

Jan Vishwas Bill: How Jan Vishwas Bill Transforms India's Business Law

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Jan Vishwas Bill Latest News

- India's regulatory system has traditionally been **highly punitive**, where even minor procedural lapses or technical defaults could lead to criminal penalties, including imprisonment.
- The **Jan Vishwas (Amendment of Provisions) Bill**, 2025-26 aims to shift from punitive regulation to trust-based governance, reducing unnecessary criminalisation.
- It builds on the 2023 Act, which had already decriminalised 183 provisions across 42 Central laws, continuing efforts to make business regulations more facilitative.

Rationale Behind the Jan Vishwas Bill, 2026

- **Expanding Decriminalisation and Ease of Living** – The Bill proposes amendments to 784 provisions across 79 Central Acts, with 717 provisions set for decriminalisation, guided by the principle of proportionality in regulation.

- **Separating Serious Offences from Procedural Lapses** – It aims to distinguish between serious crimes like fraud and threats to public safety, and minor procedural non-compliance, ensuring that only genuinely harmful conduct attracts criminal penalties.
- **Promoting Equity for MSMEs** – The Bill seeks to reduce the disproportionate burden on small businesses and MSMEs, which often struggle with compliance due to limited capacity, by simplifying regulatory requirements.
- **Reducing Judicial Burden** – With over 4.8 crore pending cases, many involving minor regulatory issues, decriminalisation will help ease pressure on courts and allow focus on more serious cases.
- **Principle of Proportionality in Regulation** – Overall, the Bill emphasises that the State's response should match the severity of the offence, promoting a more rational and fair regulatory framework.

Key Features of the Jan Vishwas Bill, 2026

- **Shift from Criminal to Civil Penalties** – The Bill replaces criminal liability for minor procedural lapses with civil and administrative measures, substituting imprisonment with monetary penalties based on the severity of violations.
- **Graded and Proportionate Response** – For minor or first-time defaults, the Bill introduces warnings and advisory notices instead of prosecution, ensuring a more proportionate and less punitive regulatory approach.
- **Faster Resolution through Compounding** – Expanded compounding provisions allow quicker settlement of cases without full legal proceedings, improving efficiency and reducing litigation burden.
- **Strengthened Adjudication Mechanism** – Adjudicating officers are empowered to decide cases within fixed timelines, supported by appellate mechanisms to ensure fairness and accountability.
- **Dynamic Penalties and Simplified Procedures** – Penalties will be periodically revised to maintain deterrence, while digitisation and procedural simplification aim to reduce inconsistencies and improve ease of doing business and living.

Institutional Impact of the Jan Vishwas Bill

- The Bill is expected to bring significant relief to the judiciary by diverting minor regulatory cases away from criminal courts, allowing them to focus on more serious and substantive matters.
- At the same time, it places greater responsibility on regulatory agencies, as administrative adjudication requires strong institutional capacity, clear guidelines, and effective oversight to prevent arbitrariness, with appellate mechanisms playing a crucial role in ensuring fairness.
- For businesses, especially MSMEs, the reduction in criminal liability lowers the fear of prosecution for technical lapses, thereby encouraging greater formalisation, transparency, and engagement with the formal economy.

Promoting Efficient Justice: Role of the Jan Vishwas Bill

- **Rationalising Criminal Liability** – The Bill promotes efficient justice by restricting criminal sanctions to serious offences involving intent or harm, while shifting minor procedural lapses to civil mechanisms, reducing over-criminalisation.

- **Encouraging Voluntary Compliance** – A more predictable and proportionate regulatory framework encourages transparency, as businesses are less deterred by the fear of prosecution for minor technical defaults.
- **Importance of Implementation and Oversight** – The effectiveness of the Bill depends on clear guidelines, strong oversight, and functional appellate mechanisms, ensuring that increased administrative discretion does not lead to arbitrariness.
- **Potential Risks and Concerns** – Challenges include excessive administrative discretion, weak appellate safeguards, continued burden through monetary penalties, and lack of uniform standards across laws.
- **Reform Dependent on Institutional Capacity** – While the Bill is a significant reform, its success will ultimately depend on whether institutions are adequately equipped and held accountable to implement it effectively.

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