Ease of Compliance Rules, 2017

February 2017



Introduction

Government has been taking many initiatives to bring in ease of doing business and thereby attract investments and build spirit of entrepreneurship. Lot many reforms have been undertaken recently to support the "Make in India" campaign so as to boost the indigenous manufacturing and thereby increase our exports to improve our trade deficit.

One of the biggest impediments faced by businesses in India is relating to compliance of labour laws. Labour laws are basically social security legislations necessary for protection and welfare of varied labour class. Indian Labour laws have known to be cumbersome and difficult to comply with and already proposals have been made to have a uniform labour law code. A World Bank report in 2008 specified that India's labour regulations are among the most restrictive and complex in the world and have constrained the growth of the formal manufacturing sector where these laws have their widest application. Better designed labour regulations can attract more labour intensive investment and create jobs for India's unemployed millions and those trapped in poor quality jobs.

Currently, India is ranked 130th with respect to Ease of Doing Business index of the World Bank, clearly indicating the negative perception about doing business in the country.

Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017

To eliminate these pertinent issues, the Ministry of Labour and Employment has notified "Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017" on 21st February 2017. This rule aims to expedite compliance of requirement of various labour related laws and stipulates use of consolidated registers for all labour compliance.

The Rules lay down the formats for maintenance of combined register, which can be maintained electronically or otherwise and used for the purpose of following 9 labour law related enactments:

- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act,
 1996
- Contract Labour (Regulation and Abolition) Act, 1970
- Equal Remuneration Act, 1976
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Mines Act, 1952
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Sales Promotion Employees (Conditions of Service) Act, 1976
- Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955.

The Rules further lay down that in case a register is maintained electronically, the layout and presentation of the register may be adjusted without changing the integrity, serial number and contents of the columns of the register. The Labour Ministry is also simultaneously developing a software for these common registers. After development, the registers will be hosted on Shram Suvidha Portal for free download with an aim to facilitate maintenance of those registers in a digitized form. Analysis of the Rule brings out the fact that 56 registers under 9 central laws have now been merged into 5 registers, such as:

- Employee Register
- Wage Register
- Register of Loans and Recoveries
- Attendance Register
- Register of Rest/Leave/Leave Wages

The new registers have only 144 data fields against 933 fields earlier, thereby indicating removal of redundant and repetitive fields. According to the Rules, if the combined register referred, is required for inspection by the concerned inspector appointed under any of the enactments referred to in the Rule, the concerned persons shall make available the combined registers or provide the necessary particulars for the purposes of accessing the information, as the case may be.

Conclusion

This exercise will help reduce the number of registers being maintained by establishments, thereby resulting in cost effective compliance of labour laws and mitigating the complexity of compliance to a larger extent.

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