

VOICE OF FICCI

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Azadi Ka
Amrit Mahotsav



SHAPING THE AGENDA

December 2022



From the
Director General

The market regulator SEBI had sought comments on a consultation paper on review of regulations on buyback of securities. Based on the feedback of its members on this matter, FICCI has submitted detailed recommendations to CGM, and SEBI, on the proposals made in the discussion Paper with respect to reduction in the maximum limit and time for completion of the buyback offer, cooling off period, revision in offer price etc.

Further, in view of the submission made by FICCI to the SEBI Advisory Committee on ESG in November, SEBI had shared the working draft of Core Business Responsibility and Sustainability Report (BRSR). This was done with a request to undertake back-testing across a range of companies with different sizes/sectoral spread, to ascertain the ease of reporting on the required disclosures. Based on consultation with our members, we have submitted a detailed representation of BRSR Core highlighting the areas which would pose reporting challenges and those which would require further clarity.

In addition to this, FICCI has identified a few concerns from the members that the policy on FDI in Single Brand retail trading does not suitably address. These representations were submitted to the Director, Department for Promotion of Industry and Internal Trade (DPIIT).

FICCI has also sought support from FSSAI on the CCPA guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements. FSSAI has been requested for the harmonization of the regulation/provisions among competent authorities in consultation with the concerned stakeholders.

Meanwhile, as India gears up for its Amrit Kaal, we look forward to the upcoming budget. It is indeed encouraging to note that this government has been very pro-active in its approach towards the industry and has time and again taken initiatives to address the concerns of the industry. Be it the Ease of Doing Business or the Cost of Doing Business, several steps have been taken on both the counts. We are confident that the process will continue unabated in the future.

Arun Chawla

SEBI Consultation Paper on review of SEBI (Buyback of Securities) Regulations, 2018

Based on feedback received from members, FICCI has submitted detailed recommendations to CGM, and SEBI, on the proposals made in the Discussion Paper w.r.t. reduction in the maximum limit and time period for completion of the buyback offer, cooling off period, revision in offer price etc.

For detailed recommendations, please write to

Ms. Abha Seth at abha.seth@ficci.com

SEBI BRSR Core

Based on the submission made to the SEBI Advisory Committee on ESG in November SEBI had shared the working draft of Core BRSR, with a request to undertake back-testing across a range of companies with different sizes/sectoral spread, to ascertain the ease of reporting the required disclosures. Based on consultation with members, FICCI has submitted a detailed representation of BRSR Core highlighting the areas which would pose reporting challenges and those which would require further clarity.

For detailed representation, please write to

Ms. Abha Seth at abha.seth@ficci.com

Representation on Queries in relation to compliance of conditions with respect to FDI in Single Brand retail trading

FICCI has identified a few inquiries and concerns from the members that the policy does not suitably address and submitted to the Director, Department for Promotion of Industry and Internal Trade (DPIIT).

For detailed representation, please write to

Ms. Leena Jaisani at leena.jaisani@ficci.com

Representation post meeting of Agri Secretary with FICCI industry members to discuss multi-source edible oils/blending in edible oils

While the regulatory ban on MSEO may be intended to improve the quality and safety of these products, it could have negative economic consequences and impact the oil industry severely. The ban is also unlikely to have any significant impact on public health, as blended oils

'Voice of FICCI' is a service to all our members and shared with key policy makers and thought leaders. The document is a compilation of FICCI's views on macro-economic issues. These issues come to us directly from members, or through deliberations in conferences and seminars on sectoral issues, as also through Government notifications.

have been shown to have a number of potential health benefits. This was submitted to the Secretary, Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India.

For detailed representation, please write to
Ms. Leena Jaisani at leena.jaisani@ficci.com

Request for extension of implementation timelines of Rule 11(1) (a) & (b) of Plastic Waste Management (Second Amendment) Rules, 2022

Due to the activation time of the newly launched CPCB portal and the associated procedure, companies had to spend considerable time applying and obtaining fresh registration certificates through the said CPCB Portal, after which the artwork modification process was initiated. Thus, the effective time available to companies during the current year needed to carry out the labelling changes as mandated by Rule 11(1) (a) & (b) of Plastic Waste Management (Second Amendment) Rules, 2022 is very small. This was submitted to the Secretary, Ministry of Environment, Forests & Climate Change, Government of India.

For detailed representation, please write to
Ms. Leena Jaisani at leena.jaisani@ficci.com

Representation on SOP for simplifying jewellery eCommerce exports regulatory framework via courier mode

FICCI representation on the Courier Imports and Exports (Electronic Declaration and Processing) Amendment Regulations, 2022 along with the standard operating procedures (SOPs) for simplifying the regulatory framework for eCommerce exports of jewellery via courier mode to be made to the Central Board of Indirect Taxes and Customs (CBIC) in relation to the notification of June 30, 2022. While this is a step in the right direction, there have been certain concerns from the members that the SOP does not answer the concerns of the traders/e-commerce exporters and makes the process cumbersome. Based on the feedback received from our members, we have put together a representation requesting the department to further simplify the procedure to encourage e-commerce exports of jewellery.

For detailed representation, please write to
Ms. Leena Jaisani at leena.jaisani@ficci.com

Industry inputs on sectoral opportunities and challenges with respect to Export Promotion to Australia

India-Australia Economic Cooperation & Trade Agreement (Ind-Aus ECTA) will come into force from 29th December 2022. According to ECTA, Australia has agreed to duty elimination on 100% tariff lines (Only a few lines over a period of 5 years).

In view of this, FICCI has collated sector-wise opportunities and challenges from the Indian industry to be taken up with the

Government of Australia. This was submitted to the Under Secretary, Department of Commerce.

For detailed recommendations, please write to
Mr. Gaurav Vats at gaurav.vats@ficci.com

CIFTI-FICCI Representation for seeking clarity on the order regarding registration of Foreign Food manufacturing facilities and also seeking appointment for same

In the submitted representation on the FSSAI order dated 10th October 2022, related to the requirement of registration of Foreign Food manufacturing facilities as per Food Safety and Standards (Import) First Amendment Regulations, dated 03 November 2022, FICCI seeks the clarity on below points:

- Product category clarity
- Applicability of implementation date

Also, FICCI seeks clarity related to the process of registration of foreign food manufacturing facilities as per the Chapter XIV defined in Food Safety and Standards (Import) First Amendment Regulations, dated 03 November 2021.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

FICCI Seeking support from FSSAI on the CCPA Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements

In the submitted representation, FICCI seeks FSSAI's help on the 'Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022' released by the Central Consumer Protection Authority on 10th June 2022.

FICCI stated that there is no definition of 'junk food' provided in the Act or in any other legislation. Also, Delhi High Court, in Uday Foundation matter W.P.(C) No.8568/2010 has deliberated upon the term 'junk food' and has rejected to use the same to refer to a specific category of food products. FSSAI, India's apex food regulation, through Food Safety and Standards (Safe food and balanced diets for children in school) Regulations 2020, has already defined /established criteria for restricting the marketing & sale of certain types of foods to school children. Also, FSSAI is already in the process of finalizing Front of Pack Nutritional Labelling (FOPNL) Labelling, to empower consumers to make informed choices.

Further, FICCI apprised that this clause was not a part of the draft guidelines issued in 2020 for public comments hence, adequate industry views were not taken on this clause.

Apart from the provision related to Junk food, there are many clauses w.r.t nutritional claims, misleading claims, substantiation of claims, disclaimer requirement for claims, etc which are already well covered in the Food Safety and Standards Act, 2006 (special legislation) and Food

Safety and Standards (Advertising and Claims) Regulation, 2018 and it will be extremely difficult for the industry to comply with two different legislations on the same issue. Hence, it will be prudent for FSSAI to govern the same and duplicate or parallel provisions should not be introduced vide these guidelines.

We requested FSSAI for the harmonization of the regulation/provisions among competent authorities with the concerned stakeholder's consultation. In this regard, we humbly requested FSSAI to take up the matter with the Ministry for Consumer Affairs, Food & Public Distribution and requested to release a letter to clarify that since no definition for junk food has been specified by FSSAI, the clause related to Junk food mentioned in CCPA guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 should be deleted and food category should be exempted from various parts of the guidelines like nutritional claims, misleading claims, substantiation of claims, disclaimer requirement for claim etc on which detailed regulations have already been mandated by FSSAI.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

FICCI representation on the second consultation paper on Allergen Labelling

In the submitted representation to NCCP, FICCI CODEX Cell answered the various questions, asked by CCFL on the second consultation paper on the Allergen Labelling.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

FICCI seeking support on various provisions related to Salt

In the submitted representation to FSSAI, FICCI seeks support on the following key agendas:

1. Draft standard for Refined Iodized Salt 2.9.30 (7)
2. Proposed Final (Draft) Standard for Low Sodium Iodized Salt 2.9.30 (8)
3. Standard for Edible Common Salt 2.9.30 (1)
4. On-ground issues faced by Iodized salt manufacturers w.r.t. permissible limit for Iodine

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

CIFTI-FICCI representation pursuant to the meeting with CEO FSSAI on Basmati Rice agenda

In the submitted representation on 39th Food Authority agenda 1.1 (C) 2.4. Cereals & cereal products Standards for Basmati rice, under Clause 3 (xiii) Chalky grains (per cent. by mass, not more than), the value specified by FSSAI for this parameter is 7%.

In this regard, FICCI proposed to delete the said parameter, based on the following:

Chalkiness is caused by 2 naturally occurring factors:

1. Genetics or the genome (The variety of rice)
2. Environment. The genetic characteristics are differently expressed under different environmental conditions, like temperature, humidity etc.

Due to the climatic and regional diversity of the crop, several varieties have greater chalky grains ~ 30–35 %.

Moreover, chalky grain as a parameter is not linked to food safety and is mainly a technical parameter of appearance.

Chalky as a parameter is not pivotal in establishing the trade dynamics within the globe and usually is not a predominant parameter for buyers across the globe. Even in the major export markets, the requirement for a chalky percentage varies from region to region or sometimes even within buyers from the same region.

EIC had formulated specifications for basmati exports, notified via a Gazette more than 25 years ago. The specifications on chalkiness have remained unchanged since then.

We further stated that these standards are currently applied only to exports to Europe requiring a compliance certificate from EIA. Export to other countries do not need this certification and therefore are practically not covered by these specifications. Europe accounts for less than 10% of total basmati exports from India.

In the trade dynamics of the EU market, the variety that is majorly exported is Type 3 basmati rice which usually has a very low chalky percentage. Since then, newer varieties have emerged which have much higher chalkiness. Currently 'Traditional' is less than 5% of basmati exports from India.

Even in India, the dominant selling grains are not Traditional but grains like 1121, Pusa, 1509, 1401 etc. which all have much higher chalkiness.

Hence, we humbly submitted that the parameter of chalkiness as a standard for basmati is not relevant for food safety or quality point of view and shall be deleted from the list of standards for Basmati Rice specifications.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

CIFTI representation on FSSAI gazette notification (dated 14th December 2022) on FSS (Advertising and Claims) Second Amendment Regulations, 2022

In the submitted representation on the FSSAI gazette notification dated 14th December 2022, regarding the Food Safety and Standards (Advertising and Claims) Second Amendment Regulations, 2022 wherein it has been stated that the regulation shall come into force on the date of their publication.

In this regard, FICCI addressed the two major issues on which industry will still continue to face major challenges in complying:

Concerns related to the mentioning of disclaimer of trademark, brand

name or fancy name on the front of the pack of the label Under Sub regulation (7)

Immediate effectiveness of the gazette notification:

Basis the submission, we requested FSSAI to defer the date of enforcement for the specific new revised labelling provision (newly revised Regulation 4, sub-regulation (7) till the time a final decision is taken pursuant to our above request. It will be difficult to comply with the newly revised provision and also it will take time to make the changes in artwork and consume the current inventory.

Hence, we requested to provide an extension of 1 year from the date of finalization of the final wordings of the revised Regulation 4, sub-regulation (7).

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

CIFTI – FICCI seeking 6 months extension of the notification w.r.t Net Quantity declaration of Edible oils and ghee

In the submitted representation on Notification no. I-10 (27)/2021-W&M dated 15.7.2022, wherein it mandates to mention the Net Quantity of Edible Oils and Ghee without mentioning the temperature on the label and followed by draft notification I-10 (22)/2021 which proposes to declare the net quantity in 'Weight or Volume and if the net quantity declared by volume, the net quantity shall also be declared by weight'.

In this regard, FICCI mentioned some challenges in understanding and implementation the said requirements.

- All the industry members were in indistinctness to implement the changes on the label as both the notifications were advocating different requirements and many labels are due to be revised based on certain clarifications which are awaited post multiple discussions with your esteemed department.

- Industries tried their best efforts to ensure compliance before the enforcement date and by now are in the process of the label changeover. However, huge inventories lying unutilized in the value chain.

In this regard, FICCI submitted these to the Ministry of Consumer Affairs, to extend the implementation of said notification by 6 months to facilitate a smooth transition and utilize the unexhausted inventory.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com

CIFTI – FICCI seeking an extension on Health Certificate Requirements

In the submitted representation on FSSAI Order (F. No. 1829/Health Certificate / FSSAI / Imports[1] 2021) released on 27.10.2022 in continuation to the orders released on 3rd august 2022 (F, No. 1829 / Health Certificate /FSSAI/Imports-2021), regarding the requirement of a Health Certificate to be accompanied by the import of food consignment and on 26th September 2022 (F. No, 1829 / Health Certificate /FSSAI/Imports-2021) to clarify that an integrated health certificate covering all the requirement of FSSAI along with DAHD requirements may be accepted.

In this regard, FICCI stated that the industry needs further time to comply with the integrated certificate, as FSSAI notified format has some additional requirements such as conditions for transport/storage, the temperature required during storage, date of manufacturer or packaging, best before, etc. that currently are not a part of DAHD format. Also, the health certificates need to be issued by competent authorities from the country of origin of the consignments. The competent authorities are working on the new requirements, and it will be difficult to comply from 1st January 2023 which will impact the import of food consignments. In this respect, FICCI had requested FSSAI to grant an extension of six months i.e., till 30th June 2023.

For detailed representation, please write to
Mr. Abhinav Singh at abhinav.singh@ficci.com



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