



Jan Vishwas (Amendment of Provisions) Bill, 2026: Rationalizing Compliance and Decriminalizing Minor Offences in the Health Sector

Boost to Ease of Doing Business through Decriminalization and Simplified Compliance

Adjudication Mechanisms Introduced to Reduce litigation burden

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The Jan Vishwas (Amendment of Provisions) Bill, 2026 has been passed by both Houses of Parliament, marking a significant step towards further enhancing Ease of Doing Business and Ease of Living in the country. The Bill reflects the Government's commitment to fostering a trust-based governance framework and ensuring proportionate regulation by reducing the compliance burden on individuals and businesses.

As per the provisions of the Bill, 784 provisions across 79 Central Acts administered by 23 Ministries have been amended. Of these, 717 provisions have been decriminalized to promote Ease of Doing Business, while 67 provisions have been amended to facilitate Ease of Living. Overall, the Bill seeks to rationalize more than 1,000 offences by removing minor offences, thereby improving the regulatory environment and enabling a more conducive ecosystem for businesses and citizens alike.

Within the health sector, the amendments span key legislations including the Drugs and Cosmetics Act, 1940; the Pharmacy Act, 1948; the Food Safety and Standards Act; the Clinical Establishments (Registration and Regulation) Act, 2010; and the National Commission for Allied and Healthcare Professions Act, 2021. These reforms align with the broader objective of simplifying compliance while maintaining robust safeguards for public health.

A central feature of these reforms is the replacement of criminal penalties, particularly imprisonment for minor procedural violations, with graded monetary penalties. This marks a shift towards a more facilitative regulatory framework while retaining strict action for serious violations affecting public health and safety.

In the Drugs and Cosmetics Act, 1940, several provisions have been amended to substitute imprisonment with financial penalties and to introduce a structured adjudication mechanism. Notably, an adjudication mechanism has been introduced for violations under Section 27A(ii) and Section 28A. This ensures that minor violations in the case of cosmetics (other than spurious or adulterated) will not require court intervention and can instead be addressed through a civil penalty framework.

Further, violations such as non-maintenance of documents or non-submission of information, which were earlier punishable through court-imposed fines or imprisonment, can now be adjudicated through this civil penalty mechanism. For the first time, the Act provides for the appointment of adjudicating authorities by the Central Government and State Governments, along with a defined process involving issuance of show cause notices, provision for personal hearing, and an appellate mechanism.

This reform will significantly reduce the burden on courts, minimize layers of litigation and enable faster resolution of minor compliance issues. It will particularly benefit the cosmetics industry by allowing structured and predictable handling of minor infringements, including procedural lapses such as non-maintenance of statutory records or documents, which are now free from prolonged litigation.

Similarly, amendments to the Pharmacy Act, 1948 aim to modernize penalty provisions and enhance accountability through increased financial penalties for non-compliance. The reforms also ensure alignment with updated legal frameworks.

Under the Food Safety and Standards Act, 2006, provisions have been streamlined to strengthen enforcement while ensuring that penalties are proportionate to the nature of the offence. This supports a balanced approach between regulatory oversight and ease of compliance.

The Clinical Establishments (Registration and Regulation) Act, 2010 has been updated to emphasize monetary penalties for non-compliance, particularly in cases where deficiencies do not pose immediate risks to patient safety. This encourages corrective action without resorting to criminal proceedings.

Further, the National Commission for Allied and Healthcare Professions Act, 2021 has been strengthened to ensure compliance with professional standards and regulatory requirements, with penalties designed to deter violations while maintaining proportionality.

The alignment of these reforms across multiple health-related legislations reflects a coherent policy approach aimed at harmonizing regulatory frameworks. By standardizing the shift from criminal penalties to civil penalties and introducing adjudication mechanisms, the amendments ensure consistency, predictability and proportionality in enforcement. This alignment reduces regulatory fragmentation, simplifies compliance requirements and provides clarity to stakeholders operating across different segments of the health sector.

The involvement of 23 Ministries in implementing these reforms underscores a whole-of-government approach towards improving the regulatory ecosystem. This broad-based participation reflects the Government's strong resolve to advance Ease of Doing Business and Ease of Living across sectors, ensuring that reforms are comprehensive, coordinated and impactful.

Overall, these measures are expected to improve compliance, reduce litigation and build greater trust between stakeholders and regulatory authorities, while continuing to safeguard public health and public interest.

SR

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