

Perpetual licences coming soon for food businesses

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FSSAI wants to end annual renewal ritual with an e-declaration

Food business operators (FBOs) may soon get perpetual licences and registrations as the Food Safety and Standards Authority of India (FSSAI) is looking to do away with the complex year-on-year licence renewal process. This could simplify licensing regime for food companies and thereby help improve their ease of doing business.

As per the proposal, the perpetual licences will be given to food business operators on the basis of e-filing of an annual declaration by registration holders and annual returns by licence holders. Annual returns will be a statement of their annual turnover, product testing protocols adopted among other details which will enable FSSAI to easily ascertain that they are in compliance with the regulations, officials said.

This forms part of a set of amendments proposed by FSSAI to revamp Food Safety and Standards (Licensing and Registration of Food Business) Regulations 2011

Currently, food business operators take licences for 1-5 years while petty food businesses with turnover up to ₹12 lakh are required to register with the authority.

Pawan Agarwal, CEO, FSSAI, said the amendments in the licensing and registration regulations are being proposed to simplify and streamline the regulations, bring in more clarity for stakeholders and ease the procedures for obtaining new licences. He added that the focus needs to shift from renewal of licences to effective compliance of the regulations by food businesses.

E-commerce FBOs

The food safety authority is also looking to bring new business models such as e-commerce FBOs (like Swiggy and Zomato) and brand franchisors among others under the purview of the licensing regulations.

While the regulator has already directed e-commerce FBOs to take FSSAI licences this will now be formally introduced in the licensing regulations through the proposed amendments. Similarly, addition of the term “brand franchisor” is being done to ensure more onus is put on the food brands or restaurants towards adherence of regulations across their franchise network.

Other amendments being proposed include rationalisation of fee structure charged for licences and registrations, simplifying new registration and licensing application processes, besides alignment of regulatory requirements for licensing and registration as per the nature of the business. Currently, based on various conditions FBOs either take State licences, Central licences or get themselves registered.

The amendments are also being proposed to ensure food companies comply with licensing norms through food testing and inspection, third party audits and having trained food safety supervisors. The regulator will also launch a new online system to provide enhanced speed with better interface for licence or registration applicants.