-commerce, making it challenging for authorities to observe online store performance (Al-Daboubi & Alqhaiwi, 2022).

2.2 Legal Theories About the Nature of E-Store

The existing legal theories may not adequately address the challenges arising from the development of e-commerce. This new method of shopping introduces novel risks and abuses for consumers, necessitating new rules as preventive measures. However, it's essential for these measures to align with the needs of technological advancements and their implications on consumers. Moreover, fostering trust and confidence among consumers in the digital realm is crucial and can be achieved through legislative interventions. Protecting the rights of e-consumers positively impacts the progression of e-commerce, underscoring the need for a regulatory framework to ensure their protection (Amin & Mohd, 2013).

The issue of personal online store transfers is not without complications, which require resolution. However, understanding the nature of personal online stores is essential in addressing these problems. A debate exists between advocates of "subject theory" and "object theory," with proponents of "subject theory" viewing personal online stores as commercial entities or ordinary civil subjects. They argue for concepts like "individual sole proprietorship," "individual business," and "commercial partnership." On the other hand, advocates of "object theory" emphasize disputes over the correct characterization of the personal online store, as exemplified by the "virtual property theory" (Yong, 2018).

According to the virtual property theory, the object is central to the rights and obligations of the subject. This theory suggests that personal online stores constitute virtual property (Weyrauch & Thomas, 2021). The General Principles of the Chinese Civil Law, Article 127, state: "If the law has provisions on the protection of data and network virtual property, implement according to its provisions." Moreover, the system interpretation method posits that virtual property is a civil object, and considering the virtual and property characteristics of personal online stores, they can be classified as virtual property (Zhan et al., 2022).

It's important to note that the concept of "virtual property" remains somewhat ambiguous. Debatable concepts within theoretical circles include "credit theory," "property right theory," and "intellectual property theory." Dr. Qu Lingmin defines "virtual property" as the simulation of items in the actual world or a phenomenon documented as data code, kept within the virtual space, and then digitally presented within the network setting, including network accounts and virtual items in the network account (Yong & Liu, 2018). According to this definition, personal online stores can be classified as virtual property.

Virtual property theory presents stipulations regarding property rights and credits concerning the nature of virtual property. "Credit theory" proponents view the legal attribute of virtual property as a contractual obligation concluded via a network agreement, which carries certain property right attributes. They argue that the property right theory fails to acknowledge the fact that personal online stores require cooperation from operating platforms and entail second-level domain names created according to network protocols owned by the platform. These second-level domains lack property rights exclusivity, leading to personal online stores being regarded as debt objects rather than property rights objects (Lixin & Wang Zhonghe, 2004).

Personal online stores originate from the first-level domain of the network platform provider, with second-level domain names created after user registration. Users then conduct long-term operations, gradually establishing business assets like customer groups and credits. The provider of the network platform owns the first-level domain name, while the second-level domain names, created based on the first level domain, also belong to the provider. These domain names are the labor products, and the platform provider retains ownership. Users' rights over the second-level domain names are stipulated in the agreement between users and providers (Yong, 2018).

Electronic business assets are categorized as intangible assets, with data playing a vital role in e-commerce operations on network platforms. Credit ratings and customer bases are crucial assets in e-commerce, closely linked to online store owners and acquired through their efforts. Online store credit ratings are intangible assets that significantly impact operating income, established via agreement mechanisms. Other assets of personal online stores, like goods and the merchant customer base, belong to the operator. Operators generate income through their personal capabilities, in line with user agreement stipulations, which constitute business assets. However, users are not the sole owners of personal online stores; income generated should be differentiated from contractual obligations (Yong, 2018).

In summary, the rights of personal online store operators encompass specific contractual obligations as outlined in user agreements. Business assets created, including the credit of the online store, result from the operators' efforts in line with these obligations.

3. Comparative Legal Approach to Organizing the E-Store

The regulations governing online stores differ from those governing physical stores. An online store conducts transactions within an electronic environment, whereas a conventional physical store conducts transactions with all involved elements physically present—buyer, seller, and goods. In essence, the nature of an online store contrasts with that of a physical store. In the traditional system, the government has full control over all commercial transactions. The legal framework allows government agencies to oversee transactions of goods and services to ensure the validity of commercial activities in international business.

Commercial contracts executed with online stores are akin to those executed in conventional stores, as both types of contracts impose obligations on both parties. The primary difference lies in the virtual conclusion of electronic contracts compared to the real-life setting of traditional contracts. Key issues in the execution of electronic contracts include evidence, proof, legislative, and judicial jurisdiction as mechanisms to govern transaction activities (Al-Daboubi & Alqhaiwi, 2022).

In the realm of international e-commerce development, legal issues necessitate resolution at the international level within the framework of activities of entities such as the European Union and other relevant global organizations. Bodies like the World Intellectual Property Organization (WIPO), World Trade Organization (WTO), the UN Commission on International Trade Law (UNCITRAL), the International Chamber of Commerce (ICC), the United Nations Conference on Trade and Development (UNCTAD), and the Organization for Economic Cooperation and Development (OECD) play significant roles in establishing an effective legal system to regulate relations in international e-commerce (Kamińska, 2018).

UNCITRAL initiated the development of legal rules associated with electronic documents and paper with comparable status in 1992, culminating in the adoption of the Model Law on Electronic Commerce that the UN General Assembly began adopting in 1996. The Model Law on Electronic Commerce (MLEC) was established to facilitate electronic commerce, providing national legislators with internationally acceptable rules to remove legal hurdles, increase the legal predictability of electronic commerce, and ensure e-commerce safety (UNCITRAL MLEC, 1996). UNCITRAL consistently strives to facilitate e-commerce implementation by resolving relations and preparing legal norms to ensure stable e-commerce development (Kwilinski & Pavlo Berzin, 2019). The UN General Assembly Resolution A/51/628 of 1997 was adopted to encourage states to develop legislation in line with the Model Law, aiming for uniform legislation for alternative paper forms and methods for information delivery and storage (Lakhno et al., 2018).

3.1 UK legislation

English law on e-commerce encompasses various legal instruments specifically crafted to govern online business activities alongside all business transactions in general. These laws and regulations are predominantly rooted in EU legislation, with the aim of fostering a more harmonized EU. However, the continued influence of the EU on the UK legal framework post-Brexit remains uncertain. This study underscores several pivotal regulations in the e-commerce sphere:

- Electronic Commerce (EC Directive) Regulations 2002: This directive primarily aims to impose obligations on service providers regarding the provision of necessary information, quality, and content of services to consumers.
- Consumer Rights Act 2015 (CRA): Consolidating previous UK consumer rights legislation, the CRA includes updated sections on remedies for consumers in case of breaches, consumer contracts for goods, and digital content and services.
- Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (Consumer Contract Regulations): These regulations impose additional obligations on online goods and services traders for enhanced consumer protection.
- Privacy and Electronic Communications (EC Directive) Regulations 2003 (PEC Regulations): These regulations govern marketing activities, both solicited and unsolicited, through e-communication channels.
- Electronic Identification and Trust Services for Electronic Transactions Regulations 2016 (2016 No. 696): These regulations establish a legal framework for e-signatures, e-seals, time stamps, website authentication, and electronic identification systems among Member States.
- Consumer Protection (Distance Selling) Regulations 2000 No. 2334: These regulations are centered on consumer protection and do not apply to business-to-business transactions.

In the UK, traders, sellers, and manufacturers are obligated to comply with special laws mandated by the UK government throughout all stages of a contract to safeguard consumers. Furnishing valuable and reliable information about products and services enhances consumer protection, aiding consumers in making informed decisions aligned with their preferences and minimizing risks. Regulated provision of information reinforces consumer safety standards (Ghapa, Norhasliza, & Nor Aida Ab Kadir, 2021).

Regulations mandating essential product information at the pre-purchase stage empower consumers to make

informed decisions and provide avenues for recourse if issues arise. During product promotion, the UK Consumer Protection from Unfair Trading Regulations 2008 prohibits deceptive representation to consumers, with potential penalties including a 2-year incarceration and/or an unlimited fine. Voluntary codes of conduct, such as the Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing, further regulate marketing communications to prevent misleading practices (Malbon, 2021).

In the UK, the widely adopted concept of "contract on dispatch" by online traders stipulates that the contract with an online shopper is finalized upon the dispatch of goods. This concept aligns with Regulation 9 of the United Kingdom Electronic Commerce (EC Directive) Regulations 2002. However, in Jordan, adopting such a concept may conflict with the objective of consumer protection in online shopping. Legislative reforms are recommended to mitigate the impact of the "contract on dispatch" terms on the contractual rights of online shoppers.

Consumer confidence in online shopping hinges on traders' ability to meet consumer expectations. While the electronic signature, governed by the UNCITRAL Model Law on Electronic Commerce (1996), has been introduced to address the evidential weight of electronic contracts, its effectiveness remains uncertain. The electronic signature has also been incorporated into the Jordanian Electronic Transaction Law 2015, but its efficacy is optional. Convincing consumers of the safety of transactions is paramount, and UK law necessitates stringent reformulation of e-signatures, while certain European Directives offer modern definitions and model standards for e-signatures (Blythe, 2005).

3.2 Malaysian Legislation

Online purchasing in Malaysia has been steadily on the rise, with reports from 2019 indicating that 80% of Malaysians prefer to buy products or services online (Simon, K. and Sarah, M. Digital 2019). The convenience offered by online shopping solidifies buyers' intent to make their purchases in the digital space (Ratih, Asnul, & Thompson, 2020). Special legislation, administered by specific ministries, governs online shopping in Malaysia, most notably the Electronic Commerce Act 2006 (ECA) under the Ministry of Domestic Trade, Cooperatives, and Consumerism. The ECA provides legal recognition for electronic messages in commercial transactions, thereby facilitating electronic means for commercial transactions.

Several laws have been enacted in Malaysia to safeguard online shoppers, including the Sale of Goods Act 1957, Consumer Protection Act 1999, Electronic Commerce Act 2006, and the Consumer Protection (Electronic Trade Transactions) Regulations 2012. Despite these regulations and international standards, several factors have been identified that may negatively impact consumer welfare in e-commerce transactions (Rahman, Nur Rabiatuladawiah Abdul, 2020).

The Consumer Protection Act (CPA) in Malaysia became applicable to electronic trade transactions after its amendment in 2007. Subsequently, the Direct Sale and Anti-pyramid Scheme Act 1993 were amended in 2010 to include provisions for e-commerce. Other laws regulating activities in cyberspace, such as the Computer Crime Act 1997, Digital Signature Act 1997, Communication and Multimedia Act 1998 (MMA), and Communication and Multimedia Commission Act 1998 (CMC), have also been introduced. The Malaysian Communication and Multimedia Commission (MCMC), established under the CMC, plays a crucial role in regulating activities within cyberspace and protecting consumers in the information, technology communications, and multimedia industries. Additionally, the Personal Data Protection Act 2010 ensures privacy and data protection by regulating the processing of personal data in commercial transactions.

The Consumer Protection Act (CPA), introduced in 1999 in Malaysia, aims to protect consumers in matters related to goods and services. For e-consumers, the CPA safeguards them from deceptive practices, false representations, and unfair trade practices. Unfair trade practices in online shopping, such as deceptive advertising or the use of 'bait and switch,' are considered under the CPA. The Act provides consumers with implied guarantees for the supply of goods, and protection cannot be contracted out. Strict liability ensures consumer protection against harmful or defective products, similar to developed countries like the EU and the USA. The CPA was amended in 2010 to include Part 111A on unfair contract terms, allowing e-consumers to challenge the validity of standard terms in online contracts. Dissatisfied e-consumers can file grievances with the Tribunal for Consumer Claims, which addresses problems quickly at a low cost (Amin, & Mohd Nor, 2012).

In July 2004, the National Consumers Complaints Centre (NCCC) was established by FOMCA with partial funding from the Ministry of Domestic Trade, Cooperatives, and Consumerism Malaysia. The NCCC aims to provide solutions and refunds for complaints in various industries in Malaysia, mediating alternative dispute resolution processes. Moreover, the NCCC ensures the appropriateness of implemented laws for consumer protection and proposes amendments to consumer-related legislation to fit the present time. The NCCC reports five sectors receiving the highest number of complaints: E-commerce (Online Shopping), General Consumer Products, Telecommunications, Automobile and Auto-Workshops, and Travel and Leisure.

3.3 Saudi Legislation

The telecommunications sector in Saudi Arabia has undergone significant evolution, impacting various processes such as legal transactions, writing methods, signing, documenting, and recording. This evolution prompted the Saudi legislator to issue legislation in 2007, aiming to govern electronic transactions and organize them within a legal framework, providing legal protection to contractors. E-commerce was established in Saudi Arabia in 2019, leading to the issuance of a guide for electronic stores based on the e-commerce system in 2019, which legally incorporates electronic transactions into remotely concluded contracts using modern communication technology (Atim, 2020).

Reports indicate that many Saudi citizens lack knowledge about e-commerce and online purchasing, especially concerning the legal aspects of contracting and making online purchases. Often, citizens engage in product searches and simply click "Agree" before making payments, neglecting to read the contract terms, which poses risks. To address this, the Saudi government implemented an e-commerce law mandating companies to obtain a license from the Ministry of Commerce. Companies are also required to provide details such as the company name and address, facilitating consumer remedies in case of disputes (Almalki, 2021).

The Saudi e-commerce law necessitates the store to have a commercial register obtained from the Saudi Ministry of Commerce and Investment or a Maroof certificate from e-commerce practitioners via social media if a commercial register is unavailable (Almehaimeed, 2020). Accessible records of the store allow consumers to verify the reliability of the store, enabling them to lodge complaints with the Saudi Ministry of Commerce and Investment if issues arise. For online stores without a commercial register or a Maroof certificate, consumers can file complaints with the Ministry of the Interior via police stations or electronic security applications, typically related to information crime law. The jurisdiction for stores without a commercial register or Maroof certificate differs from those with these credentials, emphasizing the importance of official documentation for merchants in protecting trademarks and increasing consumer confidence (Shoult, Anthony. *Doing Business with Saudi Arabia*. GMB Publishing Ltd, 2006).

Companies often advertise discounts on their websites to attract consumers, but fraudulent discount offers are possible. Additionally, companies may impose conditions on products in fine print on the conditions page, leading consumers who do not read the terms to pay more than the advertised price. In Saudi Arabia, various regulations have been issued to prevent violations against consumer rights in electronic commerce, aligning with the provisions of Islamic Sharia that prohibit consumer rights violations. Islamic law prohibits selling goods to consumers that one does not own, selling defective or harmful goods, primarily to protect consumers as the weaker party (Almalki, 2021).

To attract more investment and increase the number of trade dealers, the Saudi government has consistently worked towards creating an investment-friendly environment. Additionally, several e-commerce-related regulations have been issued, including Communications law, companies' law, cybersecurity law, e-commerce law, and the Information Crimes Act. The presence of a Consumer Rights Association further enhances consumer protection in Saudi Arabia.

3.4 Algerian Legislation

Initially, Algeria lacked specific laws to regulate electronic transactions and protect consumer rights, posing significant challenges to both e-commerce and e-marketing practices in the country. Subsequently, the E-Commerce Law was established, encompassing general provisions on the e-commerce of goods and services, as published in the Official Gazette (No. 28) (Wahiba, 2021). The Act defines e-commerce as the activity in which an electronic supplier purports or guarantees the presentation of remote goods and services to an electronic consumer through electronic communications. This law allows monitoring of economic interactions and activities taking place through electronic means, with its primary purpose being to align Algerian legal legislation with international norms and standards. In many countries, electronic communication and trade payment are rapidly expanding.

The E-Commerce Act No. 18/05 2018 stipulates that commercial register registration and website identification are prerequisites for e-commerce. Key provisions of this act include:

1. The product or service order process involves providing the e-consumer with contractual terms, verifying the order details issued by the consumer, and confirming the order, thereby forming the contract.
2. Once the document is formed, the customer must pay the agreed-upon price.
3. E-commerce transactions can be paid remotely by the consumer or during product delivery through permitted payment methods according to relevant legislation.
4. Consumers make electronic payments using specific payment platforms established and fully operated by banks authorized by the Bank of Algeria or Algeria Mail. These platforms are linked to an e-payment station through a network owned by a public communications operator.
5. Electronic service providers must ensure a secure connection between the website and the electronic

payment system, using the electronic certificate system.

6. Offending electronic merchants may face penalties such as commercial register cancellation, site closure, and fines ranging from 50,000 dinars to 2 million dinars. Sanctions are fully and strictly applied based on relevant legislation.
7. Transactions involving lottery, games of chance, paint, pharmaceutical goods, alcohol, tobacco, products infringing on intellectual, industrial, or commercial property rights, or prohibited services according to relevant legislation are forbidden. Any electronic treatment of sensitive materials, equipment, and products, as stipulated by relevant regulations, and any product or service with potential impact on the interests of national defense, public order, and public safety are also prohibited.

Algerian laws aim to achieve balanced state authority control over physical and online stores, but current regulations impose more stringent oversight on online store operations (Ali, Z. B., 2021). According to the Algerian Electronic Commerce Law (AECL) 2018:

“Without prejudice to the legislative and regulatory provisions in force, when an electronic supplier commits violations subject to the penalty of closing the shop during the exercise of its activity under the rules of the practice of commercial activities developed in legislation, the registration of the domain names of the electronic supplier shall be provisionally suspended by the authority designated to issue permission for practicing trade. The duration of this suspension shall not exceed thirty days.”

4. Legal Provisions of e-Store in Jordan

In Jordan and other comparable nations, particularly developing ones, e-commerce remains a relatively novel area of research. Although efforts toward consumer protection and the regulation of e-commerce through the issuance of specific laws have emerged, they are still in their infancy. The effectiveness of these laws in achieving their goals requires participation, collaboration, and coordination from consumers and stakeholders.

Regarding remedies, they can only be provided after consumers express their complaints or dissatisfaction with certain goods or services. Therefore, for consumers, understanding their rights is vital. They must be aware of what steps to take, the procedures involved, and the actions outlined by regulations. However, it should be noted that the law may not always fully protect consumers against e-stores (Ishak, Suraiya, and Nur Faridah M. Zabil, 2012).

The need for legislation related to e-commerce arises in areas such as the enjoyment of the right to security, the right to information, and the right to choose in the new relationship with the advent of large companies, complex goods, extensive advertisements, the use of various brands and trademarks, and concluded contracts between the parties (Doborji, Pari Khaledi, and Abbas Qasemi Hamed, 2016). Currently, goods and services manufacturers and suppliers use various methods to advertise their products or services to generate sales and attract more consumers (Al Sharu, Fauziah, & Rohana, 2019). This significantly influences consumer choices, emphasizing the necessity for a comprehensive and efficient legal system for e-store organization.

Presently, there is no specific law in Jordan that addresses e-commerce issues, particularly those involving e-stores. Instead, provisions on e-commerce in Jordan can be found in various laws, such as the Jordan Trade Law of 1966 and the Electronic Transactions Law of 2015. Further details are provided in the following subsections.

4.1 Jordanian trade Law 1966

In the Trade Law of 1966, Articles 38 and 39 provide specifics regarding the store. Article 38 highlights the components of the store, while Article 39 defines the rights of the investor of the store. However, the Jordanian Trade Law of 1966 does not specify the concept of a 'store'; that is, the law does not provide a definition for the term 'store.' Returning to Article 38, a store includes, but is not limited to, the following components:

1. The store legally entails a space belonging to a merchant and its relevant rights.
2. The store comprises distinctive tangible and intangible elements based on circumstances (e.g., customers, name, distinguishing marks, designs, models, logo, lease right, patents, licenses, industrial tools, and commercial furniture and merchandise).

As observed, Section 38-2 shows flexibility, allowing a store to have only some of the aforementioned elements, provided that the most vital elements, such as customers, are present (Al-Ahmadi, 2021).

Clearly, based on Articles 38 and 39 of the Jordanian Trade Law 1966, there is no specific definition of a store, and the law does not provide regulations for online stores. In fact, the online store is regulated in the same manner as the traditional store, highlighting a legal weakness. General rules in the Jordanian Trade Law cannot adequately or effectively govern online stores. In comparison, other relevant laws provide definitions for a store, as well as procedures for online store registration and other matters related to customer protection from

transaction risks involving the online store merchant. Therefore, in the Jordanian context, a legal framework needs to be established for online stores. Specifically, the legal nature of an online store needs definition, and the framework should include legal provisions to govern e-commerce operations, keeping pace with the rapid progress of e-commerce (Moaz Ahmed Salih, 2020). This responsibility lies within the scope of the Jordanian Trade Law.

4.2 Jordanian Electronic Transactions Law 2015 (ETL)

The Jordanian Law of Electronic Transactions 2015, as outlined in Article 15, underscores the pivotal role of electronic signatures in verifying the identities of contractors and ensuring the security of online contracts, particularly concerning electronic documents transmitted between parties within cyberspace (Abu Alhayja, M, 2017). Concurrently, Article 2, 23(b) of the Jordanian Law of Electronic Transactions stipulates that the validity of an e-signature must be confirmed by a neutral third party capable of electronically authenticating the signature, thus bolstering its credibility as legal evidence (Braga, Carlos A. Primo, 2007). This provision underscores the crucial role of electronic signatures in facilitating international trade on a global scale. Moreover, the Jordanian Accreditation By-law for E-registration Agencies, as detailed in Article 15 and corresponding regulations, mandates the immediate attachment of electronic signatures in the e-commerce environment following the conclusion of a transaction. The confidence of consumers in electronic commercial contracts is heightened when the electronic signature is authenticated by a qualified and accredited entity. Compliance with this legal requirement and adherence to international commercial standards by websites will attract consumers and enhance trade exchanges in the digital realm (Al-Daboubi, & Alqhaiwi, 2022).

While the electronic signature holds significant benefits for online stores, it is not obligatory in the majority of laws governing such establishments, including Jordanian law. This absence may undermine the credibility of electronic documents. Therefore, it is advisable for Jordanian law to mandate the use of accredited electronic signatures by online stores. Notably, international regulations mandating countries to regulate online store activities are currently nonexistent. Such regulations are imperative as the commercial activities of online stores in one state can impact those in other states. Additionally, national laws governing online store activities vary from one country to another (Al-Daboubi, and Alqhaiwi, 2022).

The Electronic Transactions Law (ETL) legislation is inadequate compared to existing consumer protection laws and in addressing legal issues. The existing model law encompasses all emerging technologies, including the internet and internet-related businesses, with some amendments. Conversely, ETL legislation fails to adequately safeguard online consumers, resulting in inferior protection compared to their offline counterparts. ETL also neglects to address problems associated with internet businesses, such as fraud threats and errors. Consequently, the legal framework in Jordan fails to ensure safe and convenient online transactions sufficiently. The framework warrants review, particularly concerning matters pertaining to e-stores. It seems that the legislator primarily focused on determining the legality of electronically conducted transactions, disregarding the necessity to regulate consumer-trader transactions. In contrast, the UK e-commerce law 2002 and the European e-commerce directive law prioritize consumer interests (Al-Husban, Al-Husban, & Yaseen, 2018).

Legislation comprises a combination of legal elements aimed at specific objectives attainable through a set of laws requiring endorsement to be fully effective. In the Jordanian context, legislators should enact laws for consumer protection in both traditional and online settings to ensure consumer safeguarding in both realms. Notably, prominent online stores like eBay have embraced the Self-Regulation model to protect consumers. Online businesses should contemplate adopting this model to enhance consumer protection. The model encompasses refund policies and various payment options, mitigating many of the shortcomings of ETL (Al-Husban, Al-Husban, & Yaseen, 2018).

In essence, while the provisions of the Jordanian Electronic Transactions Law 2015 encompass electronic topics, electronic contracts, and electronic signatures, the law did not specifically address electronic stores in independent legal provisions.

5. Conclusion

The success of e-commerce is undeniably intertwined with technology, yet a holistic comprehension of diverse electronic commerce processes is equally pivotal.

Presently, Jordan lacks dedicated legislation governing e-commerce. Furthermore, existing regulations, such as those within the Jordanian Electronic Commerce and Transactions Law, exhibit deficiencies. Jordanian policymakers should explore and draw insights from analogous laws in countries like Saudi Arabia, Algeria, Malaysia, and the UK. These legal frameworks offer precise definitions and comprehensive guidelines for electronic commerce, with a paramount focus on safeguarding the interests of consumers, who often hold the weaker bargaining position.

Countries such as the UK, Malaysia, Saudi Arabia, and Algeria have formulated legislation to regulate their online enterprises. It would be advantageous for Jordan to adopt elements from these legal structures. Advanced

economies provide consumers with robust protections in online transactions by instituting thorough regulations governing the establishment and conduct of online businesses. The approaches adopted by these nations in their e-commerce legislation could serve as valuable templates for Jordan as it formulates laws pertaining to e-commerce and consumer rights. It's imperative to recognize the distinctions between online transactions and their traditional counterparts.

To ensure consumer protection, both Malaysian and Saudi laws mandate the surveillance of online stores through internet browsers and other mechanisms. This practice should be integrated into Jordanian legislation via specialized legal provisions, fostering a secure legal milieu wherein online buyers can engage in transparent transactions for goods and services, effectively mitigating the risks of fraud and harm.

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