

THE ASSAM MICRO, SMALL AND MEDIUM ENTERPRISES (FACILITATION OF ESTABLISHMENT AND OPERATION) BILL, 2026

A

BILL

to provide facilitation for establishment and operation of micro, small and medium enterprises in the State of Assam and matters connected therewith and incidental thereto.

Preamble

WHEREAS, it is expedient to generate employment, promote entrepreneurship and accelerate economic growth in the State of Assam, and to facilitate the establishment and operation of micro, small and medium enterprises with time bound processing applications, deemed approval and digital infrastructure and for matters connected therewith and incidental thereto

It is hereby enacted in the Seventy-seventh Year of the Republic of India as follows:—

Short title,

1. (1) This Act may be called the Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2026.

extent and

commencement

(2) It extends to the whole of the State of Assam.

(3) It shall come into force at once.

Definitions

2. In this Act, unless the context otherwise requires, -

(a) "Acknowledgement Certificate" means the certificate issued under section 7 of this Act, which shall serve as an approval for the period specified in section 9;

(b) "approval" means any permission, no-objection, clearance, consent, approval, registration, licence and the like, required under any State law in connection with the establishment or operation of an enterprise in the State of Assam;

(c) "Authority" means the Commissioner of Industries for the medium and small enterprises and General Manager of the district for the micro enterprises;

(d) "Commissioner" means the Commissioner of Industries and Commerce, Assam;

(e) "competent authority" means any department, agency, local authority, statutory body, State-owned corporation, Panchayati Raj Institution, Urban Local Body, Urban Development Authority or any other authority or agency constituted under any State law or under administrative control of the Government, entrusted with the power to grant or issue an approval for the establishment or operation of an enterprise in the State;

(f) "Deemed Acknowledgement Certificate" means the system-generated certificate automatically issued by the


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Single Window Portal upon failure of the concerned authority to issue an Acknowledgement Certificate within the specific period, and shall have the same legal force and effect as an Acknowledgement Certificate for the said purposes under this Act;

- (g) "Declaration of Intent" means the declaration of intent submitted by an applicant to start an enterprise on the Single Window Portal under section 6;
- (h) "eligible enterprise" means any micro, small or medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 to establish or operate within the State, except the enterprises falling under the Red Category as notified by the Assam State Pollution Control Board;
- (i) "Enterprise" means a micro, small and medium enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006;
- (j) "General Manager" means the General Manager of the District Industries and Commerce Centre of the concerned district;
- (k) "Government" means the Government of Assam.
- (l) "notification" means a notification published in the Official Gazette, and the word "notified" shall be construed accordingly;
- (m) "prescribed" means prescribed by rules made under this Act;
- (n) "Single Window Portal" means the portal under Ease of Doing Business maintained by the Government of Assam, or such other portal as the Government may by notification designate, maintained for the purposes of this Act;
- (o) "State" means the State of Assam;
- (p) "Industrial Undertaking" means a solemn declaration and undertaking to be furnished by the owner of an enterprise in such form as may be prescribed by the Government for engagement in manufacturing or processing or both; or providing service or doing any other business or commercial activity for the compliance of the provisions of the Act.

Central Act
No 27 of
2006

Central Act
No 27 of
2006

State Level
Processing
Authority

- 3. Subject to the superintendence, direction and control of the Government the Commissioner of Industries shall be the State-Level Processing Authority for the purposes of this Act.

Powers and
Functions of the
Commissioner

- 4. The Commissioner shall exercise the following powers and functions, namely:—

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- (i) receive, examine and decide upon Declarations of Intent filed by Small and Medium Enterprises on the designated Single Window Portal, and to issue Acknowledgement Certificates within 7 (seven) working days from the date of receipt of a complete Declaration of Intent;
- (ii) shall place before the Senior Most Secretary, Industries, Commerce and Public Enterprises Department, such reports and information as may be required for disposal of appeals as per section 13;
- (iii) shall suo-moto review, or on reference examine, any order passed by the General Manager, and pass appropriate orders accordingly;
- (iv) in the event of a natural disaster, epidemic or other public exigency notified by the Government, the Commissioner may, by order, temporarily suspend the issuance of Deemed Acknowledgement Certificates in the affected districts for a period not exceeding 60 (Sixty) days, which suspension shall lapse automatically thereafter unless extended by the Government. Enterprises affected by such suspension shall be entitled to a proportionate extension of their Acknowledgement Certificate validity; and
- (v) shall exercise such other powers and functions as may be prescribed.

District Level
Processing
Authority and its
powers and
functions

- 5. (1) The General Manager of the Office of District Industrial and Commerce shall be the district-level processing authority for the purposes of this Act.
- (2) The General Manager shall exercise the following powers and functions, namely:—
 - (i) shall receive, examine and decide upon Declarations of Intent submitted by Micro Enterprises on the designated Single Window Portal and shall issue Acknowledgement Certificates within 7 (Seven) working days from the date of receipt of a complete Declaration of Intent. If no action is taken within 7 (Seven) working days, the Portal shall automatically generate a Deemed Acknowledgement Certificate;
 - (ii) shall impose penalties and compound offences as per sections 10 and 12;
 - (iii) shall file complaints before the competent court for prosecution of offences under section 11;
 - (iv) shall maintain records of all Declarations of Intent and Certificates issued; and
 - (v) such other powers and functions as may be

prescribed.

Filing of
Declaration of
Intent

6. (1) Any person who intends to establish an enterprise or work in the State may file a Declaration of Intent to start an enterprise state level on the Single Window Portal, along with an Undertaking, in the form and in such manner as may be prescribed.
- (2) On receipt of a Declaration of Intent, the State Level Agency or District Level Agency in the Portal shall route the application to the General Manager, in case of a Micro Enterprise, and to the Commissioner, where the enterprise is a Small or Medium Enterprise, and shall issue an automated acknowledgement to the applicant.
- (3) Notwithstanding anything contained in sub-section (1), above,
- (i) enterprises falling under the Red Category as notified by the Assam State Pollution Control Board shall not be eligible to file a Declaration of Intent;
- (ii) enterprises falling under the Orange Category may file a Declaration of Intent and avail the Acknowledgement Certificate for all approvals, except Consent to Establish and Consent to Operate, which shall be required to obtain directly from the Assam State Pollution Control Board; and
- (iii) enterprises requiring Environmental Clearance under the Environment (Protection) Act, 1986 shall obtain such clearance from the competent authority prior to issuance of Acknowledgement Certificate and starting of construction work.

Central Act
29 of 1986

Issuance of
Acknowledgement
Certificate

7. (1) On receipt of a complete Declaration of Intent and Undertaking, the concerned authority shall issue an Acknowledgement Certificate within 7 (Seven) working days. If the application is found incomplete, the concerned authority shall return it within 5 (Five) working days with a statement of deficiencies and the timeline shall start from the date of resubmission.
- (2) If the concerned authority fails to issue the Acknowledgement Certificate within the period specified in sub-section (1) above, the Single Window Portal shall automatically generate a Deemed Acknowledgement Certificate, which shall have the same legal force and effect as an Acknowledgement Certificate for all purposes under this Act.
- (3) The Acknowledgement Certificate or the Deemed Acknowledgement Certificate, as the case may be, shall be issued in the form as may be prescribed.


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- (4) If there is any Change in the name or constitution of the firm, or transfer of the project to a new promoter, the enterprise shall intimate to the General Manager of the concerned district within 30 (thirty) days of such change and the authority shall issue revised Certificate within 7 (Seven) working days of such intimation.

Exemption from inspection

8. (1) On receipt of an Acknowledgement Certificate or a Deemed Acknowledgement Certificate as per section 7, an enterprise shall be entitled to have an inspection-free period of 3 (three) years from the date of such issuance, during which no officer or inspector of the State Government or any Competent Authority shall conduct any inspection, visit, survey, audit or enquiry at the premises of the enterprise.
- (2) Notwithstanding anything contained in sub-section (1), an inspection during the inspection-free period may be conducted only upon:—
- (a) a specific written complaint alleging contravention of a condition of the Acknowledgement Certificate or the Undertaking have been received by the Authority;
 - (b) on prior written authorisation of the General Manager of the concerned district; and
 - (c) a written notice for inspection of not less than 7 (Seven) working days to the enterprise, specifying the date, time, scope and the officer authorised to conduct the inspection.
- (3) The provisions of sub-sections (1) and (2) shall not apply where:—
- (i) there is an imminent and credible threat to public safety, fire safety or environmental safety, and the Commissioner has granted prior written approval for immediate inspection; or
 - (ii) an inspection has been ordered by a court of competent jurisdiction:

Provided that nothing in this section shall affect the power of any authority under a Central Act to conduct inspections as may be authorised by such Central Act.

Effect of Acknowledgement Certificate

9. (1) An Acknowledgement Certificate issued pursuant to section 7 shall be deemed for all purposes to be an approval under clause (b) of section 2, and shall remain in force for a period of 3 (three) years from the date of its issuance and after the expiry of the said period of 3 (three) years, the enterprise shall have to obtain required approval under relevant laws within six months from the date of expiry:


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Provided that the enterprise may apply for necessary permissions prior to the expiry of the said period of 3 (three) years.

Offences and Penalties

10. (1) If the Commissioner or the General Manager finds that any enterprise has contravened the conditions of the Acknowledgement Certificate or the Undertaking, it shall be liable to a fine not exceeding rupees five lakhs.
- (2) Where an offence is committed by an enterprise, every person in charge of, and responsible to, the enterprise for the conduct of its business at the time of commission of the offence shall also be deemed to be guilty of the offence and liable to be proceeded against accordingly.
- (3) Notwithstanding anything contained in sub-section (1), where an offence has been committed with the consent or connivance of, or is attributable to the neglect of, the proprietor, managing partner, director, manager, secretary or any other officer of the enterprise, such person shall also be deemed to be guilty and liable to be proceeded against accordingly.
- (4) For persistent or repeated violations, Commissioner or the General Manager as the case may be, after giving an opportunity of being heard, cancel the Acknowledgement Certificate.

Explanation— For the purposes of this section, 'enterprise' means anybody corporate and includes a firm, individual or other association of individuals; and 'director', in relation to a firm, means a partner in the firm.

Prosecution

11. (1) No court shall take cognizance of an offence under this Act except upon a complaint in writing made by the Commissioner or the General Manager or any officer authorised by him in this behalf.
- (2) No court inferior to that of a Judicial Magistrate of the First Class shall try any offence under this Act.

Compounding of Offences

12. (1) Any offence prescribed as compoundable may be compounded by the General Manager on payment of such sum, not exceeding fifty per centum of the maximum fine inflicted, as the General Manager may determine.
- (2) Where additional construction area exceeds the declared area but is within permissible building norms, no compounding charges shall be levied; only the differential approval fee shall be payable in such manner as may be prescribed.
- (3) An order of compounding shall not bar recovery of fees, charges or penalties due to other Competent Authorities under the respective Acts.


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Appeals

13. (1) Any Enterprise aggrieved by an order of the General Manager or the Commissioner under this Act may prefer a first appeal to the Secretary, Industries, Commerce and Public Enterprises Department, Government of Assam, within 30 days and the appeal shall be heard in such manner as may be prescribed.
- (2) Where the Secretary fails to dispose of the first appeal within the prescribed period, the aggrieved enterprise may prefer a second appeal before the Senior Most Secretary of the Industries, Commerce and Public Enterprises Department and such second appeal shall be disposed of within the period of 60 days from the date of receipt of such application of appeal.
- (3) Pending disposal of an appeal under this section, the enterprise shall be entitled to continue its operations unless the appellate authority, for reasons to be recorded in writing, directs otherwise on grounds of imminent threat to public safety or environment.

Protection of
action taken in
good faith

14. No suit, prosecution or other legal proceeding shall lie against any member of the service for anything which is in good faith done or intended to be done in pursuance of this Act.

Officers to be
public servants

15. Every Officer acting under the provisions of this Act shall be deemed to be a public servant within the meaning of sub-section (28) of section 2 of the Bharatiya Nyaya Sanhita, 2023.

Central Act
No. 45 of
2023

Act to override
other State laws

16. (1) Notwithstanding anything inconsistent therewith contained in any other state law for the time being in force, the provisions of this Act shall apply.
- (2) In particular and without prejudice to the generality of the foregoing provisions of this Act, such provisions shall have effect notwithstanding anything inconsistency therewith contained in the following enactments and the provisions of this enactments shall be read as amended in conformity with the provisions this Act, namely-

(a) Assam Panchayat Act, 1994.

Assam Act
No. XVIII of
1994

(b) Assam Municipal Act, 1956

Assam Act
No. XV of
1957

(c) Assam Shops and Establishments Act, 2025.

Assam Act
No. III of
2025

(d) Assam Fire Service Act, 2025.

Assam Act
No. LIII of
2025

(e) Assam Building Construction (Regulation) Act, 2010

Assam Act
No. XVI of
2010

Digital
infrastructure

18. (1) All Declarations of Intent, Acknowledgement Certificates, Deemed Acknowledgement Certificates and communications under this Act shall be processed


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mandate

through the Single Window Portal, which shall be integrated with the National Single Window System of the Government of India.

- (2) The Single Window Portal shall maintain a time-stamped audit trail of every action taken in processing a Declaration of Intent. The Single Window shall perform its functions in such form and manner as may be prescribed.

Power to remove difficulties

19. If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Official Gazette, make such provisions not inconsistent with this Act as may appear necessary for removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the date of commencement of this Act.

Power to make rules

20. (1) The Government may, by notification in the Official Gazette, make rules, for carrying out the provisions of this Act.

- (2) In particular and without prejudice to the generality of the forgoing power, such rules may provide for all or any of the following matters, namely:—

- (a) powers and functions of Commissioner under clause (v) of section 4;
- (b) powers and functions of the General Manager under clause (v) of sub-section (2) of section 5;
- (c) Form of declaration to be furnished by the enterprise under sub-section (1) of section 6;
- (d) form of Acknowledgement Certificate or Deemed Acknowledgement Certificate under sub-section (3) of section 7;
- (e) manner of fine for compounding offences under sub-section (2) of section 12;
- (f) manner of hearing of first appeal under sub-section (1) of section 13;
- (h) form and manner of functioning of the Single Window Portal as per sub-section (2) of section 18;
- (i) any other matter which is required to be, or may be prescribed.

Repeal and savings

21. (1) The Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2020, is hereby repealed.

- (2) Notwithstanding such repeal, anything done or any

Assam Act
No. XIV of
2020

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action taken under the repealed Act, be deemed to have been done or taken under the corresponding provisions of this Act.

- (3) The repeal of the repealed Act shall not affect any right, title, privilege, obligation or liability acquired, accrued or incurred thereunder, and any investigation, legal proceeding or remedy in respect thereof may be instituted, continued or enforced as if this Act had not been enacted.


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STATEMENT OF OBJECTS AND REASONS

Micro, Small and Medium Enterprises (MSMEs) constitute the backbone of employment generation, entrepreneurship and economic growth in the State of Assam. The **Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2020** was enacted to provide time-bound processing of approvals for MSMEs. Experience gained in the implementation of the said Act, and the Government of India's continuing emphasis under the Ease of Doing Business (EoDB) and Business Reform Action Plan (BRAP) framework on deemed approvals, self-certification and single-window, digitally-integrated clearance mechanisms, has necessitated a comprehensive revision of the existing legal and institutional framework governing facilitation of MSMEs in the State.

Accordingly, the State Government proposes to introduce **The Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Bill, 2026**, which repeals and replaces the 2020 Act. The Bill designates the Commissioner of Industries as the State-Level Processing Authority for Small and Medium Enterprises and the General Manager of the concerned District Industries and Commerce Centre as the District-Level Processing Authority for Micro Enterprises, and provides for establishment or operation of an eligible enterprise — other than one falling under the Red Category as notified by the Assam State Pollution Control Board — upon filing of a Declaration of Intent and Undertaking on the Single Window Portal.

On receipt of a complete Declaration of Intent, the concerned Authority is required to issue an Acknowledgement Certificate within 7 working days; failure to do so results in automatic generation of a Deemed Acknowledgement Certificate carrying the same legal force. The Certificate is deemed to be a valid approval under all applicable State laws for a period of 3 years, within six months of the expiry of which the enterprise is required to obtain the regular statutory approvals. Enterprises falling under the Orange Category are required to separately obtain Consent to Establish and Consent to Operate from the Assam State Pollution Control Board, and enterprises requiring Environmental Clearance under the Environment (Protection) Act, 1986 are required to obtain the same prior to commencement of construction.

To reduce the burden of recurring regulatory visits, the Bill grants enterprises a 3-year inspection-free period from the date of issuance of the Certificate, during which inspection may be conducted only on a specific written complaint, with prior written authorisation of the General Manager and advance notice of not less than 7 working days, except in cases of imminent threat to public, fire or environmental safety (with the Commissioner's prior approval) or where directed by a court of competent jurisdiction.

The Bill provides for penalties for contravention of the conditions of the Certificate or Undertaking (fine up to Rs. 5 lakh), safeguards on prosecution (cognizance only on a written complaint by the Commissioner or General Manager, and trial not below a Judicial Magistrate of the First Class), compounding of offences, and a two-tier appellate mechanism — a first appeal to the Secretary, and a second appeal to the Senior-most Secretary, Industries, Commerce and Public Enterprises Department — with continuation of the enterprise's operations pending appeal unless stayed on recorded grounds of imminent threat to public safety or environment.

The Bill is given overriding effect notwithstanding anything inconsistent contained in the Assam Panchayat Act, 1994, the Assam Municipal Act, 1956, the Assam Shops and Establishments Act, 2025, the Assam Fire Service Act, 2025 and the Assam Building Construction (Regulation) Act, 2010, and mandates that all Declarations of Intent, Certificates and communications be processed through the Single Window Portal, integrated with the National Single Window System of the Government of India, with a time-stamped audit trail of every action.

It is proposed to place **The Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Bill, 2026** before the Hon'ble Assam Legislative Assembly after it has been passed by the Hon'ble Cabinet, which seeks to –

- A. Repeal and replace the Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2020 with a strengthened, time-bound, deemed-approval based facilitation framework.
- B. Provide for filing of a Declaration of Intent on a Single Window Portal and issuance of an Acknowledgement Certificate, or a system-generated Deemed Acknowledgement Certificate, within 7 working days.
- C. Grant eligible enterprises a 3-year inspection-free period, subject to safeguards for public safety, fire safety, environmental safety and judicial orders.
- D. Deem the Acknowledgement Certificate to be a valid approval under State law for 3 years, with a six-month window thereafter to obtain regular approvals.
- E. Prescribe penalties, prosecution safeguards and a compounding mechanism for contravention of the Certificate or Undertaking, and provide a two-tier appellate remedy.
- F. Give the Act overriding effect over specified State laws administering panchayats, municipalities, shops and establishments, fire services and building construction, and mandate integration of the Single Window Portal with the National Single Window System.

The key provisions of the Bill are summarised below:

SL No.	Provision	Key Feature
1	Sections 3 to 5	Designates the Commissioner of Industries as the State-Level Processing Authority (for Small and Medium Enterprises) and the General Manager, District Industries and Commerce Centre as the District-Level Processing Authority (for Micro Enterprises)
2	Section 6	Provides for filing of a Declaration of Intent together with an Undertaking on the Single Window Portal, with Red Category enterprises rendered ineligible and Orange Category enterprises required to obtain Consent to Establish/Operate directly from the Assam State Pollution Control Board
3	Section 7	Mandates issuance of an Acknowledgement Certificate within 7 working days of a complete application, failing which the Portal shall automatically generate a Deemed Acknowledgement Certificate with the same legal force
4	Section 8	Grants a 3-year inspection-free period to enterprises from the date of issuance of the Certificate, subject to inspection only on a specific written complaint, prior written authorisation and notice, or in cases of imminent threat to public/fire/environmental safety or a court order
5	Section 9	Deems the Acknowledgement/Deemed Acknowledgement Certificate to be a valid approval under State law for 3 years, after which the enterprise must obtain the regular approval within six months
6	Sections 10 to 12	Prescribes penalties for contravention (fine up to Rs. 5 lakh), prosecution safeguards (complaint by Commissioner/General Manager; trial not below a Judicial Magistrate of the First Class)

Sl. No.	Provision	Key Feature
		and compounding of offences by the General Manager
7	Section 13	Provides a two-tier appeal mechanism — first appeal to the Secretary and second appeal to the Senior-most Secretary, Industries, Commerce and Public Enterprises Department with continuation of operations pending appeal unless stayed on grounds of imminent threat
8	Section 16	Gives the Act overriding effect notwithstanding anything inconsistent in the Assam Panchayat Act, 1994, the Assam Municipal Act, 1956, the Assam Shops and Establishments Act, 2025, the Assam Fire Service Act, 2025 and the Assam Building Construction (Regulation) Act, 2010
9	Section 18	Mandates processing of all Declarations of Intent and Certificates through the Single Window Portal, integrated with the National Single Window System of the Government of India, with a time-stamped audit trail
10	Section 21	Repeals the Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2020, with savings for actions already taken thereunder



(Shri Bimal Borah)
Hon'ble Minister,
Industries, Commerce & PE Department.



(Shri Rajib Bhattacharyya)
Secretary,
Assam Legislative Assembly.

FINANCIAL MEMORANDUM

There is no financial implication in the proposed Amendment Bill.

MEMORANDUM OF DELEGATED LEGISLATION

It is proposed to delegate legislative power to the Executive in the proposed "Assam Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Bill, 2026".



(Shri Bimal Borah)
Hon'ble Minister
Industries, Commerce & P.E. Department