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DEPARTMENT OF INDUSTRIES

NOTIFICATION

The 9th October 2026

Subject: Right to Business— facilitation of MSMEs and other enterprises through self-declaration, pre-establishment approvals and protection from inspections under the Bihar Ease of Doing Business Act, 2026.

No-DMSME/Deregulation vivid/11/2026-2496—The Bihar Ease of Doing Business Act, 2026 (Bihar Act 32, 2026) has been published in the Bihar Gazette (Extraordinary) No. 1120, dated the 16th September, 2026;

2. WHEREAS the Bihar Ease of Doing Business Act, 2026 (Bihar Act 32, 2026) has been published in the Bihar Gazette (Extraordinary) No. 1120, dated the 16th September, 2026;

3. AND WHEREAS the State Government is committed to securing the Right to Business for every entrepreneur. In particular, it seeks to enable Micro, Small and Medium Enterprises to start operations immediately on self-declaration, with exemption from prior approvals and protection from inspections for an initial period;

4. AND WHEREAS the said Act gives key effect to the Right to Business. Its Preamble affirms that work, trade and entrepreneurship are not privileges to be dispensed but ordinary pursuits worthy of respect. It enacts that permission-based control be replaced with rule-based governance, that lawful enterprise and occupation be permitted by default, and that the burden of justification be placed upon the State wherever it restricts such activity;

4. AND WHEREAS section 3 of the said Act requires all powers under it to be exercised in accordance with guiding principles that include:

- (i) permission by exception, under clause (a);
- (ii) reliance and certainty, under clause (d); and
- (iii) presumption of grant on lapse of time, under clause (f);

6. AND WHEREAS section 12 of the said Act provides that an enterprise is free to undertake any activity in any location unless it is specifically prohibited by the Negative List in Schedule II;

7. AND WHEREAS Chapter VII of the said Act incorporates the Right to Business for new and expanding enterprises as follows:

- (i) Right to start on self-declaration: under section 19, an enterprise intending to establish or expand may furnish a Declaration of Intent to the District Empowered Committee on the Single Window System.
- (ii) Pre-establishment approval: under section 20, the Certificate of In-Principle Approval (CIPA):
 - (a) shall act as an approval for such regulatory services as may be prescribed;
 - (b) shall be valid for three years, during which the enterprise may establish, construct and operate, and may obtain the applicable regular approvals at any time, but not later than three years from the date of its issue;
 - (c) shall be issued within five working days for Micro enterprises, ten working days for Small enterprises, and fifteen working days for Medium and Large enterprises, failing which it shall be deemed to have been granted; and
 - (d) shall not be refused except by a reasoned order in writing, after the applicant has been allowed to rectify deficiencies and to be heard.
- (iii) Right to time-bound appeal: an appeal not disposed of within the prescribed period shall be deemed to have been allowed;

8. AND WHEREAS sub-section (4) of section 20, read with section 28 of the said Act, protects an enterprise holding a valid CIPA from routine inspection. Inspection is permitted only:

- (i) upon a complaint of a serious nature;
- (ii) through a prescribed risk-based selection system; or
- (iii) through a randomised and computerised digital inspection covering not more than five per cent of CIPA holders in a financial year;

9. AND WHEREAS the said Act provides for deemed approvals as follows:

- (i) under clause (i) of section 2, a deemed approval carries, for all intents and purposes, the weight of an approval granted by the Competent Authority, subject to the proviso to that clause;
- (ii) under sub-section (6) of section 9, the Secretariat is empowered to issue a deemed approval where a Competent Authority fails to decide within thirty days, or within the time limit prescribed by the relevant law, and the Competent Authority is bound to comply with it; and
- (iii) under sub-sections (14) and (19) of section 20, the CIPA and appeals are deemed granted on lapse of the prescribed time;

10. AND WHEREAS section 16, section 26 and Schedules III and V of the said Act provide for compliance through self-certification or third-party certification in respect of the activities and approvals specified therein;

11. AND WHEREAS the provisions referred to above, taken together, constitute and strengthen the Right to Business in the State through:

- (i) establishment on self-declaration;
- (ii) time-bound approval, with deemed grant on lapse of time;
- (iii) protection from routine inspection;
- (iv) facilitation through a Single Window System and Invest Bihar;
- (v) district-level decision-making through the District Empowered Committee;
- (vi) reliance on self-certification and third-party certification; and
- (vii) time-bound appeals, deemed allowed on lapse of time;

12. It is hereby notified that, in accordance with sections 19 and 20 of the Bihar Ease of Doing Business Act, 2026, a Micro, Small or Medium Enterprise may obtain a Certificate of In-Principle Approval on the basis of a self-declaration furnished through the Declaration of Intent. Such enterprise shall be protected from routine inspections for a period of three years from the date of grant of the Certificate, save as provided under sections 16 and 28 of the said Act.

8. This is issued with the approval of the competent authority.

By Order,
SANJAY KUMAR,
Joint Secretary.

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