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# India Enacts 2025 Biodiversity Sharing Rules

India's National Biodiversity Authority (NBA) notified the Biodiversity Benefit Sharing Regulations 2025 under the Biological Diversity Act, 2002, bringing into force a comprehensive legal framework to facilitate fair and equitable sharing of benefits arising from the use of biological resources and associated knowledge. Effective from May 2025, these new rules override the previous 2014 rules and introduce major changes, such as the inclusion of Digital Sequence Information (DSI) to align with international norms of biodiversity governance.

## Key Objectives of the 2025 Regulations

The newly notified regulations seek to:

Ensure fair compensation to local communities and biodiversity conservers.

Boost corporate compliance, especially in high-usage sectors like pharmaceuticals, food, cosmetics, and AYUSH.

Expand the scope of benefit-sharing to cover Digital Sequence Information (DSI), aligning India with international biodiversity governance norms.

## Turnover-Based Benefit Sharing: Tiered Framework Introduced

One of the key features of the 2025 regulations is a turnover-linked benefit-sharing model for companies using biological resources. The slab-wise structure is as follows:

Annual Turnover (INR)	Benefit Sharing Rate (of gross ex-factory sale price)
Up to ₹5 crore	Exempt
₹5–50 crore	0.2%
₹50–250 crore	0.4%
Above ₹250 crore	0.6%

## High-Value Biological Resources: Greater Responsibility

For economically or ecologically sensitive species such as sandalwood, red sanders, and agarwood, a higher benefit-sharing threshold has been set:

- Minimum 5% of purchase/sale price.
- Can go up to more than 20% in certain cases, depending on the ecological or commercial significance.

## Exemptions Under the New Rules

Certain categories have been exempted to streamline compliance and encourage sustainable practices:

Products based entirely on cultivated medicinal plants.

Specific mixed-source AYUSH products, as notified by the Ministry of Environment, Forest and Climate Change (MoEFCC) and Ministry of AYUSH.

## Inclusion of Digital Sequence Information (DSI)

In a significant policy evolution, the regulations include **Digital Sequence Information (DSI)** in the benefit-sharing mandate which was not a part of 2014 guidelines. This marks India's compliance with the emerging global frameworks that aligns with the outcomes from **Nagoya Protocol** under **Convention on Biological Diversity (CBD)** and **COP16**.

## Compliance Timeline and Reporting Requirements

- **Effective Date:** May 2025
- **First Reporting Deadline:** March 31, 2026 (for FY 2025–26)
- Companies must submit **annual declarations** on biological resource usage if their turnover exceeds ₹1 crore.
- Additional implementation guidelines and **digital compliance** tools are expected in **Q3 2025**.

## Most Affected Industries

AYUSH and Herbal Product Companies

Pharmaceutical Sector

Food and Beverage

Mining and Resource-Based Companies

Agri-biotech and Seed Companies

## Implications for Indian Businesses

### Financial Impact

- Highlights that benefit-sharing payments will be determined based on turnover and the extent of commercial utilization.
- Clarifies that users who have obtained approval must share benefits, excluding government taxes, making it a direct financial obligation.

## Legal Risk

- Notes penalties of up to ₹50 lakh for non-compliance under the Biological Diversity Act.
- Discusses legal enforceability and the role of NBA in ensuring compliance and legal proceedings in case of violation.

## Operational Burden

- Emphasizes new procedural approvals, monitoring mechanisms, and mandatory reporting for users of biological resources.
- Details new compliance steps including documentation, benefit-sharing agreements, and submission of periodic reports.

## Reputational Risk

- Notes that transparency in biodiversity usage and benefit-sharing is critical to avoid public and regulatory scrutiny.
- Points to increased attention on misuse or greenwashing related to biodiversity claims.

## Strategic Opportunity

- Highlights how proactive compliance supports international alignment, especially with the Nagoya Protocol.
- States that benefit-sharing fosters trust with local communities and biodiversity conservers, supporting ESG goals.

## Recommendations for Compliance



## Path Forward: Integrating Ecology and Economy

Access and Benefit Sharing (ABS) policies of the Centre establish uniform norms for equitable utilization of India's biological resources. Uniform norms bring industrial progress together with environmental protection through procedural methods that harmonize industrial activity with conservation objectives. The standardized benefit-sharing approach introduces ethical and structured resource use, particularly benefiting pharmaceutical and biotechnology sectors.

The long-term effectiveness of such regulations depends on strong enforcement and efficient monitoring systems. In the future, Indian policymakers will have to continuously modify regulatory systems, while promoting worker involvement in ecological practices. Such coordination will bring about a sustainable balance between economic development and scientific progress, reinforcing India's dedication to innovation and environmental care.