Luxury & Fashion

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Market Spotlight

State of the market

What is the current state of the luxury fashion market in your jurisdiction?

India's luxury fashion market is experiencing significant growth, driven by an expanding base of high-net-worth individuals (HNWIs), shifting consumer preferences, a burgeoning middle class and a young demographic. The country's HNWI population is expected to grow at an annual rate of 10 per cent, stimulating demand for luxury goods, particularly among the 'new rich' in metropolitan areas and emerging towns. Concurrently, consumer behaviour is evolving with increasing interest in international luxury brands, niche products and exclusive experiences, including bespoke services and luxury travel. Sustainability has also become an important factor in luxury consumption. In response, global luxury brands are tailoring their offerings to the Indian market, focusing on exclusivity and personalisation, with major cities such as Delhi, Mumbai and Bengaluru serving as key hubs for new boutiques and e-commerce expansion. The rise of digital transformation, particularly among younger, tech-savvy consumers, is accelerating the adoption of e-commerce, with social media and influencer endorsements playing a crucial role in driving demand. However, the market faces challenges such as high import duties, cultural nuances, and fragmentation, yet these hurdles are offset by the expanding consumer base and India's growing economic influence. Looking ahead, the luxury sector in India holds strong potential for growth across categories such as fashion, luxury watches, jewellery, automobiles, luxury real estate and fine dining. The imposition of goods and services tax (GST) is a good move as it ensures originality of the product and curtails counterfeiting. Overall, India's luxury market is undergoing rapid transformation, presenting both challenges and ample growth opportunities.

Manufacture and distribution

Manufacture and supply chain

What legal framework governs the development, manufacture and supply chain for fashion goods? What are the usual contractual arrangements for these relationships?

The legal framework governing the development, manufacture and supply chain for fashion goods in India is comprehensive, involving multiple statutes to regulate various aspects of the industry. Key legislation begins with the Indian Contract Act 1872, which serves as the foundation for all contractual relationships in the fashion supply chain, ensuring enforceability of terms such as product specifications, delivery timelines and payment arrangements. The Companies Act 2013 primarily regulates business operations, providing a legal structure for corporate entities engaged in the fashion sector, especially concerning governance, compliance and financial obligations. Intellectual property rights are safeguarded under the Trade Marks Act 1999, which is crucial for protecting fashion brands' logos, names and other trademarks, thus preventing infringement and counterfeiting. For design protection, the Copyright Act 1957 covers artistic works, including fabric prints, while the Designs Act 2000 protects the unique designs of fashion products. Furthermore, manufacturers must comply with the Factories Act 1948, which sets standards for worker safety, hygiene and welfare, ensuring a safe working environment in production facilities. The Consumer Protection Act 2019 offers protection to consumers against defective or misleading products and ensures transparency in advertising and returns policies. The GST Act 2017 applies to fashion goods, categorising them under various tax slabs, ranging from 5 to 18 per cent, and mandates businesses to adhere to GST filing and registration protocols. The Export–Import Policy of India governs cross-border trade, ensuring compliance with tariffs, duties and restrictions on the movement of fashion goods. Environmental regulations, particularly the Environment Protection Act 1986, require manufacturers involved in processes like dyeing to adhere to waste disposal and chemical usage standards. Additionally, labour laws and the Minimum Wage Act are critical for ensuring fair wages and safe working conditions in garment and accessory manufacturing. The framework of these legal provisions is designed to create a structured and regulated environment that protects intellectual property, consumer rights and fair labour practices in India's vibrant fashion industry.

Distribution and agency agreements

What legal framework governs distribution and agency agreements for fashion goods?

Distribution and agency agreements for fashion goods in India are governed by a variety of legal provisions that regulate commercial relationships, trade practices and consumer protection. The Indian Contract Act 1872 serves as the foundational statute, regulating the formation and

enforcement of distribution and agency contracts, ensuring that the terms of these agreements are clear and enforceable. The Sales of Goods Act 1930 governs the sale and purchase of goods, addressing issues such as the transfer of ownership, delivery and payment terms, which are key in distribution agreements. The Indian Partnership Act 1932 applies when distribution or agency arrangements are formed between partners, often seen in joint venture agreements. For corporate entities involved in such agreements, the Companies Act 2013 regulates aspects such as governance, financial compliance and corporate responsibilities. Cross-border distribution and agency relationships, particularly those involving foreign entities, are also impacted by FEMA 1999, which governs foreign exchange regulations and international payments. The Competition Act 2002 plays a critical role in ensuring that distribution and agency agreements do not result in anticompetitive practices, such as price-fixing and market monopolisation. The Consumer Protection Act 2019 further ensures that the distribution process adheres to consumer rights, including the provision of warranties and maintaining product safety standards. The data privacy provisions are also vital for ensuring a robust framework. The Trade Marks Act 1999 is crucial for protecting intellectual property, ensuring that distributors and agents respect the brand's trademarks and prevent misuse or infringement of the brand's assets. Additionally, with the robustness in the Indian economy, many companies have aspirations to be listed companies or raise funds through private equity, the chances that they shall engage in any form of counterfeiting or copying are substantially reduced and the principles of corporate governance set in leading to better valuations.

What are the most commonly used distribution and agency structures for fashion goods, and what contractual terms and provisions usually apply?

In India, fashion brands employ various distribution and agency structures to effectively penetrate the market, with each structure tailored to different business models and growth strategies. Exclusive distribution agreements are often used, where a distributor is granted exclusive rights to sell the brand's products in a defined territory. This structure typically prohibits the appointment of additional distributors within the same area, ensuring market control and focused brand representation. Non-exclusive distribution agreements are more common for brands looking to quickly expand their reach, allowing multiple distributors to operate in the same region. Agency agreements, where agents represent the brand without owning inventory and earn commissions on sales, are another frequent structure, particularly for brands with limited capital or international reach. Franchise agreements are especially popular among global fashion brands entering India, granting franchisees the rights to use the brand's name and business model for a fee. The contract typically ensures the franchisee complies with strict operational and branding standards. In addition, e-commerce distribution models through third-party vendors have also proven effective models for distribution.

The key contractual terms typically include territory and exclusivity clauses, which define the geographical area in which the distributor or agent operates and whether they hold exclusive rights in that area. The term of the agreement is specified, usually with provisions for renewal or

termination based on performance or other criteria. Performance and sales targets are set to ensure that the distributor or agent meets specific sales quotas, and there may be penalties or incentives tied to these targets. Pricing and payment terms establish the cost of goods, payment schedules and penalties for late payments or non-compliance with pricing guidelines. Intellectual property protection is a central feature, particularly for trademarks, where agreements stipulate how the distributor or agent can use the brand's intellectual property, ensuring brand consistency and preventing misuse. Supply and delivery clauses lay out logistics, including delivery schedules, inventory management and responsibilities for cross-border shipments. The agreement also includes marketing and promotional provisions, outlining each party's responsibilities in terms of advertising, promotions and branding. Termination clauses define the grounds for ending the contract, the notice period required and any penalties for early termination. Dispute resolution mechanisms are generally included, often specifying arbitration or mediation as the preferred method under Indian law. Finally, indemnity and liability clauses allocate responsibility for defective products or consumer claims, ensuring that each party understands their legal obligations in case of product failures or safety concerns.

Import and export

Do any special import and export rules and restrictions apply to fashion goods?

Yes, the import and export of fashion goods in India are subject to specific rules and regulations aimed at protecting domestic industries, ensuring product quality and complying with international trade commitments. The import of fashion goods is generally allowed, but products must comply with Indian customs regulations, which include providing necessary documents such as invoices, packing lists and certificates of origin. Fashion goods are categorised under specific HS codes (Chapters 61, 62 and 63), which determine the applicable duties and regulations. Customs duties typically range between 10 and 30 per cent, depending on the product, while goods and services tax varies from 5 to 28 per cent based on the category, with certain goods such as ready-made garments below 10 billion rupees being taxed at 5 per cent. Additionally, anti-dumping duties may apply if goods are considered to be sold at unfairly low prices. Some categories of fashion goods may be subject to import restrictions or licensing requirements, particularly if their import is perceived to threaten local industries, or if they originate from countries facing trade sanctions. To import goods, businesses must obtain an Importer Exporter Code (IEC) from the Directorate General of Foreign Trade (DGFT), and certain textile products may benefit from duty exemptions under free trade agreements (FTAs). The Textile Committee of India oversees the import of textiles to ensure that they meet local standards, and certain fabrics may require testing for compliance with quality and safety regulations. Moreover, non-tariff barriers, such as compliance with Bureau of Indian Standards and Textile Committee Standards, are also mandatory.

On the export side, India encourages the export of fashion goods under the Foreign Trade Policy, which liberalises export procedures. Exporters must also possess an IEC from DGFT, and they are

entitled to benefits such as the Merchandise Exports from India Scheme, which offers duty credits to exporters, and the Focus Product Scheme, which provides additional incentives for textiles and handicraft exports. Export documentation typically includes a shipping bill, invoice, packing list, certificate of origin and any relevant quality certifications, such as OEKO-TEX Standard 100 for textiles. Some fashion goods, particularly handloom fabrics, traditional garments and antiques, may face export restrictions to preserve cultural heritage, and environmental protection laws may require clearances for textile and apparel exports. Additionally, bilateral agreements under the World Trade Organization or FTAs can influence export duties and trade practices. Compliance with the Foreign Exchange Management Act and the Customs Act is essential for exporters, who must also report transactions to the Reserve Bank of India and adhere to relevant export–import policies. Special attention must be paid to packaging and labelling, which must comply with both national and international standards, including clear labelling of fabric composition, care instructions and country of origin. Accurate customs valuation and proper documentation are crucial for avoiding disputes, especially when dealing with branded or luxury fashion goods.

Corporate social responsibility and sustainability

What are the requirements and disclosure obligations in relation to corporate social responsibility and sustainability for fashion and luxury brands in your jurisdiction? What due diligence in this regard is advised or required?

Fashion and luxury brands in India are increasingly subject to corporate social responsibility (CSR) and sustainability obligations, reflecting the growing demand for ethical and environmentally responsible business practices. Under the Companies Act 2013, CSR is mandatory for companies that meet any of the following criteria: a net worth of 5 million rupees or more, an annual turnover of 10 billion rupees or more, or a net profit of 50 million rupees or more. Such companies are required to spend at least 2 per cent of their average net profit over the last three years on CSR activities. The range of CSR activities includes education, healthcare, environmental sustainability, rural development and gender equality, as outlined in Schedule VII of the Companies Act. For fashion and luxury brands, CSR activities are often aligned with promoting sustainable materials, ethical labour practices and community outreach programmes, which are directly relevant to their operations.

Regarding sustainability reporting, the Business Responsibility and Sustainability Report (BRSR), introduced by the Securities and Exchange Board of India, mandates detailed disclosures from listed companies. This report requires information on environmental, social and governance factors, covering areas such as energy consumption, waste management, carbon emissions, labour conditions, supply chain transparency and corporate governance practices. The BRSR has replaced the previous Business Responsibility Report and is now a standard for companies, particularly in the fashion sector, to communicate their sustainability efforts. Brands are also encouraged to obtain sustainability certifications, such as ISO 14001 for environmental management, OEKO-TEX Standard 100 for textile sustainability and fair trade certifications, to enhance credibility and demonstrate

commitment to responsible practices.

The Environment Protection Act 1986 is another crucial piece of legislation for fashion companies, especially those involved in textile manufacturing and dyeing, where waste management and emissions are significant concerns. Brands must comply with environmental regulations and may be required to conduct an environmental impact assessment for operations with a large environmental footprint. The National Guidelines on Responsible Business Conduct, issued by the Ministry of Corporate Affairs, further encourage businesses to adopt responsible practices related to environmental sustainability, fair labour and transparent supply chains. Fashion brands should align their operations with these principles, focusing on fair trade, responsible sourcing and ethical marketing.

In terms of due diligence, fashion and luxury brands should regularly conduct supply chain audits to evaluate the sustainability practices, labour conditions and environmental impact of their suppliers. Environmental audits are critical for assessing the impact of manufacturing processes, including water consumption, chemical use and waste management. Employee welfare assessments are also essential, ensuring compliance with ethical labour standards and worker safety, particularly in production environments. Brands should seek third-party certifications, such as Fair Trade and Global Organic Textile Standard, to demonstrate their commitment to sustainability. Additionally, stakeholder engagement – including interactions with suppliers, consumers and NGOs – is advised to track progress on sustainability goals, address concerns and improve transparency in reporting. By conducting thorough due diligence, fashion brands can not only comply with regulatory requirements but also build consumer trust and contribute to the broader global sustainability movement.

What occupational health and safety laws should fashion companies be aware of across their supply chains?

Fashion companies in India must be aware of several key occupational health and safety (OHS) laws designed to protect the health and well-being of workers, particularly in manufacturing environments where machinery, chemicals and manual labour are common. The primary legislation governing OHS in factories is the Factories Act 1948, which mandates that factories provide a safe working environment, proper training and access to emergency facilities. This Act requires that machines be properly guarded to prevent accidents, and it also stipulates that factories maintain adequate ventilation and lighting to prevent health issues such as respiratory problems and eye strain. Fire safety provisions, including proper fire exits and firefighting equipment, are also mandatory under the Act. Additionally, cleanliness, sanitation, and access to safe drinking water are essential under the health and hygiene provisions.

For employers with a specified number of workers, the Employees' State Insurance Act 1948 mandates contributions to a social insurance fund that provides workers with medical benefits, sickness benefits and other welfare services. Fashion companies must comply with these

requirements to ensure that workers in their supply chains are covered for health-related contingencies.

For retail employees and workers in non-factory settings, the Shops and Establishments Act (which varies by state) regulates working hours, rest periods and holiday entitlements. This Act also sets standards for cleanliness, lighting and ventilation in retail stores and showrooms, ensuring a healthy environment for employees.

For fashion manufacturers involved in dyeing or textile production, compliance with the Hazardous Waste Management Rules 2016 is crucial, as these regulations govern the handling, storage and disposal of hazardous materials. These rules are essential for preventing environmental contamination and protecting workers from harmful exposure to chemicals used in the textile manufacturing process.

Fashion brands must also ensure compliance with the Child Labour (Prohibition and Regulation) Act 1986, which prohibits the employment of children under the age of 14 in hazardous work environments. This is particularly important in garment and textile production, where child labour may be prevalent in informal supply chains.

Further, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 applies to workers involved in the construction of factories, retail outlets or storage facilities, ensuring that adequate safety and welfare measures are in place.

The Mines Act 1952 may be relevant for brands sourcing materials like wool, leather or metals through mining operations, as this Act regulates worker safety in the mining sector.

The key OHS considerations for fashion companies include regular training and awareness programmes, risk assessments and safety audits to identify potential hazards in the workplace. Establishing Health and Safety Committees within factories or offices is also recommended to ensure ongoing monitoring of safety standards. Brands should ensure that third-party manufacturers and suppliers adhere to OHS regulations, conducting audits and enforcing contractual provisions to guarantee the safety of workers throughout the supply chain. By ensuring compliance with these laws and maintaining a proactive approach to occupational health and safety, fashion companies can protect their workforce and reduce the risk of accidents or legal liabilities.

Online retail

Launch

What legal framework governs the launch of an online fashion marketplace or store?

Launching an online fashion marketplace or store in India requires adherence to several legal frameworks that ensure business operations are compliant with both national and international regulations. First and foremost, businesses must decide on their structure, such as a private limited company, limited liability partnership or sole proprietorship. The most common choice for fashion retailers is a private limited company, which offers limited liability and ease of access to funding. Once the structure is chosen, the business must be registered under the appropriate laws, such as the Companies Act 2013 or the Limited Liability Partnership Act 2008. Additionally, registration for goods and services tax (GST) is mandatory if the annual turnover exceeds the threshold limit, which is 4 million rupees for most businesses. This registration allows businesses to collect and remit GST on the sale of fashion products, which can range from 5 to 18 per cent depending on the category of goods. E-commerce businesses also need to comply with the Consumer Protection (E-Commerce) Rules 2020, which outline specific requirements regarding product transparency, consumer grievances and seller information on the platform. If the business operates as a marketplace, where third-party sellers list their products, it must ensure transparency by providing clear details on return and refund policies and resolving customer complaints through an established grievance redressal mechanism. Businesses must also comply with the Consumer Protection Act 2019, which mandates that goods sold online must be safe, accurately described and meet quality standards. In addition, intellectual property protection through trademark and design registration is essential for fashion brands to safeguard their logos, product names and original designs. Data protection is another critical area, with the upcoming Personal Data Protection Bill (2023) setting a more robust framework for handling customer information. Retailers must also be aware of tax obligations under the GST regime, which includes ensuring proper documentation and collecting taxes from both sellers and customers. By adhering to these legal frameworks, fashion businesses can operate within India's regulatory environment while minimising legal risks and protecting their interests.

Sourcing and distribution

How does e-commerce implicate retailers' sourcing and distribution arrangements (or other contractual arrangements) in your jurisdiction?

E-commerce in India has significantly influenced the sourcing and distribution strategies of fashion retailers, bringing both opportunities and challenges. With online platforms offering a broader reach, retailers now have the ability to source products from a global network of suppliers, thus expanding their range and gaining access to exclusive or high-quality items. However, this expansion into global

markets requires compliance with India's customs and import regulations, such as ensuring that goods meet the Bureau of Indian Standards requirements. Retailers must also consider the impact of taxes, tariffs and the complexities of cross-border shipping, which necessitate careful logistical planning and the drafting of comprehensive contracts with suppliers and service providers. When it comes to distribution, retailers are increasingly investing in warehousing and fulfilment centres, which are essential to manage quick deliveries. This often leads to partnerships with third-party logistics companies for efficient last-mile delivery. For e-commerce businesses adopting direct-to-consumer models, such as luxury brands that operate their own platforms, the need for tighter control over distribution channels is crucial. These brands structure exclusive contracts that deal with aspects like product pricing, delivery timelines, returns and warranties. Multi-channel strategies are also becoming more common, requiring contracts that address pricing consistency across both online and offline stores, as well as efficient inventory management. Overall, e-commerce has shifted traditional retailing models, with a need for clear contractual terms regarding sourcing, logistics, consumer rights and taxation.

Terms and conditions

What special considerations would you take into account when drafting online terms and conditions for customers when launching an e-commerce website in your jurisdiction? Have there been any recent developments with respect to enforceability of online contracts that implicate e-commerce sites?

When drafting terms and conditions (T&Cs) for an e-commerce website in India, it is critical to focus on transparency and compliance with local regulations, especially around consumer protection, data privacy and intellectual property. Fashion retailers must clearly outline product descriptions, pricing and return policies, particularly given the complexity of returns in the fashion industry due to sizing or style preferences.

The T&Cs should specify details such as shipping times, costs, and the process for tracking deliveries, especially for cross-border transactions that may incur customs duties. Given the nature of fashion goods, including luxury items, retailers must also include provisions that address product authenticity, warranties, and how disputes related to defective or counterfeit goods will be handled. Additionally, the e-commerce site should provide clear privacy policies outlining how customer data is collected, stored and used, especially with the recent enactment of the Digital Personal Data Protection Act (2023), which requires explicit consent from customers.

The intellectual property rights section of the T&Cs should make it clear that all content, including product images and brand logos, are protected. Furthermore, limitations of liability should be included, particularly in cases where minor colour or design discrepancies may arise due to digital display settings. Recent developments in online contract enforceability in India have strengthened the position of e-commerce businesses.

The Information Technology Act (2000) has consistently recognised electronic contracts as legally binding, and the Consumer Protection (E-Commerce) Rules (2020) have clarified that online agreements must ensure transparency in product descriptions and allow consumers to cancel transactions within 48 hours. Courts in India have upheld the enforceability of clickwrap and browsewrap agreements, meaning that users' consent through mechanisms like ticking the 'I agree' box is generally sufficient for validating contracts. These developments ensure that businesses have a clear legal standing when enforcing their terms, but they also highlight the need for well-drafted and user-friendly T&Cs.

Tax

Are online sales taxed differently from sales in retail stores in your jurisdiction?

Yes, online sales and retail store sales in India are subject to the same goods and services tax (GST) rates for fashion and luxury goods, but there are key differences in how the tax is applied and collected. Both online and physical store sales of fashion and luxury items are taxed at rates ranging from 5 per cent for regular clothing to 12–28 per cent for premium and luxury goods. However, for online sales, the GST is calculated based on the place of delivery, and e-commerce platforms are responsible for collecting and remitting the tax, in accordance with the tax collected at source (TCS) provisions under section 52 of the GST Act. In contrast, physical store sales apply GST based on the location of the store, with GST remitted directly by the retailer. Furthermore, online sales often involve cross-state transactions, triggering integrated GST, while in-store transactions within the same state are subject to central GST and state GST. Therefore, while the GST rates are similar, the collection mechanisms and logistics for online and in-store transactions differ significantly.

Intellectual Property

Design protection

Which IP rights are applicable to fashion designs? What rules and procedures apply to obtaining protection?

In India, fashion designs are protected by several IP rights, which ensure that designers' creative works are safeguarded against unauthorised use or duplication. Copyright protection applies to artistic elements of fashion, such as textile designs, embroidery and printed patterns on fabrics. Under the Indian Copyright Act 1957, such designs are eligible for protection as artistic works, provided they are original. However, functional aspects like the cut or shape of a garment are not covered by copyright law. The Designs Act 2000 provides specific protection for the visual

appearance of a fashion product, including garments, accessories and even packaging. To qualify for protection, the design must be original, novel and visually appealing, rather than purely functional. Trademark protection is also important in the fashion industry, particularly for brand names, logos and distinctive features such as colours or shapes associated with a brand, such as the famous red sole of Christian Louboutin shoes. Recently, in India, we worked with renowned designer Rajesh Pratap Singh for protection of a Selvedge design that runs through the centre back of the garments. In addition, unique textures and patterns such as the LV Epi Pattern is also a unique example. At this stage, personality rights can also apply and be invoked and enforced through licensing arrangements in place. Periodically enforcing rights is also an effective mechanism to ensure market share remains intact and the counterfeiters are deterred. Manish Malhotra, the leading designer in India, recently obtained favourable orders against third parties. Fashion brands can protect their identity through registered trademarks, which prevent other companies from using similar marks that could cause confusion in the market. In addition, patents can be applied to innovative technological advances in fashion, such as new fabric materials or clothing production techniques, like wrinkle-free fabrics or embedded RFID chips for tracking garments. Geographical indications can also be used to protect traditional or regionally distinctive fashion items, such as Kanchipuram silk sarees or Pashmina shawls, under the Geographical Indications of Goods Act 1999. The process for obtaining protection varies: copyright does not require mandatory registration but provides legal presumption of ownership upon registration, design protection requires filing with the Designs Registry within six months of publication, trademarks are registered through the Trademarks Registry, and patents must meet the criteria of novelty and utility before being granted by the Indian Patent Office.

What difficulties arise in obtaining IP protection for fashion goods?

The fashion industry in India faces several challenges when it comes to obtaining IP protection. One of the primary difficulties is the rapid pace of fashion trends. As fashion is constantly evolving, designers often struggle to protect their creations before they become outdated or are copied. This leads to a significant issue of fashion piracy, where knock-offs and counterfeit products flood the market even before original designs are legally protected. Another challenge lies in the limited scope of copyright protection, as it only covers artistic aspects of a design, such as prints or embroidery, and not functional features like the shape or cut of garments. As a result, many key elements of a garment, such as its silhouette or functional design, cannot be safeguarded under copyright law. Furthermore, although the Designs Act 2000 offers protection for visual designs, it requires the design to be novel and original, which can be challenging to prove, especially given the global nature of fashion and the sheer volume of existing designs. Additionally, the process of registering designs may be hindered by the fact that many designs are already in the public domain or are too similar to previously existing designs. IP enforcement also presents significant hurdles in India, as the legal infrastructure for addressing infringement cases is often weak. There is a lack of awareness about IP rights, and the complexity of proving infringement, especially in counterfeit markets, makes it difficult

for designers to protect their creations effectively. Lastly, while geographical indications can protect region-specific fashion items, such as traditional textiles, enforcing GI rights outside of India remains a significant challenge due to the global nature of the fashion industry. Designers should encourage and have an innovation ecosystem in their companies (eg, there should be sign-offs from the designers empanelled internally on originality and water-tight agreements should be drafted with other vendors and fabric and accessory providers). The Amazon system of brand registry is a very effective method of controlling counterfeits through online distribution systems. Invoking intermediary liability clauses to control counterfeits through online distribution systems is also an effective remedy.

Brand protection

How are luxury and fashion brands legally protected in your jurisdiction?

Luxury and fashion brands in India are primarily protected through various IP rights designed to safeguard their unique creations and business interests. Trademark protection is essential for luxury brands, allowing them to protect their logos, brand names, slogans and product shapes, ensuring that consumers can identify their products and distinguishing them from competitors. Additionally, non-conventional trademarks such as specific colours (eg, Tiffany Blue) or unique packaging are becoming increasingly recognised, especially in the luxury sector where visual identity is crucial. Recently, in India, we worked with renowned designer Rajesh Pratap Singh for protection of a Selvedge design that runs through the centre back of the garments. In addition, unique textures and patterns such as the LV Epi Pattern is also a unique example. Design protection under the Designs Act 2000 provides exclusive rights over the appearance of a product, such as the shape, pattern and configuration of garments or accessories. Copyright protection is available for original fashion designs, textile prints and other artistic works under the Indian Copyright Act 1957. This covers creative aspects like unique prints, embroidery and sketches, but does not extend to functional elements like the cut or fit of garments. Patent protection is applicable for innovative materials or technologies used in fashion, such as water-resistant fabrics or RFID-enabled clothing, which may be protected under the Patents Act 1972. Trade secret protection is also vital for luxury brands, which often rely on confidentiality agreements to protect proprietary manufacturing techniques, customer lists and unreleased designs. Lastly, enforcement against counterfeits is an important avenue for luxury brands, which can take legal action through civil and criminal routes to combat counterfeiting, seeking remedies such as injunctions, damages and criminal penalties.

Licensing

What rules, restrictions and best practices apply to IP licensing in the fashion industry?

In India, licensing plays a crucial role in the fashion industry, allowing brands to expand their reach

while maintaining control over their intellectual property. Trademark licensing is the most common form of licensing, where a brand owner grants a third party the right to use their trademark on certain products. It is essential that licensees adhere to strict quality control standards to ensure that the brand's reputation is upheld. Design licensing allows a third party to produce and sell products based on a specific design, but the design must be registered under the Designs Act 2000 to ensure exclusivity and enforceability. Character licensing, which involves using popular characters from movies, cartoons or entertainment franchises, is a frequent practice in fashion collections, particularly for collaborations or merchandising deals. Exclusive licensing agreements grant a licensee exclusive rights to produce and sell products in a specific market, while sub-licensing permits the licensee to grant further licenses to other parties, allowing the brand to reach broader markets. Private label licensing involves a retailer licensing its brand to a manufacturer to produce goods under the retailer's own brand name. Best practices for licensing include ensuring that licensing agreements are clear and comprehensive, specifying terms like royalties, territories, quality control and dispute resolution mechanisms. Additionally, brands must be vigilant about maintaining quality control to protect their reputation and prevent counterfeiting or unauthorised use of their IP.

Enforcement

What options do rights holders have when enforcing their IP rights? Are there options for protecting IP rights through enforcement at the borders of your jurisdiction?

Rights holders in India have several legal avenues to enforce their IP rights, both through civil and criminal means. Civil actions can be pursued by filing lawsuits in Indian courts, where IP owners can seek injunctive relief (such as stopping the infringing activity) and damages for the harm caused by the infringement. The courts may also order the accounting of profits made by the infringer, forcing them to return any profits earned from the unlawful use of protected IP. Criminal actions can be pursued for more serious violations, such as counterfeiting, under the Indian Penal Code. Specific provisions under the Copyright Act 1957 (section 63) and the Trademarks Act 1999 (section 105) allow for criminal penalties, including imprisonment and fines for infringement. For border enforcement, Indian customs authorities play a critical role in preventing the import or export of counterfeit goods. IP rights holders can file an application with Indian Customs under the Customs (Import & Export) (Preventive) Rules, requesting assistance in seizing counterfeit goods at the border. Enforcement agencies, such as the Controller General of Patents, Designs, and Trademarks and the Copyright Office, are responsible for IP registrations and can also assist in enforcement matters. In addition, industry trade associations and agencies like the Central Bureau of Investigation may support efforts to combat large-scale counterfeiting operations.

Data privacy and security

Legislation

What data privacy and security laws are most relevant to fashion and luxury companies?

In India, the primary data privacy and security law impacting fashion and luxury companies is the Digital Personal Data Protection Act 2023 (the DPDP Act). This law regulates the collection, processing and storage of personal data, and applies to all businesses handling personal data of Indian citizens, including those in the fashion and luxury sectors. The DPDP Act requires brands to obtain explicit consent from consumers before collecting and processing their data and ensures that companies implement robust data security measures. It also grants consumers rights such as access to, correction and deletion of their personal data.

Additionally, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under the Information Technology Act 2000 also apply, especially for companies that handle sensitive personal data (eg, financial information and health data). These rules mandate that companies adopt security practices and procedures to protect data from unauthorised access or breaches.

Compliance challenges

What challenges do data privacy and security laws present to luxury and fashion companies and their business models?

Luxury and fashion companies in India face several challenges in complying with data privacy and security laws:

- Compliance complexity: the DPDP Act 2023 introduces strict guidelines that require companies to rethink how they collect, process and store data. For global luxury brands, aligning operations in India with both local and international regulations (such as the GDPR in the European Union or California Consumer Privacy Act (CCPA) in California) adds complexity, especially for smaller brands that may not have dedicated legal teams.
- Cost of implementation: adhering to data privacy laws can be expensive for fashion and luxury brands. Compliance requires implementing technical measures like data encryption, regular audits and user consent management systems. The cost of these security measures, along with employee training on data protection, can strain resources, especially for smaller companies or emerging brands in the industry.
- Balancing personalisation with privacy: fashion and luxury brands in India heavily rely on personalising customer experiences through targeted advertising and tailored recommendations. However, under the DPDP Act, personal data can only be processed if explicit consent is obtained,

and users have the right to withdraw that consent at any time. This creates a challenge for brands trying to balance personalisation with strict data privacy requirements.

- Consumer trust: as Indian consumers become more aware of their data privacy rights, there is increasing demand for transparency. Luxury brands, known for their exclusivity, must ensure they build consumer trust by clearly communicating their data practices and ensuring that consumer data is securely stored and handled. Any data breach or failure to comply with data privacy laws could lead to reputational damage, which is particularly harmful for high-end brands.

Innovative technologies

What data privacy and security concerns must luxury and fashion retailers consider when deploying innovative technologies in association with the marketing of goods and services to consumers?

When deploying innovative technologies such as virtual try-ons, AR/VR experiences and personalised style suggestions, luxury and fashion retailers in India must consider several key data privacy and security concerns including data collection transparency, security of personal data, cross-border data transfers, data minimisation and retention and user consent for data use.

As virtual try-ons and AR/VR systems collect large amounts of personal data, including images, preferences and purchase history, brands must ensure transparency. They must clearly inform consumers about the types of data being collected, the purpose for which it will be used, and who will have access to it. Failure to provide this transparency can lead to regulatory penalties and loss of customer trust.

Virtual fashion platforms and AR/VR technologies gather highly sensitive consumer data. If these systems are compromised, there is a risk that personal information, including payment details, addresses and preferences, could be exposed. Therefore, luxury and fashion retailers must implement robust cybersecurity measures to protect this sensitive data from breaches and unauthorised access.

Many luxury and fashion companies operate internationally, so personal data may be transferred across borders. Brands must be mindful of compliance with regulations such as the DPDP Act 2023 and other laws that govern cross-border data transfers. Ensuring that appropriate safeguards are in place (such as standard contractual clauses or adequacy decisions) is crucial to avoid violations.

Fashion retailers must avoid collecting excessive data. While AI and machine learning technologies encourage the collection of large amounts of consumer data for personalisation, the DPDP Act requires that data is retained only as long as necessary for its intended purpose. Brands should establish processes to delete or anonymise data when it is no longer needed.

Under both the DPDP Act and other relevant laws, obtaining informed, explicit consent from

consumers is a fundamental requirement. Brands must obtain consent for collecting data, especially for sensitive information involved in virtual try-ons or predictive analytics. Consumers should also have the right to withdraw consent at any time

Content personalisation and targeted advertising

What legal and regulatory challenges must luxury and fashion companies address to support personalisation of online content and targeted advertising based on data-driven inferences regarding consumer behaviour?

Personalisation and targeted advertising are essential for luxury and fashion brands, but they come with legal and regulatory challenges in India:

- Data consent and usage: under the DPDP Act 2023 luxury and fashion brands must obtain explicit consent from consumers before collecting or processing their data for personalisation purposes. Additionally, brands must inform consumers about how their data will be used for personalised services like targeted advertising. New consent mechanisms may be required, especially when dealing with sensitive data or data from minors.
- Balancing personalisation and privacy: personalised experiences drive customer engagement, but they can conflict with privacy concerns. As consumers become more aware of how their data is used, fashion and luxury brands must navigate a delicate balance between personalisation and privacy. The DPDP Act emphasises the need to protect consumer data, which may limit how extensively brands can use data for advertising.
- Targeted advertising regulations: targeted advertising in India is under increasing scrutiny. Regulations such as the DPDP Act 2023 impose stringent requirements for obtaining consent and transparency in how consumer data is used for profiling and behavioural targeting. Additionally, while India does not yet have specific regulations such as the European Union's GDPR or the CCPA in California, brands must still ensure they do not engage in misleading or deceptive advertising practices, which can attract penalties.
- Cross-jurisdictional compliance: luxury and fashion brands often engage in global advertising and marketing campaigns. This presents the challenge of complying with data privacy regulations across different jurisdictions, such as GDPR in the European Union, the CCPA in the United States and the DPDP Act in India. Brands must ensure that their data processing practices comply with the regulatory frameworks of each market in which they operate.
- Retention and accuracy of data: when building customer profiles for personalised advertising, brands need to ensure that the data they are using is accurate and up to date. Under the DPDP Act, brands can only retain consumer data for as long as necessary for the specific purpose it was collected. Periodic reviews and updates to customer data will be essential to ensure compliance with retention policies.

Advertising and marketing

Law and regulation

What laws, regulations and industry codes are applicable to advertising and marketing communications by luxury and fashion companies?

Advertising and marketing communications for luxury and fashion brands in India are regulated by various consumer protection laws, industry-specific regulations and self-regulatory codes. The Consumer Protection Act 2019 safeguards consumers from deceptive advertising practices, requiring brands to substantiate claims about product quality, origin and exclusivity. Guidelines for celebrities and influencers have also been outlined as part of the Consumer Protection Act 2019 on the liability the celebrities and influencers may have to undergo in the event of misleading endorsements.

The Central Consumer Protection Authority (CCPA) has the power to take action against unfair practices and impose penalties. The Indian Penal Code addresses fraudulent practices such as promoting counterfeit goods or making false claims about product authenticity.

The Drugs and Magic Remedies (Objectionable Advertisements) Act 1954 prohibits unsubstantiated health-related claims in advertisements, requiring luxury beauty brands to back up statements like anti-aging benefits with credible evidence.

The Emblems and Names (Prevention of Improper Use) Act 1950 regulates the use of national symbols and emblems in advertising, while the Legal Metrology Act 2009 ensures accuracy in product labelling, such as size, weight and quantity. Additionally, the Advertising Standards Council of India (ASCI) Code sets ethical standards for advertising, emphasizing truthfulness, transparency, and the avoidance of misleading claims.

The Drugs and Cosmetics Act, 1940 governs the advertising of beauty products, demanding that claims be scientifically supported and compliant with the law. Industry codes, such as ASCI Guidelines, reinforce ethical advertising practices by discouraging false claims, exploitation of stereotypes and unethical marketing methods. Furthermore, sustainability and ethical fashion codes, including the UN's Principles for Responsible Fashion, require substantiation of claims related to sustainability or ethical sourcing to avoid accusations of greenwashing and potential legal consequences

Online marketing and social media

What particular rules and regulations govern online marketing activities and how are such rules enforced?

In India, online marketing activities for fashion and luxury brands are primarily governed by the Consumer Protection (E-Commerce) Rules 2020, which ensure transparency in product descriptions, pricing, and return policies, requiring brands to provide accurate and truthful information to consumers. Additionally, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 regulate the collection and use of personal data for targeted advertising, mandating that brands obtain consumer consent before collecting data. The ASCI Digital Advertising Code also applies to digital ads, ensuring they are truthful, transparent and not misleading, with specific guidelines on influencer marketing and paid promotions. Further, the Personal Data Protection Bill 2023, once enacted, will impose stricter obligations on brands regarding data privacy and transparency in digital advertising. Enforcement is carried out by regulatory bodies such as the Central Consumer Protection Authority, ASCI and social media platforms, which actively monitor and take action against non-compliance. These regulations collectively aim to maintain consumer trust in online fashion and luxury marketing and to safeguard consumer data in the digital age.

Product Regulation and Consumer Protection

Product safety rules and standards

What product safety rules and standards apply to luxury and fashion goods?

In India, luxury and fashion brands are required to comply with several safety and quality standards to ensure their products are safe for consumers. The Bureau of Indian Standards is responsible for setting the quality and safety standards for various luxury goods, including textiles and accessories, with specific regulations like the IS 15847: 2019 standard for leather goods. The Consumer Protection Act 2019 mandates that all products, including luxury and fashion items, must be free from defects that could harm consumers, and any unsafe products can lead to redressal under the Consumer Disputes Redressal Forum. The Textile Committee under the Ministry of Textiles regulates the safety of fabrics and materials used in fashion products, focusing on hazardous chemicals and dyes, while the Legal Metrology Act 2009 ensures accurate labelling of products sold by weight or volume, such as jewellery and luxury watches. Additionally, if a brand deals with food products, they must comply with the Food Safety and Standards Authority of India regulations to ensure safety in gourmet food items. Furthermore, brands using materials like leather or exotic skins must comply with the Wildlife Protection Act 1972, which regulates the use of wildlife products in fashion and accessories. These laws ensure that consumers are protected from unsafe or misleading products in the luxury and fashion market.

Product liability

What regime governs product liability for luxury and fashion goods? Has there been any notable recent product liability litigation or enforcement action in the sector?

Product liability for luxury and fashion goods in India is governed by the Consumer Protection Act 2019, which holds manufacturers, sellers and service providers accountable for harm caused by defective products. If a luxury product, such as clothing or accessories, is found to be unsafe or defective, the manufacturer or seller can be held liable for any injury or damage it causes. The Act defines product liability as the responsibility of manufacturers and sellers to compensate consumers for harm caused by products that fail to meet safety or quality standards. Recent product liability litigation in India has seen cases where defective luxury goods or fashion products, such as watches and accessories, led to consumer harm, with compensation awarded under the Act. In one notable case, a luxury watch brand faced legal action for a defective product that caused injury to a consumer, while another case involved the recall of fashion accessories containing harmful chemicals, following a safety audit by the Bureau of Indian Standards. These cases underscore the growing importance of maintaining strict product safety standards in the fashion and luxury sector to prevent legal and reputational risks, as consumer awareness and enforcement continue to increase.

M&A and Competition Issues

M&A and joint ventures

Are there any special considerations for M&A or joint venture transactions that companies should bear in mind when preparing, negotiating or entering into a deal in the luxury fashion industry?

When entering M&A or JV transactions in the luxury fashion industry in India, companies must consider factors such as brand value, intellectual property protection and cultural sensitivity. Brand identity and goodwill play a central role, as luxury brands rely heavily on their reputation and intellectual property, such as trademarks and designs, to drive their value. It is crucial to assess whether the target company's brand aligns with local consumer preferences, which in India, increasingly include sustainability and ethical sourcing. Given India's cultural diversity, understanding regional tastes and preferences is important for structuring marketing strategies. Market access and distribution channels are also significant, particularly for foreign brands, as forming JVs with local partners can provide access to established retail and e-commerce networks. Regulatory considerations, including FDI rules, import duties and taxes, should be carefully evaluated to ensure compliance and financial viability. Sustainability and ethical practices are also critical, as consumers and regulators are increasingly focused on environmental responsibility. Financial due diligence and understanding the tax implications of the deal are also vital, as is aligning management and

leadership teams post-transaction to ensure continuity and innovation. Companies must also plan exit mechanisms in JVs to address potential strategic realignments. In sum, successful M&A and JV transactions in the luxury fashion sector require thorough due diligence, cultural awareness and alignment on sustainability and regulatory compliance.

Competition

What competition law provisions are particularly relevant for the luxury and fashion industry?

In India, the Competition Act 2002 regulates business practices in the luxury and fashion industry to prevent anti-competitive behaviour and protect consumer welfare. Anti-competitive agreements, such as price-fixing, market-sharing and resale price maintenance, are prohibited and can lead to severe penalties. Brands must be cautious of abusing a dominant position in the market through exploitative pricing or unfair contractual terms with suppliers and distributors. Exclusive agreements and vertical restraints, such as limiting market access or dictating product assortments in franchise agreements, are also closely scrutinised by the Competition Commission of India (CCI), as they can reduce competition and harm consumers. M&A transactions involving large fashion brands are reviewed by the CCI to ensure they do not substantially lessen market competition or harm consumer choice. Unfair trade practices, including deceptive advertising or misleading claims, are also regulated, with the CCI stepping in when such practices distort market fairness. Additionally, foreign direct investment (FDI) in the fashion sector must comply with both competition laws and India's FDI policies, ensuring that market entry does not lead to anticompetitive effects. Luxury brands must maintain transparency in their operations to avoid facing enforcement actions, as the CCI is increasingly focused on investigating complex international transactions and exclusive agreements. In conclusion, compliance with competition law is critical for maintaining fair market practices, promoting consumer welfare and avoiding legal and reputational risks in the luxury fashion industry.

Employment and Labour

Managing employment relationships

What employment law provisions should fashion companies be particularly aware of when managing relationships with employees? What are the usual contractual arrangements for these relationships?

Fashion companies in India must navigate a range of employment law provisions to ensure compliance and fair treatment of workers. Key employment law provisions include the Factories Act 1948, which governs working conditions in manufacturing units, and the Shops and Establishments Act, which regulates retail and design spaces. Companies must also comply with Minimum Wages

Act 1948, ensuring workers are paid at least the minimum wage set by the state government, and provide overtime compensation when employees work beyond the stipulated hours. The Employee Provident Fund (EPF) Act 1952 and Employees State Insurance Act 1948 mandate that fashion companies enrol employees in these schemes to provide retirement savings and medical benefits. The Industrial Disputes Act 1947 outlines rules for employee termination and disputes, while the Sexual Harassment of Women at Workplace Act 2013 requires employers to address harassment proactively by forming an Internal Complaints Committee. Fashion companies must also ensure health and safety standards are met under the Factories Act and Shops and Establishments Act, especially for employees exposed to hazardous working conditions. In terms of maternity benefits, the Maternity Benefit (Amendment) Act 2017 grants female employees up to 26 weeks of leave. Contractual arrangements vary based on employment type. Permanent contracts apply to full-time employees, with defined work hours, wages and termination terms. Fixed-term contracts are used for project-based work, while freelance and independent contractor agreements are common in design and creative roles, with clearly outlined deliverables and payment terms. Internship agreements specify duration and compensation (if any), while non-disclosure agreements (NDAs) protect proprietary information. Senior roles may include non-compete clauses to prevent employees from joining competitors post-termination. Non-solicitation agreements may also be used to restrict former employees from recruiting other employees. Employment contracts should also have provisions on originality and assignment. Ensuring these contracts comply with Indian labour laws while meeting industry standards is critical for maintaining lawful and effective employment relationships.

Trade unions

Are there any special legal or regulatory considerations for fashion companies when dealing with trade unions or works councils?

Fashion companies in India must consider several legal and regulatory factors when dealing with trade unions and works councils. The Trade Unions Act 1926 governs the formation of unions, which are common in manufacturing sectors like garment production. The Industrial Disputes Act 1947 requires companies with more than 100 employees to seek approval before laying off workers or shutting down operations, making it particularly relevant for large fashion companies. Migrant labour, which plays a key role in India's garment industry, often faces challenges like unsafe working conditions, low wages and lack of social security. The Factories Act 1948 and the Code on Wages (2019) provide a framework for safeguarding workers' rights, ensuring they are paid fairly and provided with safe working conditions. However, enforcement is inconsistent, particularly in small or informal units. The new labour codes introduced in 2020, particularly the Industrial Relations Code, aim to streamline labour relations, offering greater flexibility for companies in managing trade unions and labour disputes while also ensuring workers' rights are protected. Fashion companies must respect workers' freedom of association and the right to collective bargaining, in line with

international standards like the UN Guiding Principles on Business and Human Rights and International Labour Standards. Challenges arise when dealing with contractual labour or subcontracting practices, as workers in these categories may lack the same legal protections as full-time employees. Fashion companies must ensure their supply chains comply with workers' rights, including the right to form unions and engage in collective bargaining. Global standards and increasing scrutiny from consumers and NGOs demand that companies respect labour laws and ensure fair practices across their operations. In conclusion, understanding and complying with national labour laws, maintaining ethical working conditions and engaging constructively with trade unions and workers' councils is essential for fashion companies to foster a responsible and sustainable business model.

Immigration

Are there any special immigration law considerations for fashion companies seeking to move staff across borders or hire and retain talent?

When fashion companies look to hire and move staff across borders, they must comply with various immigration and employment regulations in India to ensure legal compliance for both local and foreign employees. For foreign professionals, such as top designers or senior executives, the Employment Visa is often the most appropriate option. This visa is granted when a company can prove that the employee's specialised skills are not available locally and that their salary meets the required minimum threshold. Employment visas are typically valid for one to five years and can be renewed, though long-term renewals may face more scrutiny. For multinational companies transferring key staff to their Indian operations, the intra-company transfer visa (often an L1 visa) is commonly used. This visa is suitable for senior managers or employees with specialised knowledge and is also valid for one to five years, though it requires proof of the employee's critical role within the company. For short-term assignments, such as attending fashion events or providing consultancy, a business visa may be appropriate, but it does not permit the foreign worker to take up employment with a local company or receive a salary from an Indian entity.

In addition to selecting the right visa, fashion companies must ensure foreign workers comply with other legal requirements, such as registering with the Foreigners Regional Registration Office within 14 days of arrival, or risk penalties. Companies also need to be mindful of Indian tax laws, including tax deducted at source on salaries, and ensure contributions to social security schemes such as the EPF and employees' state insurance, although foreign nationals may have different obligations depending on their visa and any bilateral agreements between India and their home country.

Hiring and retaining local talent also presents challenges, as India's labour laws provide strong protections for employees, covering areas like termination, severance pay, and dispute resolution. Fashion companies must navigate these laws carefully to maintain smooth employee relations. Additionally, in India's competitive fashion industry, offering attractive compensation packages and

fostering a strong work culture are key to attracting and retaining top talent. For those entering the retail and e-commerce sectors, companies must also be aware of foreign direct investment regulations, especially in the multi-brand retail space, and adhere to local labour and immigration laws when hiring for strategic roles.

Finally, companies looking to relocate employees internationally must consider tax implications in both India and the employee's home country. India has agreements with several countries to avoid double taxation, meaning employees are typically taxed only once on the same income. Fashion companies should ensure that relocation packages, which may include housing, transportation and settling-in assistance, comply with these tax agreements to avoid complications. By staying informed about immigration and employment laws, fashion companies can successfully attract and retain both foreign and local talent while avoiding legal pitfalls.

Update and Trends

Trends and developments

What are the current trends and future prospects for the luxury fashion industry in your jurisdiction? Have there been any notable recent market, legal or regulatory developments in the sector? What changes in law, regulation, or enforcement should luxury and fashion companies be preparing for?

The luxury fashion industry in India is experiencing rapid growth, driven by several key trends. E-commerce has become an essential channel, with younger, tech-savvy consumers increasingly shopping online. Social media platforms like Instagram play a crucial role in helping brands engage with audiences and build visibility. Alongside this digital shift, rising affluence, particularly among high-net-worth individuals and the expanding middle class, is fuelling demand for luxury goods. While established markets in cities like Delhi, Mumbai, and Bangalore remain strong, Tier 2 and Tier 3 cities are emerging as new growth areas as disposable incomes rise and consumer interest in luxury products expands. Sustainability is also gaining prominence, with younger consumers more attuned to environmental issues. As a result, both international and domestic luxury brands are integrating eco-friendly materials and ethical sourcing practices, while transparency in sustainability efforts becomes increasingly important. Indian luxury designers, such as Sabyasachi and Manish Malhotra, are also gaining global recognition by blending traditional Indian craftsmanship with contemporary designs, appealing to both local and international markets. Additionally, the demand for personalised luxury, including bespoke designs and exclusive collections, reflects a broader consumer shift toward valuing the experience of luxury as much as the product itself.

Looking to the future, the luxury fashion market in India is poised for continued expansion. By 2030,

India is projected to become the third-largest market for luxury goods. This growth will be driven by younger, affluent consumers with increasing purchasing power, and luxury brands are expected to broaden their offerings, incorporating premium services such as luxury travel, wellness, and dining. There may also be a shift toward local production, as Indian consumers show greater interest in homegrown products. Collaborations with local artisans and the incorporation of traditional Indian techniques into luxury collections could become a key trend, allowing international brands to connect more deeply with Indian culture while maintaining their global appeal.

Several legal and regulatory changes are shaping the luxury fashion landscape in India. The goods and services tax (GST), introduced in 2017, has streamlined the tax structure but also presents challenges for luxury goods due to a 28 per cent tax rate, particularly on imports and exports. Additionally, the rise of e-commerce has led to stricter consumer protection regulations under the Consumer Protection (E-Commerce) Rules, 2020, requiring e-commerce platforms, including those selling luxury fashion, to ensure transparency, handle complaints and comply with return policies. IP protection remains a critical issue, especially with the growing prevalence of counterfeit goods. The Indian government has stepped up efforts to protect trademarks and designs, and luxury fashion brands need to be proactive in safeguarding their IP, particularly in online marketplaces where counterfeiting remains a persistent challenge.

Sustainability regulations are also becoming more stringent, as the Indian government focuses on circular economy principles. Policies like the Draft National Resource Efficiency Policy encourage brands to reduce waste, use eco-friendly materials, and adopt sustainable production methods. Luxury fashion companies will need to comply with these evolving environmental regulations. Changes to import-export regulations, including customs duties and excise taxes, could also impact pricing and market strategies, making it essential for brands to stay abreast of these developments. Furthermore, relaxed foreign direct investment (FDI) policies now allow 100 per cent foreign ownership in single-brand retail but require a percentage of products to be sourced locally. Any future changes to FDI policies or local sourcing norms could affect global luxury brands entering or expanding in India.

Looking ahead, luxury fashion brands should prepare for potential changes in law and regulation. GST reforms could affect pricing structures, especially if luxury goods face new taxes or increased scrutiny. With the continued growth of e-commerce, data protection laws, such as the Personal Data Protection Bill, will soon require brands to comply with strict consumer data privacy regulations. Sustainability requirements will likely become more stringent, demanding greater transparency in supply chains and environmentally responsible practices. Intellectual property enforcement will likely intensify, with the government focusing on cracking down on counterfeit goods, especially in online spaces. Finally, any future adjustments to FDI policies or local sourcing requirements could affect operational strategies for global luxury brands in India. Staying informed about these regulatory shifts will be critical for brands looking to capitalise on India's expanding luxury market.

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