



**DEPARTMENT OF INDUSTRY
MINISTRY OF ECONOMIC AFFAIRS
THIMPHU**

MoEA/ID-06/2009/2910

6 December 2009

Notification

The Ministry of Economic Affairs is pleased to inform the following changes in the rules and regulations pertaining to Foreign Direct Investment and activity conversion.

- i. It is hereby notified that provision in Schedule III (a) of the FDI Rules & Regulations, 2005 *"The completed FDIR Application Form is routed through the respective Embassies (of the foreign investor) accredited to Bhutan"* **is hereby removed**. As such routing of FDI Registration Form through the Embassies shall not be required.
- ii. Similarly, the provision in Schedule III 6 (v) of the FDI Rules & Regulations, 2005 namely *"endorsement/attestation by the Embassy of the respective countries in Bhutan or accredited to Bhutan"* of the CV of foreign investor in case of individuals is hereby replaced by **"notarization of the CV of foreign investor in case of individuals"**. Notarization of CV of foreign investor in case of individuals shall suffice instead of earlier requirement to obtain endorsement/attestation of the CV by the Embassy concerned.
- iii. FDI in an existing entity shall be permitted as follows: **"FDI in an existing entity shall be allowed subject to the same terms and conditions as applicable to new entities provided that there is an increase in equity base of the existing entity without the acquisition of existing shares by foreign investors"**.
- iv. Activity Conversion: The Royal Government shall henceforth process activity conversion as follows: **"Any proposal for change in location, technology, activity, production process, capacity and product by an existing industry shall be treated as new application and shall follow the industrial licensing procedures"**. The Ministry hereby withdraws the office order No. MTI/II-2/2175 dated 3 December, 2003 stopping activity conversion.

This has reference to the Ministry's approval no. MoEA/PPD-40/2009/283 dated 26th October 2009.

Director