
MINISTRY OF ECONOMIC AFFAIRS



Standard Operating Procedure (SoP)

Issuance of Letter of Interest (LoI) for lease of
land within the Industrial Parks/Estates

Department of Industry
September 15, 2022

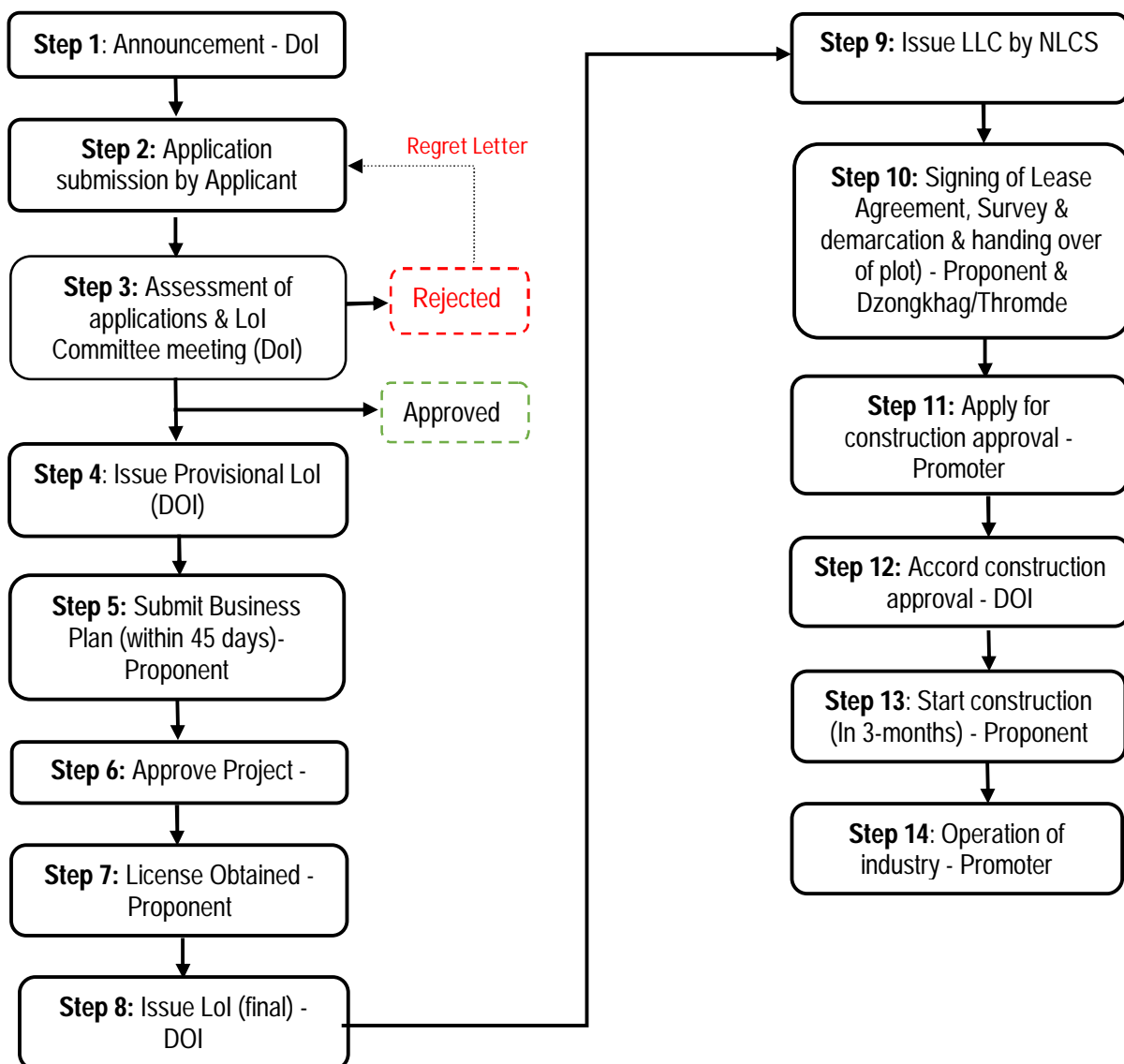
Rationale

The Land Lease Rules and Regulations 2018 (LLRR2018) Chapter 7 Lease for Business Activities, Section 105 requires the concern Department to forward the business proposal along with the Letter of Interest (LoI) to the National Land Commission Secretariat within one month from the specified deadline for submission of application for lease of land within the Industrial Park and business infrastructures.

Objective

The main objective of this Standard Operating Procedure (SOP) is to ensure smooth implementation of the procedures in the issuance of LoI by the Department of Industry in a transparent and efficient manner to the public.

Flow process for establishment of industry within the industrial parks/estates:



Standard Operating Procedures (SoP)

- 1) The Department of Industry shall announce through media the availability of industrial plot on lease and a minimum period of **one (1) month** shall be provided for submission of application. **Application Form for Industrial Land** within Industrial Estates and Parks is attached as [Annexure I](#) and it is available at https://www.moea.gov.bt/?page_id=945 .
- 2) The LoI Evaluation Team shall evaluate the applications and prepare report within three (3) **working days** after the last date of submission of the applications and present to the LoI Committee. The minutes of the meeting (MoM) shall be finalized in **three (3) working days** after the conduct of the LoI Committee meeting.

For evaluation purpose, the criteria specified in [Annexure II](#) shall be used unless otherwise mentioned in the announcement.

- 3) In the event the proposal is not recommended, the Department of Industry shall inform the proponent within **three (3) working days** after the date of finalization of the MoM.
- 4) In the event the proposal is recommended, the Department of Industry shall issue Provisional LoI (PLoI) within **three (3) working days** after the date of finalization of the MoM. The PLoI shall have a validity of **six (6) months** from the date of issue of PLoI which shall be specified. PLoI shall be as per the format provided in [Annexure III](#).
- 5) The proponent shall submit the Business Plan (BP) within **forty five (45) days** from the date of issuance of PLoI. Failure to submit shall automatically lead to cancellation of PLoI.

FDI Project proposal: On how to apply for FDI project proposal, refer FDI Application Guideline 2019 available at <https://www.moea.gov.bt/wp-content/uploads/2017/07/FDI-Application-Guidelines-2019.pdf>.

Refer Guideline [Annexure IV](#) for preparation of business plan and it is also available at <https://www.moea.gov.bt/wp-content/uploads/2017/07/Production-Manufacturing-Industries.pdf>.

The Business Plan can be submitted online through G2C at www.citizenservices.gov.bt or **in person** to the respective agencies as listed below:

Sl. No.	Investment cost in million, Nu.	Category of industry based on Scale of investment	Agency/Remarks
1.	< 1 million	Cottage Scale Industry	BP not applicable. Apply for registration certificate through G2B at www.g2b.gov.bt

2	1 – 10 million	Small Scale Industry	Apply for business license through G2C at www.citizenservices.gov.bt .
3.	>10 million to 100 million	Medium Scale Industry	Apply through G2C or in person to FDID** for FDI project and DID*** for Domestic Proposal.
4.	>100 million	Large Scale Industry	

**FDID - Foreign Direct Investment Division, Department of Industry, MoEA

***DID – Domestic Investment Division, Department of Industry, MoEA.

- 6) The concerned Department and ROEA shall review and forward the business plan to concern agencies for sector clearances within **five (5) working days** after the date of receipt of the proposal.
- 7) Upon receiving the required sector clearances, the DOI shall approve the project and issue approval letter to the proponent within **five (5) workings days** after the date of receipt of all the required clearances.
- 8) The proponent shall obtain business license within **three (3) working days** from the date of receipt of project approval/after the date of receiving notification from G2C to pay license fee and provide license number to IIDD, DOI.
- 9) IIDD, DOI shall compile all the required documents including site plan and forward the Letter of Interest (LoI) to NLCS within **five (5) working days** after the date of receipt of business license.
- 10) In the event the proposal is approved, the NLCS shall issue Land Lease Certificate (LLC) within **three (3) weeks** from the date of receipt of LOI. In the event the proposal is rejected, the NLCS shall inform DOI accordingly.
- 11) The proponent shall execute the lease deed with the Dzongkhag/Thromde Land Sector within **one (1) month** from the issuance of LLC. Failure to do so shall automatically lead to cancellation of LOI. A copy of lease deed shall be submitted to the DoI. The Land Sector shall demarcate and survey the plot and handover to the proponent.
- 12) The lessee/promoter shall submit construction drawings to IIDD, DOI within **forty-five (45) days** after the date of signing of the lease agreement. Failure to submit within the deadline shall automatically cancel the LoI.

Note: The design, drawings and construction shall be as per the *Guideline for Development of Industrial Land 2018* which is available at <https://www.moea.gov.bt/wp-content/uploads/2017/07/Approved-Guidelines-for-Development-of-Industrial-Land.doc>.

- 13) The IIDDD, DOI shall review the drawings and approve the construction within **five (5) working days** after the date of receipt of the drawings.
- 14) The promoter/lessee shall start the construction within **ninety (90) days** from the date of construction approval. Failure to start the construction within the deadline shall automatically annul the LoI.
- 15) The respective Estate Manager shall ensure construction compliance by the promoters as per the approved drawings and submit monthly progress reports of the construction of industries to DOI.

Composition of committees

DOI shall establish a Committee for issuance of LoI and a LoI Evaluation Team.

Review

The SOP shall be reviewed and updated as and when necessary by the Ministry of Economic Affairs.