FSSAI to review licensing & registration of FBOs on basis of turnover

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FSSAI has decided to review the condition for licensing and registration of food business operators (FBOs) based on the turnover. It is actively considering to take into account the Goods and Services Tax (GST) formula for annual turnover to identify the FBOs required to obtain licenses or register.

At an event on food safety standards and regulations in the hospitality industry, hosted by the country’s apex food regulator, in association with the Hotel and Restaurant Association of India (HRANI), in New Delhi, Pawan Kumar Agarwal, the former’s chief executive officer, said that a comprehensive amendment was being considered to classify the FBOs based on GST and micro-, small and medium enterprises (MSME) norms, which may increase the turnover requirement to Rs20 lakh.

Under GST, a turnover of Rs 20 lakh makes a business or trader eligible for GST registration.

Currently, all FBOs need to register or obtain a Central or state license based on their turnover. While a turnover is excess of Rs12 lakh per annum requires a license to operate, a turnover below that can operate with a registration.

Agarwal added that FSSAI was actively considering a reduction in the number of kind of businesses (KOB) categories from 17 to 8, along with reforms in the Food Safety and Standards Regulations, 2011, specific to catering business.

He said, “The key reforms taken by FSSAI for ease of doing business for the catering sector include the key provisions of the modifications that have been made in Schedule 4 of the Food Safety and Standards Regulations (Licensing and Registration of Food Businesses), 2011, where a separate section has been made for the catering sector.”
“Under Schedule 4, FSSAI has laid down the good hygiene and manufacturing requirements for food businesses. Until now, a common Part II of Schedule 4 was applicable to all the licensed food businesses. It was creating a lot of confusion for the catering sector especially,” Agarwal added.

He added that going forward, only Part V of Schedule 4 will be applicable to the catering sector, along with modifications in the list of documentation required. Besides that, FSSAI is also revamping the existing online portal to register or apply for licences.

“We are now developing a new-generation e-portal which will focus not just on registration and licensing applications, but also create a compliance history of food businesses. We will call this portal the Food Compliance System, and it will be launched in three to five months’ time,” said Agarwal.

The apex regulator will look at the company’s track record with regards to compliance as desired under the laid regulations under the Food Safety and Standards Act, 2006, before issuing fresh licenses through the revamped portal.

The FSSAI chief also spoke about the regulator’s new draft regulations, which will provide provisions for recognising laboratories of associations (including hotels and restaurants) and food businesses for testing food samples for surveillance purposes.

It was also emphasised during the meet that the requirement of one trained food safety supervisor in each premise to ensure safe food handling. The supervisor should be trained under the Food Safety Training and Certification Programme (FoSTaC) designed by FSSAI and would be responsible for ensuring that the quality of food is maintained.