



Representation submitted to the Honourable Minister for Labour and Excise of Kerala regarding Amendments required in the Kerala Shops and Commercial Establishments Act, 1960

Shri. T.P. Ramakrishnan,
Honourable Minister for Labour and Excise,
Government of Kerala,
Trivandrum.

Sir,

Subject: Amendments required in the Kerala Shops and Commercial Establishments Act, 1960

The Cochin Chamber of Commerce and Industry, established in the year 1857, has completed 162 years of service to the region's commerce, industry and trade. This Chamber, one of the oldest in the country, is a Promoter Chamber of the Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi, the oldest national Chamber in the country. The activities of the Chamber have undergone several changes over the years in keeping with the changing times and needs so as to provide prompt and effective services to its membership and the business community at large. Since the very beginning, the Chamber has been involved in the advancement of several public causes in the State apart from its regular Chamber activities. History tells us that the setting up of the Cochin Port was a result of active inputs from the Cochin Chamber. In recent times the Chamber has also played a significant role in the conceptualization of the Cochin International Airport and promoting the idea in its early stages. Though we are a Chamber of Commerce in the traditional sense, we have always been looking out for ways to reinvent ourselves and make relevant contributions to the society that we live in.

We take this opportunity to appreciate the Government's initiative in facilitating the 'right to sit' through its landmark The Kerala Shops and Commercial Establishments (Amendment) Act, 2018 passed on 5th December 2018 by the Kerala Legislative Assembly. The move was well appreciated by civil society organisations and the public at large. However, there are some issues relating to the Shops and Establishments policy framework that requires urgent attention and intervention:



1) **Permission for 24*7 Shopping**

Section 10(2) of the Kerala Shops and Commercial Establishments Act, 1960 permits the Government by general or special order, to fix the time at which any establishment or class of establishments shall be opened or closed in any local area.

The Tamil Nadu Government vide G.O (Ms).No. 60 dated 28th May 2019 permitted all Shops and Establishments to keep open their establishments open for 24/7 all days of the year for a period of three years with effect from the date of publication of the notification.

A similar notification under section 10(2) will help boost retail trade and our tourism potential.

2) **Prescribing minimum number of employees for registration**

In Kerala, all shops and commercial establishments have to be registered under the Act irrespective

Recent amendments in states like Gujarat (Gujarat Shops and Establishments Regulation of Employment and Conditions of Service Act, 2019), Maharashtra (Maharashtra Shop and Establishment Regulation of Employment and Service Condition Act 2017), Tamil Nadu (Tamil Nadu Shops and Establishments Amendment Act, 2018) etc. have set 10 employees as the benchmark requiring the employer to seek license and registration under this Act.

The Kerala Government could consider providing relief to the establishments employing less than ten workers.

3) **Renewal of registration**

Section 5 A (5) of the Kerala Shops and Commercial Establishments Act, 1960 prescribes one year validity to the registration certificate granted under this Act requiring the employers to renew the certificate on a yearly basis.

States like Maharashtra amended their provisions to increase the period to ten years. The Odisha Government vide the Draft Odisha Shops and Commercial Establishments (Amendment) Rules, 2019 circulated on 13th June 2019 proposes to do away with the requirement to renew registration of shops and commercial establishments; registration will soon remain valid till revoked / furnishing of undertaking of closure.

THE COCHIN CHAMBER OF



COMMERCE & INDUSTRY

Established in 1857

Taking a cue from these developments, the Kerala Government should also consider increase the validity period of registration certificates to facilitate the ease of starting and doing business in Kerala.

The Chamber would be extremely pleased if the Government initiates a proper pre-legislative consultation for ideating and facilitating comprehensive changes to the Kerala Shops and Commercial Establishments Act, 1960. The process of consultation should be participatory so as to ensure the participation of relevant stakeholders including various trade, commerce, industry organisations and the public at large. These changes, if implemented properly, can facilitate and promote the Ease of doing Business in Kerala.

Thanking you and requesting your immediate and positive intervention in the matter.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'V. Venugopal', written over a horizontal line.

V. Venugopal

President

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