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A conducive business environment plays a crucial role in a country's economic development. Today, under the dynamic leadership of Hon'ble Prime Minister Shri Narendra Modi ji, Government is leaving no stone unturned to ensure Ease of Doing Business for domestic as well as overseas investors.

Department for Promotion of Industry and Internal Trade (DPIIT) has been engaging with various Ministries, Departments and States to simplify processes and improve business environment across the country.

Recently, DPIIT has launched the Regulatory Compliance Portal to monitor the sector-wise reduction in compliance burden. The portal also brings together Industry Associations,

and Central as well as State Ministries/Departments on a single platform.

DPIIT's e-newsletter on Ease of Doing Business will play an important role in updating the stakeholders about the new initiatives and best practices by various ministries and departments. Further, many states have taken initiatives and worked towards minimizing regulatory burden, and establishing Single Window Systems. Other states can benefit by learning from their experiences.

I am hopeful that this newsletter will go a long way in disseminating useful information to all stakeholders and help improve the overall business environment in India. My best wishes to DPIIT for the success of this newsletter.

Shri Piyush Goyal

Minister of Railways

Minister of Commerce & Industry

Minister of Consumer Affairs and Food & Public Distribution,

Government of India

Deputy leader of the Rajya Sabha



Compliance and regulatory scrutiny is one of the biggest challenges our country faces in the Ease of Doing Business.

India has been consistent with its improvement in the World Bank's Doing Business Ranking. Understanding that burdensome regulatory compliances are one of the major roadblocks to congenial business environment of any country, DPIIT came up with a more-targeted and better focused approach to address the issue – The Regulatory Compliance Portal.

On this portal, Central Ministries/ Departments/ Subordinate Organizations, State Governments/ Departments and Industry Associations submit details of regulatory

compliances within their scope. A unique ID for each compliance request gets generated on the portal. The requests are then discussed and examined by the Department concerned and a decision is taken, accordingly. These decisions are updated in real time on the Dashboard of senior Government Officers.

The latest updates on the work done on rationalization of regulatory compliances will be reflected in the e-newsletter. In the journey of India's Ease of Doing Business, this portal is a major milestone.

I wish DPIIT the best in its endeavours in producing this e-newsletter.

Shri Som Parkash

Minister of State for Commerce and Industry
Government of India



India, under the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi has taken several steps towards the Ease of Doing Business and we have climbed over 79 ranks in the World Bank EoDB index in the past 6 years.

To further the goals of Ease of Doing Business, DPIIT is spearheading a number of initiatives. One of such initiative is the Regulatory Compliance Portal. Regulatory Compliances are made to streamline and manage business structures so that all firms/businesses get a level-playing field.

However, with advancement of time and considerable progress in innovation technology, the regulations demand review and rationalization and in some cases removal too. These checks and balances propel productivity, competitiveness and create a stable business environment.

Through the Regulatory Compliance Portal, DPIIT has taken a commendable step towards bringing all the stakeholders of the business ecosystem on one platform where they will work in cohesion to reduce or rationalize the burdensome regulatory compliances.

Through this e-newsletter, DPIIT will be able to create awareness amongst the business communities and the public at large about the work being done by the Government, in this regard. The e-newsletter will provide regular updates on the initiatives taken by DPIIT in consultation with the respective Ministries/ State Governments/ Industry Associations, accessible to the general public. I am sure it will aid in the creation of a seamless business environment to accomplish the goal of an AtmaNirbhar Bharat.

Shri Hardeep S. Puri

Minister of State (I/C), Housing and Urban Affairs
Minister of State (I/C) Civil Aviation
Minister of State for Commerce and Industry
Government of India



From the Secretary's Desk

India's unwavering commitment to reforms

Government of India is committed to create business friendly environment in the Country. Since 2014, DPIIT in association with Central Ministries and States - is implementing various reforms to minimize regulations and maximize ease of doing business. India's efforts have reflected in its climb in the World Bank's Doing Business ranking from 142nd rank in 2014, to 63rd position in Doing Business Report 2020 - published in October 2019. The Consistent reform measures undertaken over the last six years has helped India figure amongst the top ten improvers in Doing Business Assessment of the World Bank.

World Bank's assessment of economies covers 10 indicators spanning the entire business lifecycle. From Starting a Business, obtaining construction permits, obtaining utility connections to resolving commercial disputes and resolving insolvency, reforms cover all aspects of business. World Bank's assessment of business environment in the Country is limited to Delhi and Mumbai. However, DPIIT has not restricted itself to these two cities. DPIIT has intensely engaged with states in improving business environment across the country. Lot of investment and business activities happen in states, hence improving business environment in states is equally important for the economy.

To encourage states in reform implementation and to promote, cooperative federalism, DPIIT introduced a system of ranking states on their performance under State Reform Action Plan (SRAP).

DPIIT has been ranking States since 2015. The recent and fifth edition (SRAP 2020) encompasses 301 reforms across 15 business regulatory areas. In line with global best practices, a major change was introduced in its methodology by completely basing performance assessment of States on User feedback.

Looking beyond Ease of Doing Business and improving time and cost of doing business, a systematic exercise across Central Ministries and States and UTs is being coordinated by DPIIT to eliminate/reduce regulatory burden. The idea is to reduce the regulatory burden, so that entrepreneurs can devote their time on core productive activities.

Going an extra mile to further improve India's competitiveness on the Global Platform, DPIIT also anchors the Global Competitiveness Index (GCI) - published by the World Economic Forum to assess competitiveness of a country. The Index acts as a public policy tool that measures progress of all factors that influence an economy's productivity and standard of living. India ranked 68th amongst 141 countries in GCI 2019.

I am glad to introduce you to the first issue of India's Ease of Doing Business e-newsletter. The newsletter will be circulated within the Industry Associations so that our readers are updated with latest developments, initiatives pertaining to business environment - being undertaken by DPIIT. We look forward to comments/suggestions from our readers so that we can continuously improve ourselves.

Dr. Guruprasad Mohapatra

Secretary,
Department for Promotion of
Industry and Internal Trade



Minimizing Regulatory Compliance For Businesses In India

Doing Business Just Got Simpler

The Indian economy today is moving ahead towards a more competitive, conducive and adaptable business ecosystem.

The Government of India has undertaken an all-encompassing systematic approach for carrying out sustained efforts to reduce and simplify the regulatory compliances required by businesses and citizens in India.

The key objective of this exercise is to scrutinize the relevance and requirement of all Acts, Rules and Regulations/compliances which have an adverse impact on time and cost of businesses. Efforts are being made to Simplify, Rationalize and Digitize Government to Business (G to B) and Government to Citizen (G to C) Interfaces, in order to decrease time and cost burden and improve Ease of Doing Business for industrialists/investors along with Ease of Living for citizens.

The exercise of minimizing regulatory compliances is divided into two Phases (Please refer to the column on the right).

Consultations are being held with Industry Associations like CII, FICCI and ASSOCHAM to seek their inputs on regulatory compliance burden faced by industries from across Ministries that have maximum interface with businesses and from the major industrialized States.

The Regulatory Compliance Portal, developed by DPIIT, is envisaged to be an online repository of all Central and State-level compliances. This portal has been developed to capture the large set of compliances across Ministries/Departments and States/UTs.

Businesses need to be freed from regulatory burden to transform India from a passive market into active manufacturing hub. Government of India aims to introduce larger and broader regulatory reforms to improve business environment to make Atmanirbhar Bharat as the globally preferred investment destination.

Phase-I will focus on reducing regulatory burden across six areas, namely:

01

Renewals of licenses/certificates/permissions to be removed altogether or their periodicity to be increased/Self-certification or auto-renewals for low risk industries with satisfactory track record of compliance

02

Inspections to be assigned randomly to Risk-based inspections/ Third-party inspections/ Joint Inspections by concerned government authorities

03

Returns/Filings to be standardized and simplified and number of filings to be reduced

04

Registers & Records maintenance to be rationalized or removed

05

Display requirements for licenses/permissions to be minimized or eliminated

06

Digitization and Simplification of all manual records or procedures

Phase-II will focus on four areas, namely:

01

Regulatory Impact Assessment: Assessment of regulatory burden (in terms of time and cost) for all new Regulations that Central and State governments intend to introduce

02

Intensive use of New-Age Digital Technologies: Usage of blockchain (land registry), analytics (sentiment analysis of public services), artificial intelligence (detection of discrepancies/fraud), chat-bots (grievance redressal through chat-bots), DigiLocker (Central Data Repository), Single Business Identity, etc.

03

Decriminalization: Identification and decriminalization of Regulations which prescribe imprisonment as punishment for minor civil offences

04

Redundancy: Identification and repeal of archaic laws (Acts, Rules and Regulations)



Ease of Doing Business Reforms

AtmaNirbhar Bharat is the vision of New India as envisaged by the Hon'ble Prime Minister Shri Narendra Modi. It essentially means India will become a self-reliant manufacturing hub at the heart of global value chains. Ease of Doing Business is an integral part of the AtmaNirbhar Bharat Abhiyaan. The Government of India is determined to put in place an investment friendly ecosystem that strongly supports domestic as well as foreign investments.

Important measures recently undertaken to improve Ease of Doing Business across business lifecycle and improve India's competitiveness are:

- 1.** Launch of web-based **SPICE+** and **AGILE-PRO** form has enabled new company incorporation in 3-steps as compared to 10-steps process in 2019 and 14 steps in 2014. It acts as a single form for company name reservation, incorporation, registration of PAN, TAN, DIN, EPFO, ESIC, GST & Professional Tax in Maharashtra, along with bank account opening. Moreover, incorporation fee has been eliminated for companies with authorized share capital up to INR 15 lakh.
- 2.** One-stop shop portal has been launched in Mumbai and Delhi for Title Search, Property Register (PR) Card, Search for Charges on companies for a property, etc. PR cards have been integrated with Online Building Permission System (OBPS) of Municipal Corporation of Greater Mumbai and digitally signed PR Cards are available to applicant without visiting Revenue Department personally. Municipal Corporations in Delhi have introduced joint inspection by all associated agencies (including Fire).
- 3.** The process of obtaining building permits and occupancy-cum-completion certificate has become simpler and faster. In Mumbai, time to obtain all necessary building permits reduced from 191.5 days in 2015 to 45 days in 2020. In Delhi, this reduced from 215 days to 49 days over the same time period. Similarly, the total cost of getting construction permits has reduced in Mumbai from 5.4% to 2.26% of the total project cost and corresponding cost in Delhi has reduced to 1.5%.
- 4.** Number of days required for getting electricity reduced from 105 days in 2014 to 53 days in 2019 which has further decreased to 15 days in 2020. India's rank in Getting Electricity indicator improved from 137th in 2014 to 22nd in 2019.
- 5.** Tax burden has been reduced with Corporate Income Tax rate decreased from 25% to 22%. New companies incorporated on or after 1st Oct 2019 making fresh investment in manufacturing, has option to pay income-tax at the rate of 15%. Moreover, Minimum Alternate Tax rate has been decreased from 18.5% to 15%.
- 6.** Trading Across Borders has been made easier by Electronic delivery of customs clearance copy. A dedicated 24x7 facilitation centre at JNPT and infrastructural facilities at important ports like Nhava Sheva and Mundra are being strengthened for faster movement of goods. Machine-based automated clearance of imported goods and use of ICETAB (hand-held device) for on-the-spot clearances, which in turn will save time and cost for exporters/importers.
- 7.** Dedicated Commercial Courts in Delhi and Mumbai have been established for early redressal of commercial disputes, human intervention has been totally eliminated through Automatic and Random Allocation of cases; Electronic case management tools have been launched for Judges and Lawyers to manage case documents, notifications, status of cases, etc. are resulting in faster delivery of justice.
- 8.** Introduction of Insolvency and Bankruptcy Code 2016 was a major step forward in Corporate Insolvency Resolution Process. Further, improvements have been made in IBC Code 2016, wherein creditors can now initiate both liquidation and reorganization. Continuation of essential goods or services, critical to protecting and preserving the value of the debtor during the proceedings, have been allowed.

This year, a detailed action plan has been rolled-out for deepening and strengthening of reforms implemented across business areas. DPIIT is conducting concurrent monitoring and evaluation in association with Nodal Ministries/States and Quality Council of India (QCI). It involves reaching out to stakeholders through user feedback survey, online assessment of systems, sentiment analysis on social media, etc. to identify implementation gaps and critically assess the effectiveness of reforms. Comprehensive communication and capacity building activities are undertaken to disseminate information related to implementation of reforms through films, infographics, social media channels, webinars, etc.



State Business Reform Action Plan

India being a federally structured nation, States/Union Territories (UTs) play a vital role in promoting investor confidence. India is one of the few countries which has a sub-national ranking. Under the reform action plan, all States/UTs in the country are ranked on the basis of reforms undertaken by them on designated parameters.

Dedicated online portal (www.eodb.dipp.gov.in) has been developed by DPIIT for States/UTs to submit evidences of implementation of reform points and user data for feedback on reforms. It is the first such platform for knowledge sharing on regulatory compliance requirements and rankings across States/UTs in the country. Based on the global best practices, assessment of reform implementation under State Business Reform Action Plan 2020 is 100% based on user feedback.

Keen to take the reforms to the grass-root level, DPIIT has prepared a District Reforms Action Plan which is spread across 8 areas: Starting a Business, Urban Local Body Services, Paying Taxes, Land Reform Enabler, Land Administration and Property Registration Enablers, Obtaining Approval, Miscellaneous and Grievance Redressal/Paperless Courts and Law & Order.

Improving the business environment in the country and reducing regulatory compliance burden are among the key priorities of Government of India and State governments.

Key highlights of State Business Reforms Action Plan (SRAP) 2020 are:

01

'Investment enablers' has been introduced as a specific area in the Action Plan. This encompasses reforms related to 'Access to information and transparency', 'Investment Facilitation Centre/ Investment Promotion Agency' and 'Online Single Window System'

02

Single Window system enabled with dashboard has been included as a key reform area in the Action Plan. The envisaged features of the single window system include online submission of application, payment of application fee, tracking of application status, download of the final signed certificate & third-party verification

03

Sectoral reforms have been introduced for the first time in the Action Plan for 2020 and these sectors are Tourism, Telecom, Hospitality, Trade License, Healthcare, Legal Metrology, Cinema Halls and Movie shooting

04

Public procurement has been added as a separate area in the Action Plan

05

Reforms relating to 'elimination of the requirements of renewals of certificates/ approvals/ licenses' and 'implementation of computerized central random inspection system' have been included in the Action Plan in line with Department of Expenditure (DoE) recommendations

Capacity Building Webinar Series



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