



Sectors Affected	Status	Difficulty	Short Description	Longer Explanation/Status
Infrastructure, Fiscal, Services	No	MED	Allow cities to issue municipal bonds to raise funds	Creating the policy, legal, accounting, and reporting framework for local governments to issue municipal or project revenue bonds will spur the creation of this financing option.
Infrastructure, Services, Industry, Market Access	Yes	LOW	Allow foreign investment in more construction projects	Relax the rules specifically governing foreign investment in construction projects, including minimum built-up space and lock-in periods. Update: DIPP Press Note 12 removed almost all restrictions on FDI in construction, including minimum project size, and reduced the lock-in period for capital to three years (or as soon as trunk infrastructure is completed, whichever comes first).
Services, Market Access	No	HIGH	Allow foreign lawyers to practice in India	Allowing foreign law firms to establish offices and practice law in India will lower barriers to doing business in India. Update: The government <u>amended</u> regulations governing Special Economic Zones (SEZs) to allow the practice of law in SEZs, perhaps opening the door to foreign law firms setting up outposts there.

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Defense, Industry, Market Access	Partially	MED	Allow more than 50% foreign investment in Defense	<p>Allow foreign investors to own a majority stake in defense production firms.</p> <p>Update: <u>Press Note 5 of 2016</u> opens the 'government approval' route for FDI over 100% in defense when it gives access to "modern" technology or for "other reasons," but the Ministry of Defence has <u>rejected</u> the first and so far only proposal to establish a 100% foreign-owned defense manufacturer in India.</p>
Retail, Services, Market Access	Partially	LOW	Allow more than 50% foreign investment in direct retail e-commerce	<p>FDI is <u>allowed</u> in business-to-business e-commerce, and in e-commerce that uses a marketplace model, but the sector is still <u>closed</u> to FDI when companies sell directly to consumers.</p> <p>Update: <u>Press Note 3 of 2016</u> clarified that FDI is not allowed in business-to-consumer e-commerce, unless items are all being sold under a single brand and meet local-content requirements.</p>
Infrastructure, Services, Market Access	Partially	HIGH	Allow more than 50% foreign investment in Insurance	<p>Allow foreign investors to own a majority stake in life and non-life insurance firms.</p> <p>Update: In his February 29 <u>Budget Speech</u> Finance Minister Jaitley announced that FDI in insurance will be automatically allowed up to the sectoral cap of 49%.</p>
Infrastructure, Industry, Market Access	Yes	LOW	Allow more than 50% foreign investment in Indian Railways	<p>Allowing foreign investors to own a majority stake in the railway-related businesses will encourage much-needed investment in infrastructure.</p> <p>Update: DIPP <u>Press Note 8</u> (2014), issued 8/27/2014, opened most of the railways sector to 100 percent FDI.</p>
Communications, Fiscal, Services	Yes	MED	Conduct transparent auctions of telecom spectrum	<p>Government must conduct transparent telecom auctions that minimize the barriers to participation.</p> <p>Update: India has now conducted multiple free and fair telecom auctions with no complaints from private-sector participants.</p>

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All	Partially	HIGH	Create a unified national tax on goods and services	<p>The national Goods & Services Tax will combine most of India's state and local taxes into a streamlined tax system, easing compliance, ending cascading taxes, and expediting transportation.</p> <p>Update: While the <u>GST Amendment</u> has become part of the Constitution, efforts to pass <u>implementing legislation</u> during the winter session of Parliament failed due to disagreements between the center and the states.</p>
Energy/ Mining, Fiscal, Industry	Yes	MED	Deregulate Diesel Pricing	<p>Deregulating diesel pricing will lower government subsidies and also encourage the expansion of private hydrocarbon production.</p> <p>Update: The government <u>deregulated</u> diesel pricing on 10/18/2014.</p>
Agriculture	No	HIGH	Deregulate Fertilizer Pricing	<p>Deregulating fertilizer subsidies will lower government subsidies, increase private investment, and reduce over-fertilization that can erode soil viability.</p> <p>Update: On 5/13/15 the government <u>announced</u> a new four-year urea policy that will continue the price regulation regime.</p>
Energy/Mining, Fiscal	No	HIGH	Deregulate Kerosene Pricing	<p>Deregulating kerosene pricing will lower government subsidies and also encourage the expansion of private hydrocarbon production.</p> <p>Update: The government has <u>authorized</u> public sector oil marketing companies to increase the price of kerosene by .4 cents a liter each month for the next 10 months.</p>
Energy/Mining, Fiscal, Industry	Partially	MED	Deregulate Natural Gas Pricing	<p>Deregulating natural gas pricing will encourage the expansion of private hydrocarbon production.</p> <p>Update: On March 10, the Cabinet announced a new <u>energy policy</u> that switches to a revenue-sharing model (from a profit-sharing model), allows substantial pricing freedom for difficult fields, and eliminates minimum acreage requirements for new fields. While not total price deregulation, the policy offers new incentives for private hydrocarbon exploration.</p>

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All (except Agriculture)	Partially	MED	End retrospective taxation of cross-border investments	<p>Eliminate the Revenue Department's ability to retrospectively apply new tax laws. This provision, introduced in 2012, creates uncertainty for foreign investors.</p> <p>Update: In his February 29 Budget Speech Finance Minister Jaitley announced that the Revenue Secretary would chair a high-level committee that must approve all retrospective tax demands and offered a one-time dispute resolution opportunity for parties to current cases.</p>
Communications, Defense, Energy/Mining, Industry, Infrastructure, Retail, Services	No	MED	Ensure that business owners can receive a permit in 10 days or less	<p>According to the World Bank's Ease of Doing Business Report 2017, it takes 26 days to start a business in India, more than in any other country in South Asia—but down from 29 in 2016.</p>
Services	Partially	MED	Establish processes for more thoughtful financial regulations	<p>Establishing stronger rules governing regulatory interventions will increase investor confidence. These should include clearly stating the purpose of new regulations, creating a mandatory notice & comment period, and carrying out impact studies of new regulations.</p> <p>Update: The Ministry of Finance recently solicited comments on a Task Force Report proposing the structure of a new Financial Redress Agency (FRA). The FRA will act as a consumer regulator of the financial services industry.</p>
Industry, Defense	Yes	LOW	Extend the expiration date of industrial licenses	<p>Onerous licensing is one aspect of India's difficult "doing business" environment. Extending the validity of industrial licenses will decrease the frequency businesses will need to undertake this exercise.</p> <p>Update: DIPP Press Note 9 (2014), issued on 12/20/2014, increased the maximum validity of an industrial license from two years to seven years.</p>

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Energy/Mining, Market Access	Yes	MED	Fully open the coal mining sector to private/foreign investment	Coal mining for public sale was previously the exclusive right of government-owned “Coal India” and its subsidiaries. Update: Parliament <u>approved</u> the Coal Mines (Special Provisions) Act, 2015 on 3/20/2015, opening the sector to private—including foreign—investment.
All (except Agriculture)	Partially	MED	Institute a mandatory 30-day “Notice and Comment” period for proposed regulation	A consistent, transparent regulatory environment gives businesses greater confidence. Businesses also like to have a say in how regulations are crafted in order to avoid unintended consequences. Update: The Ministry of Law & Justice sent a <u>letter</u> on 2/5/2014 to all ministries, urging them to comply with a 30 day notice & comment period and other rules. Implementation has been inconsistent.
Energy/Mining, Industry, Infrastructure, Retail, Services, Defense	Partially	HIGH	Make it easier for states to use eminent domain to purchase land	The current law governing eminent domain requires that states obtain approval from at least 80% of residents before buying land, making it difficult to find plots for industry and infrastructure. Update: The new national land acquisition <u>law</u> , although it passed in the Lok Sabha, failed in the Rajya Sabha, and the government is no longer making this issue a legislative priority.
Communications, Defense, Energy/Mining, Industry, Infrastructure, Retail, Services	No	MED	Make it easier to start a business by offering one-stop shopping for clearances	The World Bank’s Ease of Doing Business Report 2017 <u>notes</u> that it requires 12.9 procedures to start a business in India, compared to the South Asia regional average of 8.1.
Communications, Defense, Energy/Mining, Industry, Infrastructure, Retail, Services	Yes	HIGH	Make it quicker and easier for companies to go through bankruptcy	India’s laws do not allow for a quick resolution of dead companies. The long process of winding up bankrupt companies contributes to overall legal paralysis, and locks up assets and intellectual property that could be deployed elsewhere. Update: The first <u>case</u> under the new Insolvency Code has begun in the Maharashtra High Court.

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Infrastructure, Services, Market Access	No	LOW	Raise the ceiling on foreign institutional investment in Indian companies	<p>The long-standing 10% limit on single institutional investors hinders investment in high-growth Indian companies. SEBI raising this threshold—even to 20%—will unlock significant liquidity for listed Indian companies.</p> <p>Update: In his February 29 <u>Budget Speech</u> Finance Minister Jaitley raised the investment limit for foreign portfolio investors in public sector enterprises from 49% from 24% and allowed FPIs up to 100% of each tranche of securities released by asset reconstruction companies. Neither change has yet been notified by RBI.</p>
Retail, Services, Agriculture, Market Access	Partially	MED	Reduce restrictions on foreign investment in multi-brand retail	<p>FDI in multi-brand retail was <u>opened</u> in September 2012. However, the rules governing foreign investment—minimum investment size, sourcing, and location—have so far precluded investment in this sector.</p>
Retail, Services, Agriculture, Market Access	Partially	MED	Reduce restrictions on foreign investment in single-brand retail	<p>FDI in single-brand retail was <u>opened</u> in September 2012. However, foreign firms must source 30% of what they sell from local manufacturers.</p> <p>Update: <u>Press Note 5 of 2016</u> allows FDI up to 100% via the government approval route, but requires that 30% of goods sold in the first 5 years be manufactured in India. This period is tolled 3 years for 'cutting edge' technology.</p>
Industry, Energy/ Mining, Services, Infrastructure, Retail	No	HIGH	Relax government controls over corporate downsizing	<p>India's Industrial Disputes Act sets a floor of 100 employees after which government permission is required to lay off workers. Some firms choose to remain below this level, giving up growth opportunities, in order to retain flexibility.</p>
Agriculture, Fiscal	No	HIGH	Remove government-mandated minimum prices for agricultural goods	<p>Removing minimum support prices will reduce the government's subsidy burden and help end the over-production of staple grains.</p>

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Financial Services, Services, Agriculture, Infrastructure	Partially	MED	Stop forcing banks to lend to "priority sectors"	<p>Banks are required to direct 40% of loans to "priority sectors," including agriculture, small businesses, education, and housing. This slows growth by reducing capital available for the fastest-growing industries.</p> <p>Update: On April 7 2016 RBI put into effect a <u>new program</u> to allow banks to trade priority lending certificates, thus avoiding the requirement that they lend in sectors where they have little expertise or interest.</p>
Fiscal	Partially	MED	Use Direct Benefit Transfer to deliver cash subsidies	<p>Direct cash payments programs, such as pensions, should employ Direct Benefit Transfers to send funds to recipients.</p> <p>Update: The government is testing a <u>pilot program</u> for providing subsidies via DBT to fertilizer manufacturers in 16 districts.</p>
Fiscal	Partially	HIGH	Use Direct Benefit Transfer to deliver goods subsidies	<p>Programs where the government broadly subsidizes goods for targeted groups should be shifted to Direct Benefit Transfer programs to strengthen targeting and reduce diversion.</p> <p>Update: Direct Benefit Transfer for kerosene subsidies is being <u>implemented</u> in 39 districts over the current fiscal year.</p>