



सत्यमेव जयते

DEPARTMENT FOR PROMOTION OF
INDUSTRY AND INTERNAL TRADE
MINISTRY OF COMMERCE & INDUSTRY,
GOVERNMENT OF INDIA

Ease of Doing Business

05th September 2024

Overview

- 1. Reducing Compliance Burden**
- 2. Jan Vishwas 2.0**
- 3. B-Ready** and Role of States / UTs
- National Single Window System
(NSWS)
- 5. Cost of Regulation (CoR)**

Reducing Compliance Burden

Reducing Compliance Burden (RCB) - Overview

Vision

Hon'ble PM's belief - Minimum Government, Maximum Governance

Agenda

“Ease of Living” & “Ease of Doing Business”

DPIIT was appointed as the nodal department for coordination in July 2020

Approach

- **4-pronged strategy** to review Acts/Rules/Processes:
 - **Simplification** of procedures, approvals, rules, etc.
 - **Elimination** of redundant laws/processes
 - **Digitization** of approvals/procedures/inspections etc.
 - **Decriminalization** of minor, technical or procedural defaults
- **Self-assessment** by Ministries/Departments and States/UTs based on intensive stakeholder consultations
- **Nodal officer** appointed for each Department and State/UT

An online platform – Regulatory Compliance Portal (RCP) launched to streamline and record all activities in 2021

RC Portal - Current Scenario & Progress – as on 03.09.24

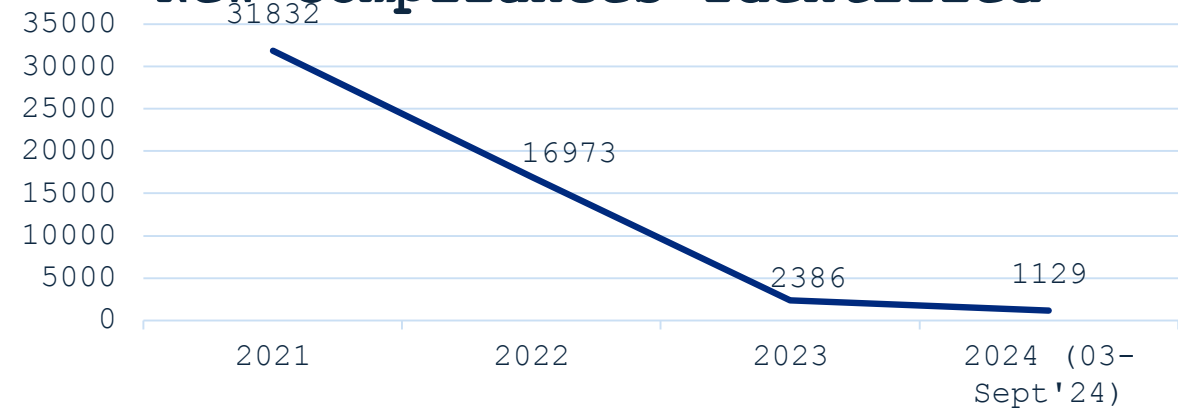
		Compliances			
		Identified	Reduced	Under Review	Retained
Business	Central	4,273	2,739	339	1,195
	States/UTs	32,928	25,673	2,196	5,059
Total - Business		37,201	28,412	2,535	6,254
Citizens	Central	439	217	52	170
	States/UTs	14,680	13,748	200	732
Total - Citizens		15,119	13,965	252	902
Total		52,320	42,377	2,787	7,156

Challenges ahead

Slow pace of 'self-identification' of burdensome compliances:

93% of total identification done in the 2021-22, 5% in 2023 and 2% in 2024 till 22/07/24

New Compliances Identified



Best Practices Repository

- Best Practices utility created on RC Portal which went live on 30th May 2023.
- Ministries and State/UT Governments were on boarded to upload Best Practices. |
- As on 03.09.2024, 142 Best Practices have been uploaded, which includes 15 practices by 5 Central Ministries/Departments and 127 practices by 16 States/UTs.

Action undertaken

Compliances Reduced

1. **>670 Acts covered**
2. **42,377 Compliances Reduced** (2943 Compliance by Central Ministries & 39,366 by States)

- **Act with maximum reforms**-Factories Act;
- **Act/Policy/Rules with least reforms/considered by only 1 State/UT**- 493 Acts/State Policies/Schemes

Compliances under Review

Under Review Compliances - 2787

- a. **391** Central Compliances
- b. **828** State Compliances Contingent to Central Acts (**across 8 Acts**)

Total 1,219 Compliances

Recommend to States to reduce Compliances which are still UR – **1,568**

Way Forward

Cross learning across - **Act-wise reduced compliances** by peers States/UTs and compare & update their respective compliances.

Jan Vishwas 2.0

Jan Vishwas 2.0

Primary sources for recommendations

A. Recommendations from Industry Associations, Law Firms and Legal Think Tanks

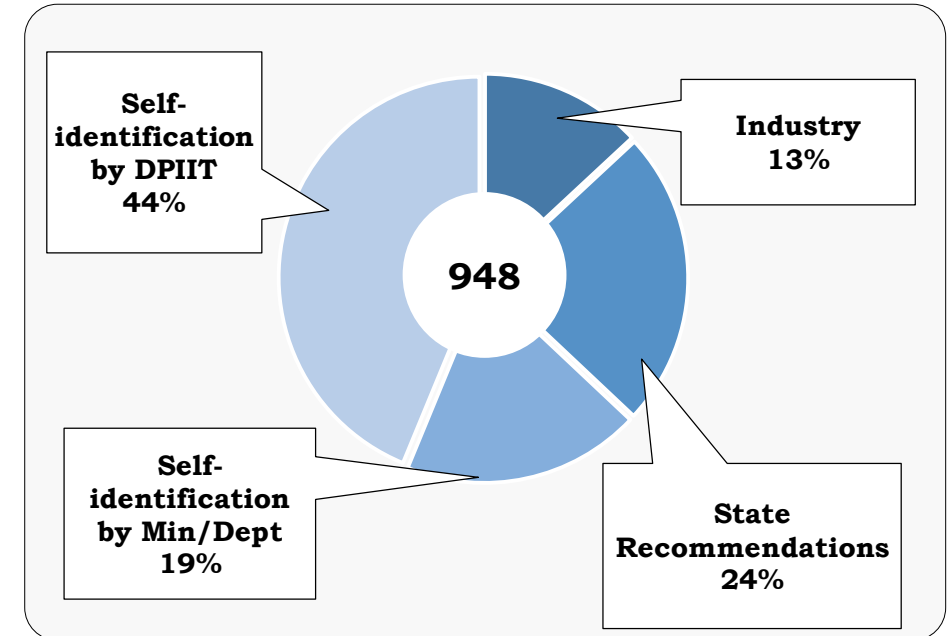
- Industry Associations, Law Firms and Legal Think Tanks have been actively participating in the Jan Vishwas 2.0 exercise, voicing concerns and forwarding recommendations of the industry.

B. Central Acts hindering State level Decriminalization

- Many States highlighted that majority 'under review' compliances **due to existence of overriding Central Legislations**
- All States requested to identify and highlight the Central Acts necessary for decriminalization at State Level
- Facility has been created on RC Portal

C. Self- Identification

- Ministries/Departments undertaking comprehensive review of Acts administered by them for identification of minor criminal offences.



- Regular **Bi-monthly IMC Meetings** with more than 20 Ministries/Departments (8 IMCs conducted).
- **7 meetings** held with **Industry**; regular meetings (19+) held with **Ministries/Departments to expedite action.**
- **Workshop on Jan Vishwas 2.0** held on 21.06.2024 and virtually on 26.07.2024 with 13 Ministries/Department and Industry Legal Teams and experts to expedite Jan Vishwas 2.0 exercise.

State-Level Decriminalization

- **Fourth National Conference of Chief Secretaries** is scheduled to be held in November on the theme: Promoting Entrepreneurship, Employment and Skilling
 - Reviewing Municipal laws/Local laws to improve Ease of Living & Ease of Doing Business in Tier 2/3 cities has also been identified as part of the sub theme - **Creating enabling Ecosystem - focus on Tier 2, 3 Cities.**
- Best Practice of decriminalizing Municipal Laws was also shared with major State Municipal Corporations and all State/UT Chief Secretaries.
- **Advisory with JPC Report** was sent to all States/UTs and Ministries/Departments on 06.04.2023 to review and adopt strategy laid down by the Joint Parliamentary Committee on Jan Vishwas Bill, 2022 for decriminalization of minor offences at State level.

State-Level Decriminalization – Next Steps

- All States requested to **identify and highlight the Central Acts** necessary for decriminalization at State Level. Such Central Acts shall be then targeted for decriminalization **via the Jan Vishwas 2.0 exercise**.
- **All States and UTs Governments** are urged to consider and examine JPC advisory, State Best Practices and Central decriminalization efforts to bring forth **own ‘Consolidated Decriminalization Bills’**.
 - The exercise may be initiated by **examination of Municipal Laws** in light of ease of living, State Best Practices and JPC recommendations.

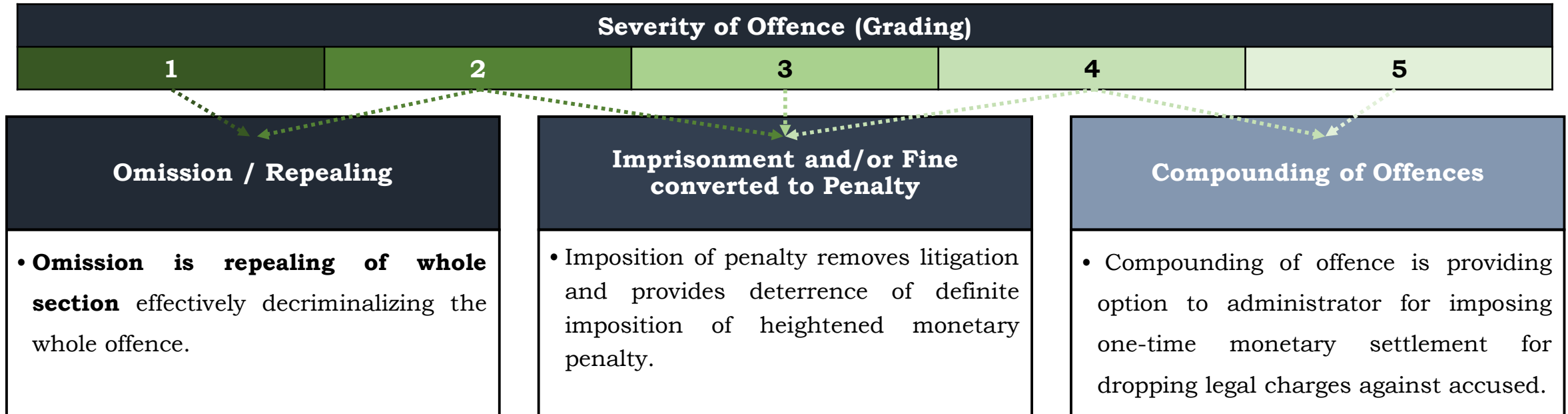
Suggested Methodology – Decriminalization

1. Identification of Actionable Reform Areas and Stakeholder Consultation

- Identifying particular Acts and Departments for targeted Decriminalization.
- Industry Stakeholders, Citizen–centric problems, analysis of pending legal cases.
- Can be initiated with Municipal laws.

2. Grading of Offences

- **Offences can be classified into 5 severities** - based on stakeholder opinion, relevance and effectiveness, duplicity in other laws, best practice of States and Centre, consistency with similar Acts, risk to public health and order, effect on state and national interests.



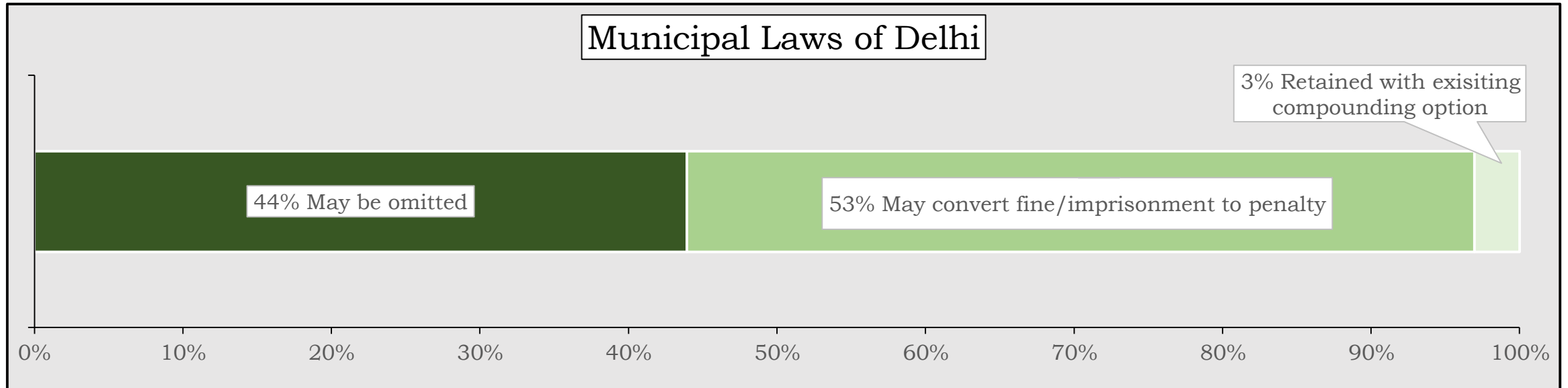
Case Study 1 - Tamil Nadu Municipal Laws

- In total 21 local bodies including municipal corporations of the State of Tamil Nadu, various minor provisions of laws got decriminalized which can be considered a best practice, the details of the exercise is as below:-

State	Compounding option provided	Offences Repealed	Penalty Reduced	Total Offences Decriminalized
Tamil Nadu	994	304	1	1299

1. There were approximately total **135 ‘types’ of provisions decriminalized** which were related to only one department i.e., Municipal Administration and Water Supply.
 1. Suggests an emphasis on reducing the burden of criminal penalties in daily civic administration.
 2. The provisions decriminalized cover a range of issues and **mostly relate to building regulations, sanitation, and public order.**

Case Study 2 – Delhi Municipal Laws (Ongoing)



Examples				
Against constitutional principals	Offence covered under Special Act (duplicity)	Trivial Offences and Fine	Redundant	Data may be checked for efficient use of this provision
<ul style="list-style-type: none"> S.414 of DMC - Failure of person in charge of markets to expel lepers and disturbers from the market punishable by fine up to Rs 25. 	<ul style="list-style-type: none"> S.307 (1) and (2) of NDMC- Failure to give information of births and deaths. Fine up to Rs.50. (Same as in Registration Act) 	<ul style="list-style-type: none"> S.354 of DMC - Failure to collect and remove filth and polluted matter. Fine up to Rs 50. 	<ul style="list-style-type: none"> S.299 of NDMC - A sweeper employed for doing house scavenging not to discontinue work without notice punishable by fine up to Rs. 10. 	<ul style="list-style-type: none"> S.357(1) of DMC - Keeping rubbish and filth for more than twenty-four hours, etc. Fine up to Rs 50 and further Rs 10/day

Business Ready (B-Ready)

World Bank Group's Doing Business Report

India's WBG Doing Business ranking improved from 142 to 63 in 5 years



Focus on Delhi and Mumbai

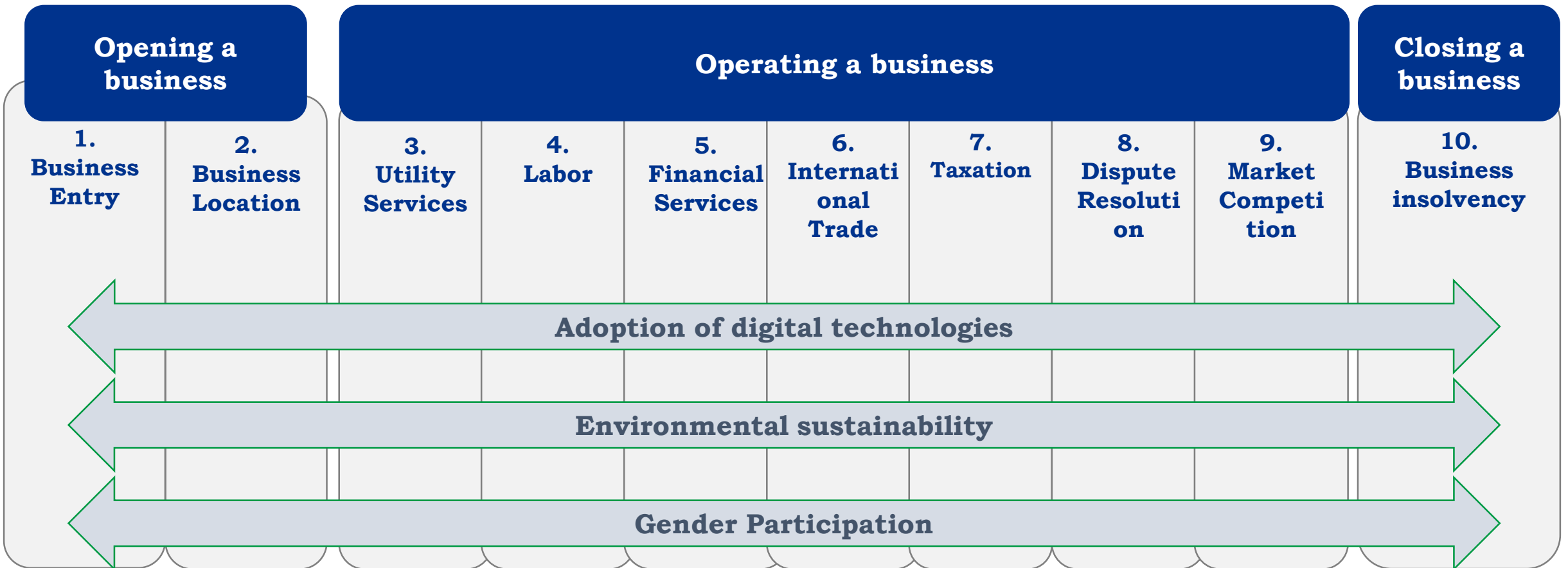
- DBR launched in 2002
- Measures business regulation aspects affecting small domestic firms
- Assessed- largest business city of 190 economies, Second city for 11 economies
- Assessment areas- Starting a business, Dealing with construction permits, Getting electricity, Registering property, Getting credit, Protecting minority investors, Paying taxes, Trading across borders, Enforcing contracts, and Resolving insolvency

Emphasis on process improvements and increasing digital communication with Government

Discontinuation of Doing Business Report (DBR) in 2020

B-Ready Framework

Topics	Pillars	Categories	Sub-Categories	Indicators	Components	Questions	Not scored Questions
10	3			792		1300+	c. 350



B-Ready Pillars and economy coverage

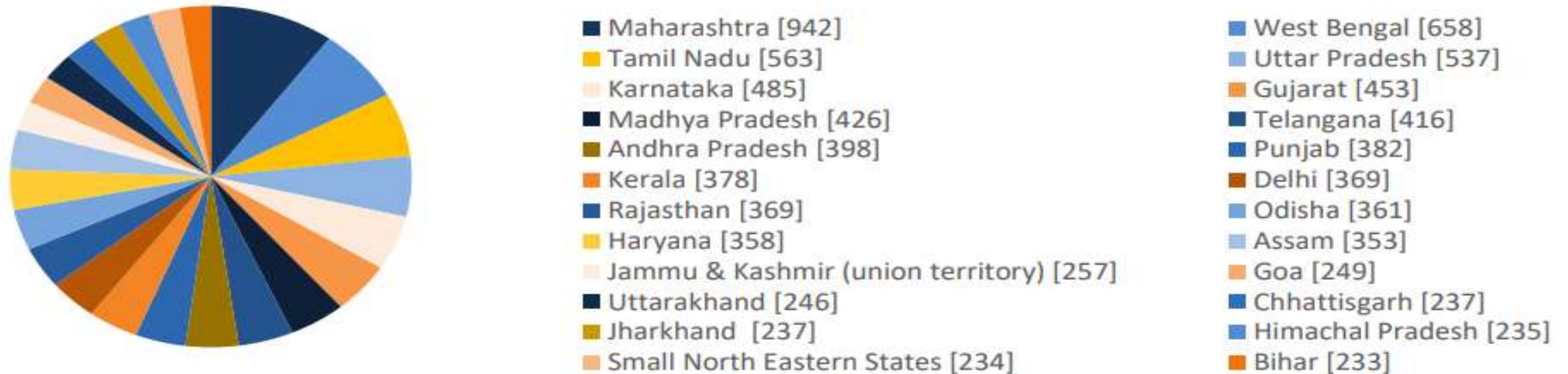
- Pillar-I- Regulatory Framework (Rules and regulations firms must follow to open, operate and close business)
- Pillar-II- Public Services (Government-provided facilities for compliance with regulations + business-enabling public institutions and infrastructure)
- **Pillar-III- Efficiency with which regulatory framework and public services are combined in Practice)**
- Majorly data for Pillar III collected through **World Bank Enterprise Survey (WBES)** starting from October 2024) surveying **nationally-representative** samples of registered (formal) firms of different size and location, various economic sectors, and foreign and domestic ownership with more than 5 employees

WBES – India (2022)

WBES Survey for India is likely to begin in October 2024

Business owners and top managers in 9,376 firms were interviewed between December 2021 and September 2022

No. of firms surveyed across Indian states



Source: [Explore Economies \(enterprisesurveys.org\)](https://enterprisesurveys.org)

Role of States/UTs

WBG assess efficiency in providing approvals and efficiency with which regulatory framework and public services are combined in practice, such as:

- **Average Days taken** for - construction related permits; electrical/Water/Internet connection; loan sanction; e-payments; GST refund; payment under government contract etc.
- **Perceptions index** of access to land, labor regulations, access to finance, custom regulations; transportation and efficiency of courts as constraint to operation of establishment
- Number of electrical outages; water insufficiencies, internet disruptions
- **Percent of firms** visited or inspected for health or safety; paying taxes electronically; spending on innovation

Reform Areas for States from B-Ready

Public availability of statistics and sex-disaggregated data:

- Land ownership & disputes
- Number of arbitrators and mediators, time, cost and number of resolved and unresolved cases, complaints for labor violations
- Customer survey results at utility provider etc.

Effective complaint mechanisms and information related to decisions being made publicly available:

- Filing an online dispute on the final decision on Environmental Licensing for building projects
- Related to Land & property disputes and cadastral maps

Effective Dispute Resolution

- Digitization in arbitration and mediation and publication of different categories of commercial cases resolved through arbitration
- Average Time taken for resolving commercial cases

Digitization and Interoperability

- Interoperability among departments through Effective use of National Single Window System to allow seamless exchange of information, making it the Single Source of Truth
- Integration of multiple agencies for building permits

National Single Window System (NSWS)

NSWS: Challenges Of The Existing Framework

Existing Integration Mechanism (with 29 States)

- Integrated using Single Sign On, wherein after registration on NSWS, the user is re-directed to respective State Single Window Systems to apply and obtain State Approvals

Reverse Integration (For 6 Pilot States)

- Registered users of State Single Window System after authentication of entity PAN as identifier are redirected to NSWS to apply for Central Approvals.

Challenges

- Single Window Systems vary in registration, architecture, and approval scope.
- Web redirection offers no practical benefit to business users.
- Using entity PAN for reverse integration requires state-level architectural changes.
- Maintaining stable integration is difficult due to technology upgrades, team changes, and shifting state priorities.

NSWS: The New Approach

- To comply with PAN as SBID mandate, it is required of States to capture and link entity PAN with all approvals applied through SSWS and State Dept. Portals.
- NSWS creates an open API to receive relevant data from States, and make it visible on NSWS dashboard to authorized representative of business:
- Authorized business users registered on NSWS can track status of all approvals pending/granted on behalf of their business entity across States, through NSWS dashboard.
- States shall continue with existing architecture while ensuring that a mechanism is built to facilitate above steps.

Enhancement of State Single Window Systems

Capturing entity PAN in all business-related approvals to ensure that all approvals required by businesses from following State divisions are applied only through State Single Window Systems (SSWS), which is integrated with NSWWS.

1. Electricity Division
2. Water/Ground Water Division
3. Waste and Sewage management Division
4. State Revenue and Excise Dept.
5. Boiler Division
6. Fire Department
7. Inspectorate of Factories
8. State Developments Authority
9. State Municipal body
10. State Labour Department
11. Irrigation Department
12. Pollution Control Board
13. Forest Division

NSWS: Outcome of the New Approach

All approvals/renewals/compliance applied only through NSWS as Single interface with **entity PAN as identifier.**

Seamless approval related data transfer aggregated for each business **basis entity PAN as identifier.**

**UNIFIED
COMPLIANCE
DASHBOARD**

NSWS

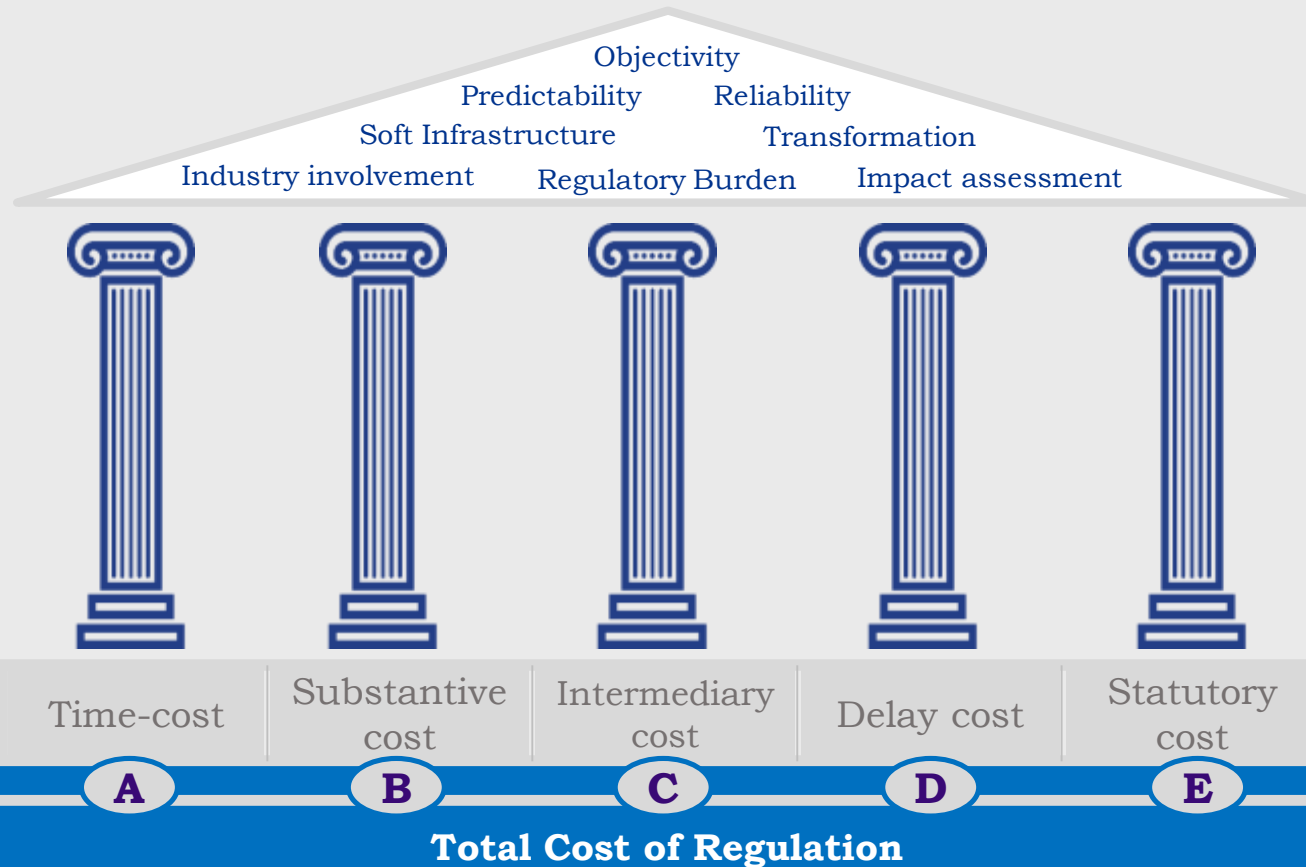
80% of approvals/clearances applied by Businesses at these Central Ministries and State Departments.

Central Ministries/Departments	
1	M/o Commerce and Industry
2	M/o Consumer Affairs, Food and Public Distribution
3	M/o Corporate Affairs
4	M/o Environment, Forest and Climate Change
5	M/o Agriculture
6	M/o Health and Family Welfare
7	M/o Jal Shakti
8	M/o Labour and Employment
9	M/o Micro, Small and Medium Enterprises
10	M/o Power
11	D/o Telecom
12	M/o Tourism
13	M/o Civil Aviation
14	D/o Animal Husbandry & Dairy

State Departments	
1	Electricity Division
2	Water/Ground Water Division
3	Waste and Sewage management Division
4	State Revenue and Excise Dept.
5	Boiler Division
6	Fire Department
7	Inspectorate of Factories
8	State Developments Authority
9	State Municipal body
10	State Labour Department
11	Irrigation Department
12	Pollution Control Board
13	Forest Division

Cost of Regulation (CoR)

CoR Framework – Key elements



- **Time-cost:** While filing IT return, it is Hourly Salary of the person filing return * Time involved * No. of times the return is filed
- **Substantive cost:** Cost of maintaining accounts books, laptop cost, internet connection for the person filing IT return
- **Intermediary cost:** Consulting fees paid to a CA for his services
- **Delay cost:** Average time taken Minus prescribed timelines
- **Statutory cost:** Actual license fee

Pain points identified by the Industry

Land		Utilities	Environment / Pollution	Labour
Change in Land Use / Land Conversion		Sewerage Connection	Consent to Establish under the Air (Prevention and Control of Pollution) Act, 1981	BOCW (Building and other construction workers) Worker Welfare License – Approval & Renewal
Land Allotment		NOC for Borewell – Approval & Renewal	Consent to Establish the Water (Prevention and Control of Pollution) Act, 1974	Boilers Erection permission
Registration of Land		Water Connection	Consent to Operate under the Air (Prevention and Control of Pollution) Act, 1981) - Approval & Renewal	Boilers Manufacturers permission - Approval & Renewal
Stamp Duty		Electrical Drawings	Consent to Operate under the Water (Prevention and Control of Pollution) Act, 1974 – Approval & Renewal	Registration of principal employer's establishment under provision of The Contracts Labour (Regulation and Abolition) Act, 1970 - Approval & Renewal
Lease Permission		Electricity Connection	Environment Clearance Application (SEIAA)	License for contractors under provision of The Contracts Labour (Regulation and Abolition) Act, 1970 - Approval & Renewal
Property Tax Payment		Lift Registration – Approval & Renewal	Approval for DG sets - Approval & Renewal	Factory Building Plan Approval
Building Permits		Temporary power connection	Authorization for Hazardous waste – Approval & Renewal	Factory License – Approval & Renewal
Building Plan Approval		Electrical Safety NOC for increase in load – Approval & Renewal	Authorization for plastic waste - Approval & Renewal	Registration under Shops & Establishment - Approval & Renewal
Final Fire NOC		Electrical Safety NOC for Transformer – Approval & Renewal	Authorization under Bio - medical waste - Approval & Renewal	Interstate Migrant Workers - Approval & Renewal
Occupation Certificate		Electricity/Water Tariff	Authorization under E – Waste - Approval & Renewal	
Preliminary Fire NOC			Authorization under Municipal Solid Waste - Approval & Renewal	
Renewal of Fire NoC				
Others				
Legal Metrology – Approval & Renewal		PT Registration		
Trade License – Approval & Renewal				
Tree Felling & Tree Transit Permission				

Key Takeaways

- **Cross-learning of best practices in terms of reducing compliances from States/UTs**
- Assessment of Municipal Laws as a start towards **decriminalization**
- Interoperability among departments through Effective use of **National Single Window System** to allow seamless exchange of information, making it the Single Source of Truth
- **Impact assessment** of regulations by States/UTs
- Move towards **Regulatory Impact Assessment (RIA)**

Thank You