

A MOVE AWAY FROM CHAT

The Department of Industrial Policy and Promotion (DIPP) through its notice dated May 10, 2013 has prescribed a format for seeking clarification on FDI Policy issues. Henceforth, DIPP will respond only when such requests for clarification provides complete details of the issue (i.e., such as name and details of the Indian company and the foreign investor, copy of MOA AOA of the Indian company, etc.) in the format annexed to the notice. This opens up a proper channel and format in which interested parties can seek clarifications from DIPP and makes it more structured. Previously many of the requests for clarification received by DIPP did not provide adequate details of the issue. As a result, DIPP was unable to take decision or provide clarifications on such references.

In addition to seeking a formal clarification as above, the interactive chat option on the DIPP website is also currently available to seek guidance on queries related to FDI Policy. However, the same does not purport to be legally binding.

IndusLaw Quick View: *This is a welcome move to formalize the clarification process. Although, DIPP has not provided a time frame within which it would respond to such clarifications, one hopes for speedy clarifications in practice.*



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