

## The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026

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### Why in News?

*Recently, the rajya sabha introduced the micro, small and medium enterprises development (amendment) bill, 2026.*

- **Amendment to** - Micro, Small and Medium Enterprises Development Act, 2006.
- **Aim** - To facilitate the promotion and development of Micro, Small, and Medium Enterprises (MSMEs).
- **Key features**
- **Classification** - The government is authorized to classify MSMEs based on investment and turnover.
- **Registration** - Submission of the memorandum is voluntary for all MSMEs.
  - Digital platforms for registration will be notified by the central and state governments.
- **Invoice Settlement** - Central Public Sector Enterprises (CPSEs) are required to use the Trade Receivables Discounting System (TReDS).
  - The central and state governments may extend this requirement to other public sector undertakings and entities.
- **Dispute Resolution** - Mediation must be completed within 90 days.
  - Referral to arbitration must occur within 30 days following the conclusion of mediation.
  - The arbitration award should be issued within 90 days of the completion of pleadings.
- **Court Challenges** - Applications may be filed against arbitration awards and mediated settlements.
  - A deposit of 75% is required, and the court may release a portion of this amount.
  - If the matter is pending for more than six months, at least 50% of the deposit must be released.
- **Decriminalisation** - Providing false information or failing to furnish required details results in a warning and graded penalties ranging from ₹1,000 to ₹50,000.
  - Failure to report unpaid dues leads to a warning and escalating penalties from ₹10,000 to ₹1 lakh.
  - All penalties increase by 10% every three years.
- **Adjudication** - The Development Commissioner serves as the adjudicating officer, and appeals may be made to the Secretary of MSME.

## Reference

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