

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 18th October, 2022 is published together with Statement of Objects and Reasons for general information:-

L.A Bill No. 51 of 2022

A Bill to amend the Tamil Nadu Business Facilitation Act, 2018.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Business Facilitation (Amendment) Act, 2022.

Short title and commencement.

(2) It shall come into force at once.

Tamil Nadu Act
7 of 2018.

2. In section 2 of the Tamil Nadu Business Facilitation Act, 2018 (hereinafter referred to as the principal Act),—

Amendment of section 2.

(1) clause (a) shall be re-lettered as clause (aa) and before clause (aa) as so re-lettered, the following clause shall be inserted, namely:—

“(a) “acknowledgment certificate” means a certificate issued by the Nodal Agency under clause (a) of sub-section (2) of section 11A;”;

(2) for clause (l), the following clause shall be substituted, namely:—

“(l) “Guidance” means the society formed by the Government and registered under the Tamil Nadu Societies Registration Act, 1975 (Tamil Nadu Act 27 of 1975) to facilitate setting up of enterprises in the State;”;

(3) after clause (r), the following clause shall be inserted, namely:—

“(rr) “notified enterprise” means any enterprise or a class or category of enterprise, as may be notified by the Government, from time to time.”.

3. In section 3 of the principal Act, in sub-section (1), for the expression “the Guidance Bureau”, the expression “the Guidance” shall be substituted.

Amendment of section 3.

4. In section 4 of the principal Act, in sub-section (1), in item (i), the following expression shall be added at the end, namely:—

Amendment of section 4.

“and issue acknowledgment certificate under clause (a) of sub-section (2) of section 11A;”.

5. In section 5 of the principal Act, in sub-section (1), after the expression “the application for clearances”, the expression “or issue of acknowledgment certificate” shall be inserted.

Amendment of section 5.

6. In section 9 of the principal Act, in sub-section (1), for the expression “either in physical or electronic format”, the expression “in electronic format” shall be substituted.

Amendment of section 9.

Insertion of new
section 11A

7. After section 11 of the principal Act, the following section shall be inserted, namely:-

“11A. Acknowledgment Certificate.—(1) Any notified enterprise, which intends to start a new activity or expand its activities, may submit a Combined Application Form together with self-certification and such fee as may be prescribed through the single window portal.

(2) (a) On receipt of a Combined Application Form from a notified enterprise under sub-section (1), the Nodal Agency shall issue an acknowledgment certificate to the applicant in such Form and within such time limit as may be prescribed;

(b) An acknowledgment certificate issued under clause (a), shall, for all purposes, have effect as if it is a clearance as defined in clause (c) of section 2, for such of the clearances as may be notified by the Government, from time to time, for a period of three years from the date of its issue. Before expiry of the three year period, such enterprise shall obtain the clearances from the Competent Authority concerned;

(c) In the event of any violation of self-certification, the acknowledgment certificate shall be cancelled by the Nodal Agency:

Provided that no such cancellation shall be made unless the applicant is given a reasonable opportunity of being heard.”.

Amendment of
section 15.

8. In section 15 of the principal Act, in sub-section (1), for the expression “the Executive Vice-Chairperson, Guidance Bureau as the Chairman, Company Secretary, Guidance Bureau as the Member Convener”, the expression “the Managing Director and Chief Executive Officer, Guidance as the Chairman, Executive Director, Guidance as the Member Convener” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Tamil Nadu Business Facilitation Act, 2018 (Tamil Nadu Act 7 of 2018) has been enacted to provide for time-bound processing of applications and issue of clearances by various competent authorities for establishing or expanding an enterprise for the promotion of economic development of the State and for an investor-friendly environment in the State.

2. On the 13th August 2021, the Hon'ble Minister for Finance and Human Resources Management, while presenting the revised Budget for the year 2021–2022 in the Legislative Assembly, announced that the Tamil Nadu Business Facilitation Act, 2018 will be amended to enable new industrial units including micro, small and medium enterprises to establish and operate based on self-certification without inspections and obtaining clearances under various State Laws for the initial three years. To give effect to the above said announcement, the Government have decided to amend the Tamil Nadu Business Facilitation Act, 2018 (Tamil Nadu Act 7 of 2018) suitably.

3. This Bill seeks to give effect to the above decision.

THANGAM THENNARASU,
Minister for Industries.

Secretariat,
Chennai-600 009,
18th October 2022.

K. SRINIVASAN,
Secretary.