

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

Ministry of Commerce & Industry, Government of India

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Deputy Director

EPCES CIRCULAR NO. 203 DATED 27-04-2015

- Sub :**
- i) Ministry of Finance notifications on Foreign Trade Policy**
 - ii) Notifications on International Financial Services entre (IFSC)**

i) Ministry of Finance notifications on Foreign Trade Policy

Foreign Trade Policy 2015-2020 was released on 1st April, 2015 by Smt. NirmalaSitharaman, Hon'ble Minister for Commerce & Industry. Earlier there were 5 different schemes under Chapter 3 of FTP (Focus Product Scheme, Focus Market Scheme, Market Linked Focus Product Scheme, Agri Infrastructure Incentive Scrip and VKGUY). In the new Foreign Trade Policy 2015-2020, Reward Schemes under Chapter 3 were simplified and merged to a single scheme, namely Merchandise Export from India Scheme (MEIS).

Similarly, Served From India Scheme (SFIS) has been replaced with Service Export from India Scheme (SEIS). SEIS provides for rewards to all service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider.

Details of these 2 newly introduced Schemes were circulated vide EPCES Circular No.201 dated 1-4-2015.

Ministry of Finance has also issued corresponding Circulars for implementation of these changes in the new Foreign Trade Policy. Notification Nos. 14/2015-Cus dated 20-4-2015, 24 & 25/2015-Customs, 20 & 21/2015-Central Excise and 10 & 11/2015- Service Tax all dated 08.04.2015 may be referred to in this regard. Copies of all these notifications are attached for ready reference.

ii) Notifications on International Financial Services entre (IFSC)

Regulators of IFSC viz. Department of Commerce, RBI, SEBI and IRDA have prepared the Regulatory Framework for IFSC.

A Conference was organized by Government of Gujarat and Gift City on "Regulatory Framework for IFSC in India" on Friday, April 10, 2015 at Gandhinagar. On this occasion Regulatory Framework for IFSC were launched by ShriArunJaitley, Hon'ble Union Minister for Finance.

Apart from Hon'ble Union Minister for Finance, the Conference was attended by Smt. Anandiben Patel, Hon'ble Chief Minister of Gujarat, Shri Saurabh Patel, Hon'ble Finance of Government of Gujarat, Dr. Hasmukh Adhia, Secretary, Financial Services, Ministry of Finance, Shri R. Gandhi, Dy. Governor, Reserve Bank of India, Shri R.R. Rashmi, Additional Secretary, Ministry of Commerce & Industry, Dr. Guruprasad Mohapatra, Joint Secretary, Ministry of Commerce & Industry, Shri T.S. Vijayan, Chairman, Insurance Regulatory and Development Authority of India, IRDA, Shri U.K. Sinha, Chairman Securities and Exchange Board of India (SEBI), Dr. J.N. Singh, Additional Chief Secretary, Government of Gujarat. Chairmen of IRDA, SEBI and Dy. Governor RBI have made a detailed presentations on the IFSC Regulations.

The basic guidelines for IFSCs are as under:-

Reserve Bank of India

- Only domestic banks and foreign banks already having a presence in India will be allowed to set up units in IFSCs. They will need capital of \$20 million.
- Initially, banking units will not be permitted to service individual clients.
- Priority sector lending, cash reserve ratio/statutory liquidity ratio requirements will not apply.
- No cash transaction will be permitted
- Only non-rupee denomination transactions in IFSCs

SEBI

- Any recognized Indian stock exchange or any stock exchange of a foreign jurisdiction may form a subsidiary to provide the services of a stock exchange in IFSC, where at least 51% of paid-up equity share capital is held by such exchange and remaining share may be offered to any other recognized stock exchange, whether Indian or of foreign jurisdiction.
- Resident Indians are allowed to trade in contracts offered in IFSC to the extent of the liberalized remittance scheme.
- Shareholding norms and profit withholding norms have been relaxed for stock exchanges and clearing corporations.
- Resident Indians having a net worth of at least \$1 million during the preceding fiscal year is eligible under the Foreign Exchange Management Act to invest funds offshore, to the extent allowed in the liberalized remittance scheme of RBI.

IRDA

- All Indian insurers can apply to set up an IFSC Insurance Office in the SEZ.
- Foreign insurance and re-insurance companies should have a minimum capital of Rs. 10 crore.
- Will accept re-insurance business from outside the country within the SEZ.

Copies of these IFSC Regulations from DoC, RBI, SEBI, IRDA are attached for kind information of the members.

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[To be published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (ii)]

Ministry of Commerce and Industry
Government of India
(Department of Commerce)

NOTIFICATION

New Delhi, the 8th April, 2015

S.O. 968 (E) :- In exercise of the powers conferred by sub-section (2) of section 18 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby notifies that Units in an International Financial Services Centre in Special Economic Zones may be set up and approved in accordance with rule 17 of the Special Economic Zones Rules, 2006, as amended from time to time, subject to the guidelines or regulations framed and notified in this regard by the Reserve Bank of India, the Securities and Exchange Board of India and the Insurance Regulatory and Development Authority of India, as per following annexures namely:-

Annexure I: Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015, as amended from time to time.

Annexure II: Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time.

Annexure III: Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 as amended from time to time.

2. The units in International Financial Services Centre shall conform to the provisions of the Special Economic Zones Act, 2005 and the rules or regulations made thereunder.

[F.No. D.12/25/2009-SEZ]

(Bhupinder Singh Bhalla)

Joint Secretary to the Government of India

Instruction No. 84

No. D.12/25/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 8 April, 2015

To:

1. Chief Secretaries of all States/UTs
2. All Development Commissioners of SEZs
3. Department of Revenue (CBDT/CBEC), Govt. of India
4. DG, EPCES

Subject: Procedure for Setting up an International Finance Service Centre (IFSC) unit in SEZs- regarding.

Sir/Madam.

Please refer to the Notification issued vide S.O.968 (E) dated 8-4-2015 2015 under Section 18(2) of the Special Economic Zones Act, 2005, which may be viewed at <http://sezindia.nic.in/laterst-updaets.asp> [SEZ Gazette Notification, 2015 Gazette copy]. In order to facilitate setting up of an IFSC Unit in SEZ following procedures have been formulated:

2. Entrepreneurs willing to set up a unit in IFSC are required to submit application to the concerned Development Commissioner in the format prescribed at Form-F of the SEZ Rules, 2006, (hereinafter referred to as the Rules) in five copies, with a copy to the Developer, along with the following documents:-

- i. A Demand Draft amounting to Rs. 5,000/- in favour of 'Pay & Accounts
- ii. Detailed Project Report giving therein promoter's bio-data, services
- iii. Copy of Memorandum & Articles of Association in case of Private Limited
- iv. Copy of Registered Partnership Deed in case of partnership firm/Limited
- v. Copies of Passport, PAN and last three years' Income Tax Returns in Officer, Ministry of Commerce & Industry, Department of Commerce' payable at 'New Delhi'.proposed to be undertaken, economic feasibility, cost of the project, means of financing etc.or Public Limited Company.Liability Partnership.respect of Directors /Partners/ Proprietor, as the case may be.
- vi. Copies of PAN alongwith last three years audited Balance Sheets in
- vii. Copy of Provisional Offer of Allotment of space from the developer.
- viii. Any other approval as may be required from the State Government, respect of existing business, if any.sectoral regulators (RBI, SEBI, IRDA, etc.) or considered necessary by the Development Commissioner as per SEZ Act, 2005 (herein after referred to as the Act) or under the Rules.

3. The applicants may simultaneously apply to the concerned Development Commissioners, SEZ and others sectoral regulators as applicable, for necessary approvals. However the Units can commence operations only after receipt of permissions from the concerned sectoral regulators.

4. The said application shall be considered by the designated Approval Committee notified by the Department of Commerce, under Section 13 of the Act.

Where such Approval Committee is yet to be constituted and notified, the Development Commissioner of the SEZ is empowered to carry out all the functions and exercise all the powers of the Approval Committee. The Approval Committee shall exercise all powers and functions as per Section 14 of the Act.

5. The Approval Committee may approve or reject a proposal placed before it within fifteen days of its receipt, unless it requires approval of BoA, in which case the DC shall forward the same with his observations to BoA for necessary action.

6. On approval of a proposal, Development Commissioner shall issue a Letter of Approval (LOA) in Form-G, for setting up of the unit in SEZ. The LOA shall remain valid initially for one year for the purpose of implementation, which may be extended further by the Development Commissioner for valid reasons for a further period not exceeding two years. After receiving of LOA, the unit is required to submit its acceptance of terms & conditions of LOA to the Development Commissioner.

7. The unit shall execute a Bond-Cum-LUT as per Form-H which shall be jointly accepted by Development Commissioner and Specified Officer. The Form-H on Rs. 100/- Stamp paper bought and notarized from the State concerned shall be submitted to the Development Commissioner alongwith following documents :-

- (i) Board Resolution / Authority in favour of Authorised Signatory.

- (ii) Common seal in case of company is to be affixed.
- (iii) Signature of Authorised Signatory is to be witnessed by two persons.
- (iv) Copy of Passport or Voter ID card or copy of PAN card + Ration Card in support of Identity & residence proof of Authorised Signatory and both the witnesses are to be furnished.
- (v) Tele. No., email & website address of the above persons is to be mentioned.
- (vi) Calculation chart of Bond Amount as per Rule 22 (iv) (b) of the Rules, duly signed by the Authorised Signatory, is to be furnished and so calculated bond amount is to be indicated in para 1 of the Form-H.

8. Once the unit commences service activity the LOA shall be valid for five years from the date of commencement of service activity and the Unit shall be under an obligation to fulfil its net foreign exchange earnings obligation as provided in Rule 53.

9. The unit shall execute registered lease deed with SEZ developer and submit the same within 6 months of issue of LOA.

10. The Unit shall abide by all rules, regulations and conditions, and maintain records / books of accounts as prescribed by sectoral regulators, and confirm to/fulfil the conditions as per the SEZ Act and Rules.

11. Any difficulty or suggestion in these instructions may be brought to the office of the Director, SEZ Division, Department of Commerce, Udyog Bhawan, New Delhi.

Yours faithfully,

(Sanjeet Singh)
Director

Tel. 2306 2109

E-mail: sanjeet@nic.in

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Circular No. 14 /2015-Cus.

F.No. 605/55/2014-DBK

Government of India

Ministry of Finance, Department of Revenue

Central Board of Excise and Customs

New Delhi dated 20th April 2015

To,

All Principal Chief Commissioners/Chief Commissioners of CBEC

All Principal Directors General/Directors General of CBEC

All Principal Commissioners/Commissioners of CBEC

Ma'am/Sir,

Subject: Foreign Trade Policy 2015 - 2020 –Salient changes in Schemes of reward or incentive / advance authorization or DFIA / EPCG or post export EPCG - reg

The Central Government has notified the Foreign Trade Policy (FTP), 2015 - 20 (Policy, for short) on 1.4.2015 and the DGFT has simultaneously issued public notices for the related Handbook of Procedures (HBP) and Appendices and ANF. These documents may be perused for details.

2. Insofar as the schemes of reward or incentive / advance authorization or DFIA / EPCG or post export EPCG are concerned, the Customs, Central Excise and Service Tax notifications have been issued for the purposes of implementing the Policy/HBP. These may also be perused for details. The succeeding paragraphs mention salient features of the changes in these Schemes.

Reward/Incentive Schemes

3. Reward in the form of duty credit shall be issued by the DGFT to service providers of notified services located in India under the Service Exports from India Scheme (SEIS) or to export of notified goods (including from SEZs) to notified markets / countries under the Merchandise Exports from India Scheme (MEIS) of the Policy. The MEIS includes reward on specified items that are transacted using e-commerce platforms when their export is made through foreign post offices/courier terminals at Chennai, Delhi and Mumbai for which procedures to be adopted shall be issued separately by concerned wings of CBEC.

4. Simplifications from earlier schemes include that both SEIS and MEIS reward duty credits are freely transferable and may be used to debit customs duty on import of any goods (except appendix 3A items), debit service tax on procurement of services or debit central excise duty on domestic procurement of excisable goods (without exception for appendix 3A items); the basic customs duty debited in SEIS/MEIS duty credit may also be allowed as drawback. The notification Nos. 24 & 25/2015-Customs, 20 & 21/2015-Central Excise and 10 & 11/2015- Service Tax all dated 08.04.2015 may be referred in this regard.

5. The Policy HBP para 3.14 relating to declaration of intent for reward on goods requires the exporter to, for shipping bills filed from 1.6.2015 onwards, mandatorily declare intent for rewards on shipping bill. Till then, the present position of mandatory declaration for certain shipping bills would continue. The changed position shall enable Customs to take more informed decisions.

Advance Authorization & DFIA schemes

6. The Policy has now provided for exemption from the transitional product specific safeguard duty of section 8C of CTA 1975. Advance Authorization for Annual Requirement has been restricted to cases of standardised norms (no self-declared norms). Only a post-export transferable DFIA with exemption from basic customs duty is provided for. Fuel cannot be imported under the new DFIA. These aspects are reflected in the notification Nos. 18 to 22/2015-Customs dated 1.4.2015 for Advance Authorization Scheme. Provisions relating to accounting of inputs introduced in the earlier FTP (during 2013 and 2014) which are now reflected in para 4.12 of the Policy have been incorporated.

7. It may be noted that under the Policy, the import of gold for jewellery sector shall be under Advance Authorisation on pre-import basis with actual user condition. Also, the admissibility of brand rate of drawback shall be as per para 4.15 (Advance Authorisation) and para 4.26 (DFIA) of the Policy.

8. Keeping in view that an Advance Authorization is issued for a resultant product with specified inputs a change is reflected in Notification No. 18/2015-Customs dated 1.4.2015 which is expected to facilitate exporters who rely

simultaneously on imported materials and domestic materials, especially those in the exempted goods sectors. The change allows the resultant products to be made by availing facility of rule 18 (rebate of duty paid on materials used) or rule 19{2}(removal of material without payment of duty for use in manufacture of goods exported} of Central Excise Rules subject to the condition that duty free material imported is used for manufacture of dutiable goods.

Export Promotion Capital Goods (EPCG) Scheme

9. To further provide impetus to domestic production, the Policy has increased the lowered export obligation (when capital goods are sourced indigenously) from 10% to 25%. This is implemented by the Regional Authorities.

10. The EPCG authorisation for annual requirement, the provisions for technological up-gradation and for transfer of EPCG capital goods to group companies in certain cases/sectors are discontinued.

11. Amongst the significant simplifications under the Policy, the export obligation for spares for imported/domestically sourced capital good has been rationalized as that for capital goods. Installation Certificates (ICs) for capital goods have been permitted to be from jurisdictional Central Excise or independent Chartered Engineer. In the latter case, a registered unit would send copy to the jurisdictional Central Excise office. Capital goods may be installed at supporting manufacturer's premises if prior to such installation the latter's details are endorsed on the authorization by Regional Authority, who shall also, as per para 5.02 of Policy intimate the change to jurisdictional Central Excise offices and the Customs where authorisation is registered. Extension of period for producing IC by Regional Authority would be dovetailed by the Customs. Certain provisions are added in Policy para 5.04 read with para 5.10 of HBP for ensuring that exported goods are manufactured by authorization holder in the case of third party exports. The Policy/HBP and notification Nos. 16 and 17/2015- Customs and 18/2015-Central Excise all dated 1.4.2015 may be referred in the above regard. It may be noted that the position (effective from 18.4.2013), remains unchanged, that import of motor cars, sports utility vehicles and all purpose vehicles is not permitted under the EPCG scheme at zero duty.

Validity of AA/EPCG/DFIA Authorizations for imports and EO period

12. Policy's HBP para 2.18 mentions that authorizations must be valid on date of import and export obligation period must be valid on date of export. Duty credit scrips issued under the Policy must be valid on date of debit of duty.

Suomoto payment of customs duty in case of bona fide default

13. The Policy HBP paras 4.49 read with 4.50 and 5.23 refer to this and the Circular No. 11/2015-Customs dated 1.4.2015 has been issued for *suomoto* payment. Its suitable application to existing authorizations is not barred.

Verification and monitoring

14. The Board's extant Circulars and Instructions on verifications and monitoring remain in force. There have been instances of fabricated export documents (purported to be of Customs non-EDI ports) being used in obtaining rewards/showing fulfillment of EO. Based on DGFT's suggestion, it is advised that genuineness of shipping bills or bills of export not on Customs EDI may be expeditiously verified while registering scrip or processing EODC based on such document. Insofar as monitoring is concerned, field formations have been recently enabled to view in EDI the authorization-wise all India export details which would

assist in identifying actionable cases under Advance Authorization and EPCG schemes. The Board's emphasis on timely action to safeguard revenue is evident from CBEC's Comprehensive MIS formats DGI - Cus 11& 11A which may be referred.

Facility of exemption from furnishing bank guarantees (BG) or of giving concessional BG under the export promotion schemes subject inter alia to certain conditions (Circular No.58/2004-Cus as amended last by Circular No.15/2014-Cus)

15. The Board had noticed a practice in one jurisdiction of prescribing BGs of 1% to 5% of the duty saved amount before new authorisations were registered when EODC for an existing authorisation was not produced in the prescribed time. The Board views that such a practice imposes transaction cost on exporters because every case of pending EODC is not a case of default in export obligation determined by the competent authority and even the enforcement of bond executed for such existing authorisation may not be due. Further, choosing varying levels of BGs also creates room for generation of grievances against field officers. The field formations are expected to avoid similar practices.

16. The above instructions may be brought to the notice of exporters through suitable public notice and the officers and staff may be guided through appropriate standing orders. Difficulties faced, if any, in implementation may please be brought to the notice of the Board.

It may be noted that to ensure timely inputs and reports from field formations for Department of Revenue or Board's participation/reporting in inter-Ministerial matters related to policy, compliance and performance issues of the reward, duty exemption schemes and duty remission schemes, the communications are being sent to the official designation based NIC email IDs (initially created for Board's Comprehensive MIS) and the officers are to keep these accounts functional by accessing them many times daily and make response from these email IDs only.

Yours faithfully,

(Rajiv Talwar)
Joint Secretary
Tel: 23341079

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 24 / 2015 – Customs

New Delhi, the 8th April, 2015.

G.S.R. 269 (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods when imported into

India against a duty credit scrip issued by the Regional Authority under the Merchandise Exports from India Scheme in accordance with paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from,-

(a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as said Customs Tariff Act); and

(b) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act.

2. The exemption shall be subject to the following conditions, namely :-

(1) that the duty credit in the said scrip is issued -

(a) against exports of notified goods or products to notified markets as listed in Appendix 3B of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020;

(b) against exports of notified goods or products transacted through e-commerce platform as listed in Appendix 3C of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020. In such cases the maximum free on board value, for calculation of duty credit amount, shall not exceed Rs.25,000 per consignment;

(2) that the export categories or sectors specified in paragraph 3.06 of the Foreign Trade Policy and listed in Table annexed hereto shall not be counted for calculation of export performance or for computation of entitlement under the scheme;

(3) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No. 16/2015- Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permit import and export through any other sea-port, airport, inland container depot or through any land customs station:

Provided further that the exports of notified goods or products transacted through e-commerce platform as listed in Appendix 3C of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020 are undertaken either through the courier mode from airports at Chennai, Mumbai or Delhi or through the Foreign Post Offices at Chennai, Mumbai or New Delhi;

(4) that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;

(5) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of customs taking into account the debits already made under this exemption and debits made under the notification Nos. 20/ 2015 - Central Excise,

dated the 8th April, 2015 and 10/ 2015 -Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;

(6) that the said scrip and goods imported against it shall be freely transferable;

(7) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs;

(8) that the importer shall be entitled to avail of the drawback of the duty of customs leviable under the First Schedule to the said Customs Tariff Act against the amount debited in the said scrip;

(9) that the importer shall be entitled to avail drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said scrip;

(10) that the benefit under this notification shall not be available to the items listed in Appendix 3A of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020.

Explanation. - In this notification -

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "ITC (HS)" has the same meaning as assigned to it in paragraph 9.27 of the Foreign Trade Policy;

(V) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

Table

	Export categories or sectors ineligible for duty credit scrip entitlement
i	EOUs / EHTPs / BTPs /STPs who are availing direct tax benefits / exemption;
ii	Supplies made from DTA units to SEZ units;
iii	Export of imported goods covered under Para 2.46 of FTP;
iv	Exports through transshipment, meaning thereby that exports originating in third country but transshipped through India;
v	Deemed Exports;
vi	SEZ/EOU/EHTP/BPT/FTWZ products exported through DTA units;

vii	Items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS), unless specifically notified in Appendix 3B of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020;
viii	Service Export;
ix	Red sanders and beach sand;
x	Export product which are subject to Minimum export price or export duty;
xi	Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones;
xii	Ores and concentrates of all types and in all formations;
xiii	Cereals of all types;
xiv	Sugar of all types and all forms;
xv	Crude/ petroleum oil and crude/primary and base products of all types and all formulations;
xvi	Export of milk and milk products;
xvii	Export of Meat and Meat products;
xviii	Products wherein precious metal/diamond are used or Articles which are studded with precious stones; and
xix	Exports made by units in FTWZ.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 25 / 2015 – Customs

New Delhi, the 8th April, 2015.

G.S.R. 270 (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods when imported into India against a Service Exports from India Scheme duty credit scrip issued by the Regional Authority under paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from,-

(a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as said Customs Tariff Act); and

(b) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act.

2. The exemption shall be subject to following conditions, namely :-

(1) that the duty credit in the said scrip is issued to a service provider located in India against export of notified services listed in Appendix 3D of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020;

(2) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No. 16/2015- Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permit import and export through any other sea-port, airport, inland container depot or through any land customs station;

(3) that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;

(4) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of customs, taking into account the debits already made under this exemption and debits made under the notification Nos. 21 of 2015 - Central Excise, dated the 8th April, 2015 and 11 of 2015 -Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;

(5) that the said scrip and goods imported against it shall be freely transferable ;

(6) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs;

(7) that the importer shall be entitled to avail drawback of the duty of customs leviable under the First Schedule to the said Customs Tariff Act against the amount debited in the said scrip;

(8) that the importer shall be entitled to avail drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said scrip.

(9) that the benefit under this notification shall not be available to the items listed in Appendix 3A of Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020.

Explanation.- In this notification-

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry

notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 20 / 2015 – Central Excise

New Delhi, the 8th April, 2015.

G.S.R. 271 (E).– In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), when cleared against a duty credit scrip issued by the Regional Authority under the Merchandise Exports from India Scheme in accordance with paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from, -

- (i) the whole of the duty of excise leviable thereon under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);
- (ii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957); and
- (iii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978).

2. The exemption shall be subject to the following conditions, namely:-

(1) that the conditions (1) to (3) specified in paragraph 2 of the Notification No. 24/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);

(2) that the holder of the scrip, who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the said scrip to the said Customs Authority along with a letter or proforma invoice from the supplier or manufacturer indicating details of its jurisdictional Central Excise Officer (hereinafter referred as the said Officer) and the description, quantity, value of the goods to be cleared and the duties leviable thereon, but for this exemption;

(3) that the said Customs Authority, taking into account the debits already made towards imports under Notification No. 24/2015-Customs, dated the 8th April, 2015, the debits made under notification No. 10/2015-Service Tax, dated the 8th April, 2015 and this exemption, shall debit the duties leviable, but for this exemption in or on the reverse of the said scrip and also mentions the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(4) that at the time of clearance, the holder of the scrip presents the said scrip debited by the said Customs Authority to the said Officer along with an undertaking addressed to the said Officer that in case of any amount short debited in the said scrip he shall pay on demand an amount equal to the short debit, along with applicable interest;

(5) that based on the said written advice and undertaking, the said Officer endorses the clearance particulars and validates, on the reverse of the said scrip, the details of the duties leviable, but for this exemption, which were debited by the said Customs Authority, and keeps a record of such clearances;

(6) that the manufacturer retains a copy of the said scrip, debited by the said Customs Authority and endorsed by the said Officer and duly attested by the holder of the scrip, in support of the clearance under this notification; and

(7) that the said holder of the scrip, to whom the goods were cleared, shall be entitled to avail drawback or CENVAT credit of the duties of excise leviable under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), against the amount debited in the said scrip and validated at the time of clearance.

Explanation. - For the purposes of this notification, -

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 21/ 2015 – Central Excise

New Delhi, the 8th April, 2015.

G.S.R. 272 (E).– In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), when cleared against a Service Exports from India Scheme duty credit scrip issued by the Regional Authority under paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from, -

- (i) the whole of the duty of excise leviable thereon under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);
- (ii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957); and

(iii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978).

2. The exemption shall be subject to the following conditions, namely:-

(1) that the conditions (1) and (2) specified in paragraph 2 of the Notification No. 25/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);

(2) that the holder of the scrip, who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the said scrip to the said Customs Authority along with a letter or proforma invoice from the supplier or manufacturer indicating details of its jurisdictional Central Excise Officer (hereinafter referred as the said Officer) and the description, quantity, value of the goods to be cleared and the duties leviable thereon, but for this exemption;

(3) that the said Customs Authority, taking into account the debits already made towards imports under Notification No. 25/2015-Customs, dated the 8th April, 2015, the debits made under Notification No.11/2015-Service Tax, dated the 8th April, 2015 and this exemption, shall debit the duties leviable, but for this exemption in or on the reverse of the said scrip and also mentions the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(4) that at the time of clearance, the holder of the scrip presents the said scrip debited by the said Customs Authority to the said Officer along with an undertaking addressed to the said Officer that in case of any amount short debited in the said scrip he shall pay on demand an amount equal to the short debit, along with applicable interest;

(5) that based on the said written advice and undertaking, the said Officer endorses the clearance particulars and validates, on the reverse of the said scrip, the details of the duties leviable, but for this exemption, which were debited by the said Customs Authority, and keeps a record of such clearances;

(6) that the manufacturer retains a copy of the said scrip, debited by the said Customs Authority and endorsed by the said Officer and duly attested by the holder of the scrip, in support of the clearance under this notification; and

(7) that the said holder of the scrip, to whom the goods were cleared, shall be entitled to avail drawback or CENVAT credit of the duties of excise leviable under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), against the amount debited in the said scrip and validated at the time of clearance.

Explanation. - For the purposes of this notification, -

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 10/ 2015 – Service Tax

New Delhi, the 8th April, 2015.

G.S.R. 273 (E). In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services provided or agreed to be provided against a scrip by a person located in the taxable territory from the whole of the service tax leviable thereon under section 66B of the said Act.

2. Application. – This notification shall be applicable to the Merchandise Exports from India Scheme duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy.

3. The exemption shall be subject to the following conditions, namely:-

(1) that the conditions (1) to (3) specified in paragraph 2 of the Notification No. 24/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);

(2) that the holder of the scrip, to whom taxable services are provided or agreed to be provided shall be located in the taxable territory;

(3) that the holder of the scrip who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the scrip to the said Customs Authority along with a letter and an invoice or challan or bill, as the case may be, issued under rule 4A of the Service Tax Rules, 1994 by the service provider indicating details of his jurisdictional Central Excise Officer (hereinafter referred to as the said Officer) and the description, value of the taxable service provided or agreed to be provided and service tax leviable thereon;

(4) that the said Customs Authority, taking into account the debits already made under notification number 24/2015-Customs, dated the 8th April, 2015, notification No 20/2015-Central Excise, dated the 8th April, 2015 and this exemption, shall debit the service tax leviable, but for this exemption in or on the reverse of the scrip and also mention the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(5) that the date of debit of service tax leviable, in the scrip, by the said Customs Authority shall be taken as the date of payment of service tax;

(6) that in case the service tax leviable as per the point of taxation determined in terms of the Point of Taxation Rules, 2011 is prior to date of debit or that the rate of tax determined in terms of rule 4 of the Point of Taxation of Rules, 2011, is in excess of the rate of service tax mentioned in the invoice, bill or challan, as the case may be, the holder of the scrip shall pay such interest or short-paid service tax along with interest, as the case may be;

(7) that the holder of the scrip presents the scrip debited by the said Customs Authority within thirty days to the said Officer, along with an undertaking addressed to the said Officer, that in case of any service tax short debited in the scrip, he shall pay such service tax along with applicable interest;

(8) that based on the said written advice and undertaking, the said Officer shall verify and validate, on the reverse of the scrip, the details of the service tax leviable, which were debited by the said Customs Authority, and keep a record of payment of such service tax and interest, if any;

(9) that the service provider retains a copy of the scrip, debited by the said Customs Authority and verified by the said Officer and duly attested by the holder of the scrip, in support of the provision of taxable services under this notification; and

(10) that the said holder of the scrip, to whom the taxable services were provided or agreed to be provided shall be entitled to avail drawback or CENVAT credit of the service tax leviable under section 66B of the said Act, against the service tax debited in the scrip and validated by the said Officer.

4. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

Explanation. - For the purposes of this notification,-

(A) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(B) "Point of taxation" shall have the same meaning assigned to it in clause (e) of rule 2 of the Point of Taxation Rules, 2011;

(D) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act;

(E) "Scrip" means Merchandise Exports from India Scheme duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 11 / 2015 – Service Tax

New Delhi, the 8th April, 2015.

G.S.R. 274 (E). In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services provided or agreed to be provided against a scrip by a person located in the taxable territory from the whole of the service tax leviable thereon under section 66B of the said Act.

2. Application. – This notification shall be applicable to the Service Exports from India Scheme duty credit scrip issued by the Regional Authority in accordance with paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy.

3. The exemption shall be subject to the following conditions, namely:-

(1) that the conditions (1) and (2) specified in paragraph 2 of the Notification No. 25/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);

(2) that the holder of the scrip, to whom taxable services are provided or agreed to be provided shall be located in the taxable territory;

(3) that the holder of the scrip who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the scrip to the said Customs Authority along with a letter and an invoice or challan or bill, as the case may be, issued under rule 4A of the Service Tax Rules, 1994 by the service provider indicating details of his jurisdictional Central Excise Officer (hereinafter referred to as the said Officer) and the description, value of the taxable service provided or agreed to be provided and service tax leviable thereon;

(4) that the said Customs Authority, taking into account the debits already made under notification number 25/2015-Customs, dated the 8th April, 2015, notification No. 21/2015-Central Excise, dated the 8th April, 2015 and this exemption, shall debit the service tax leviable, but for this exemption in or on the reverse of the scrip and also mention the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(5) that the date of debit of service tax leviable, in the scrip, by the said Customs Authority shall be taken as the date of payment of service tax;

(6) that in case the service tax leviable as per the point of taxation determined in terms of the Point of Taxation Rules, 2011 is prior to date of debit or that the rate of tax determined in terms of rule 4 of the Point of Taxation of Rules, 2011, is in excess of the rate of service tax mentioned in the invoice, bill or challan, as the case may be, the holder of the scrip shall pay such interest or short-paid service tax along with interest, as the case may be;

(7) that the holder of the scrip presents the scrip debited by the said Customs Authority within thirty days to the said Officer, along with an undertaking addressed to the said Officer, that in case of any service tax short debited in the scrip, he shall pay such service tax along with applicable interest;

(8) that based on the said written advice and undertaking, the said Officer shall verify and validate, on the reverse of the scrip, the details of the service tax leviable, which were debited by the said Customs Authority, and keep a record of payment of such service tax and interest, if any;

(9) that the service provider retains a copy of the scrip, debited by the said Customs Authority and verified by the said Officer and duly attested by the holder of the scrip, in support of the provision of taxable services under this notification; and

(10) that the said holder of the scrip, to whom the taxable services were provided or agreed to be provided shall be entitled to avail drawback or CENVAT credit of the service tax leviable under section 66B of the said Act, against the service tax debited in the scrip and validated by the said Officer.

4. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

Explanation. - For the purposes of this notification,-

(A) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(B) "Point of taxation" shall have the same meaning assigned to it in clause (e) of rule 2 of the Point of Taxation Rules, 2011.

(C) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

(D) "Scrip" means Service Exports from India Scheme duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)

Under Secretary to the Government of India

Insurance Regulatory and Development Authority (IRDA) of India (International Financial Service Centre) Guidelines, 2015

Ref: IRDA/NL/GDL/MISC/065/04/2015

Date: 6th April, 2015

In exercise of the powers conferred by Insurance Regulatory Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015 read with Section 18 (2) of SEZ Act, 2005, the Authority hereby makes the following Guidelines:-

1. Short title and commencement.

- (1) These Guidelines may be called Insurance Regulatory and Development Authority of India (International Financial Service Centre) Guidelines, 2015.
- (2) These Guidelines shall come into force with immediate effect.

2. **Definitions.**-In these Guidelines, unless the context otherwise requires;

- (1) “**Act**” means the Insurance Act, 1938 (4 of 1938)
- (2) “**Applicant**” means an Insurer granted certificate of registration by the Authority or any insurer registered with a foreign regulatory or supervisory Authority.
- (3) “**Authority**” means “the Insurance Regulatory and Development Authority of India” established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority, 1999;
- (4) “**Certificate**” means a certificate of registration granted by the Authority under these Guidelines;
- (5) “**DTA**” means the Domestic Tariff Area as defined under the Special Economic Zones Act, 2005.
- (6) “**IFSC Insurance Office**” (**herein after referred to as ‘IIO’**) means an office of applicant registered with the Authority under these Guidelines to transact Reinsurance business and/or specified direct insurance business;
- (7) “**Special Economic Zone**” (**SEZ**):means the Special Economic zone established under the Special Economic Zones Act, 2005
- (8) All words and expressions used herein and not defined in but defined in the Insurance Act, 1938 or in the Insurance Regulatory and Development Authority Act, 1999, Special Economic Zones Act, 2005, Central Government (Special Economic Zones) Rules, 2005 or Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015 shall have the meanings respectively assigned to them in the those Acts and Rules;

Chapter I

Reinsurance Business

3. An applicant meeting the eligibility criteria under clause 4 of these guidelines may establish an IFSC Insurance Office (IIO) in the SEZ to carry on Reinsurance business.

4. Eligibility Criteria

- (1) All Indian insurers are eligible to set up IIO. Such applicants shall make an application to the Authority in Form as may be prescribed by the Authority.
- (2) An Insurer registered with a foreign Regulatory or Supervisory Authority seeking to set up IIO in a SEZ, **shall be eligible** based on the following **criteria**:
 - a. The Applicant is registered or licensed for doing Insurance or Reinsurance business in the country of incorporation;
 - b. The Applicant has been duly authorized by the Regulatory or Supervisory Authority of that country to set up such office;
 - c. The Applicant has been in continuous operation during the preceding 5 years from the year in which the application is made;
 - d. The Applicant has net owned funds as specified in the Act;
 - e. The Applicant has satisfactory track record in respect of regulatory or supervisory compliance.

Provided that the applicant whose application for registration has been rejected by the Authority, shall become eligible only after a period of two years from such date of rejection.

- f. An Applicant fulfilling the above criteria shall submit an application to the Authority in the form prescribed by the Authority;

5. **Application for registration:** Every application for registration shall be accompanied by:

- (a) a certificate of approval from the appropriate authority as prescribed in SEZ Act for conducting insurance business in the SEZ;
- (b) a copy of the registration certificate issued by the respective Regulatory or Supervisory Authority,
- (c) copy of the document(s) establishing incorporation of the entity under the laws of the respective country or a deed of covenant or any other document which is considered as valid proof of its existence;
- (d) approval from the Board of Directors of the Applicant through a resolution in support of the commitment to set up such IIO.
- (e) a note on the regulatory architecture of the country where the Insurer or Re-insurer is incorporated and licensed along-with its reporting and compliance structure;
- (f) the name, address and the occupation of the Directors and CEO;
- (g) projected business for next 5 years;
- (h) evidence of the payment of non-refundable fee of rupees Rs. 50,000/-.
- (i) a certificate from a practising Chartered Accountant of India or a practising Company Secretary of India certifying that all the requirements of the Act read with notifications issued under section 2CA of the Act have been complied with by the applicant; and
- (j) published annual reports for the last 5 years;

Nothing in this clause shall prevent the Authority from seeking further information as may be needed for the processing of the application for registration.

6. **Consideration of application for registration:**

- (1) The Authority shall take into account, for considering grant of certificate of registration, all matters relating to carrying on the business of reinsurance by the applicant.
- (2) In particular and without prejudice, the Authority shall consider the following matters for grant of certificate of registration to the applicant, namely:

- (a) the record of performance of Insurance and Re-insurance business carried on by the Applicant;
- (b) the record of performance of the directors and persons in the management of the Applicant;
- (c) the capital structure of the Applicant;
- (d) the planned infrastructure of the Applicant to effectively carry out the insurance business in SEZ;
- (e) the organisation structure of the Applicant; and
- (f) other relevant matters in consonance with the provisions of these Guidelines.

(3) The Authority on being satisfied that:-

- (a) the application is complete in all respects and is accompanied by all documents required therein;
- (b) all information given is correct; and
- (c) the applicant
 - i. is a bona fide applicant for registration;
 - ii. the financial condition and the general character of management of the applicant are sound and;
- iii. the applicant is eligible, and in its opinion, is likely to meet effectively its obligations imposed under the Act as well as under the SEZ Act, 2005 may accept the application subject to compliance with clause 9 of these Guidelines.

- (4) If the Authority, after, considering matters referred to in sub clause (1) and (2) above is satisfied that it is not desirable to grant a certificate of registration, it may, through an order to be communicated in writing to the applicant, reject the application after giving the applicant a reasonable opportunity of being heard.

Provided that the reasons for rejecting the application are also to be recorded therein

7. Grant of Certificate of Registration: The Authority, after being satisfied of the fulfilment of norms as stipulated in Clause 13 may register the applicant as an IFSC Insurance Office (IIO) in SEZ for the class of business for which the applicant is found suitable and grant him a certificate in form prescribed.

Nothing here shall prevent the Authority to reject such certificate of registration provided it is observed that the applicant has misrepresented the facts or failed to fulfil the requirements as stipulated in the Act, rules, regulations and guidelines and the SEZ Act, 2005

- 8. Scope of Operations:** Such IIO granted certificate of registration under clause 7 of these guidelines are permitted to
- (a) accept reinsurance business of all classes of business within the SEZ and from outside the country

- (b) accept re-insurance business from the insurers operating in the DTA in accordance with the IRDAI Regulations on reinsurance.

Provided that the IIO may retrocede upto 90% of its reinsurance business. The surplus available after such retrocession arrangements shall be held in the form of Government Securities issued by Govt. of India or in deposits with Scheduled banks in India.

9. **Time Limit:** An applicant granted a certificate of registration under these Guidelines shall commence operations within 6 months of the date of grant of certificate of registration.

Provided, however, that if the IIO is not able to commence the insurance business within the specified period of 6 months, it can before the time limit expires, but atleast 30 days in advance, seek an extension, by a proper written application to the Authority.

Provided further that no extension of time shall be granted by the Authority beyond 12 months from the date of grant of certificate of registration under clause 7 of these guidelines.

10. **Assigned Capital:** The applicant on receipt of communication from the Authority under Clause 6(3) shall demonstrate an assigned capital of Rs. 10 crore. Such capital may be held in the form of Government Securities issued by the Govt of India or held as deposits with Scheduled Banks in India and shall be maintained at all times during the subsistence and validity of its registration under these guidelines.

Provided that the requirement of such assigned capital is applicable to applicants specified in clause 4(2).

Chapter II

Direct Insurance Business in SEZ

11. (1) An applicant being an Indian Insurer may (except a statutory body) also establish an IIO to transact specified Direct Insurance Business within the SEZ. However, the same IIO granted Certificate of Registration under clause 7 may also transact specified Direct Insurance Business.
- (2) Such IIO may also underwrite specified direct insurance business of foreign jurisdictions.
- (3) The IIO shall make an application in form prescribed for underwriting direct business.
- (4) Such IIO shall not write direct insurance business in the DTA except in accordance with Section 2 CA of the Act.

Chapter III

Terms, conditions and requirements of Certificate of Registration

12. Terms and Conditions

Notwithstanding anything stated herein, the following terms and conditions shall govern the approval of the I/O operations in SEZ:

- (1) Initial and further augmentation of capital and liabilities met out of the Shareholder's funds beyond solvency margin requirement;
- (2) Compliance with Know your Customer (KYC) and Anti-Money Laundering (AML) guidelines issued by the Authority;
- (3) Compliance with Foreign Exchange Management Act, 1999 and any other law in force governing the operations of such offices;

13. Reporting requirements

- (1) Notwithstanding anything contained in the Insurance Act, 1938, the Board of the applicant shall review the reports of the I/O in the SEZ on a regular basis, specifically covering the following:
 - (a) Financial reporting covering statement of account giving details of activities;
 - (b) Business reporting;
- (2) The Insurer registered with a foreign Regulatory or Supervisory Authority or an Indian Insurer as the case may be shall immediately report to the Authority any regulatory or supervisory action taken by the home country regulator with full details and the penalty, any administrative action imposed and the remedial steps taken.
- (3) The I/O shall submit periodic returns in such form and such manner as the Authority may specify from time to time.

14. **Annual fee:** The I/O shall be liable to pay annual fee of Rs. 1,00,000/-. Such fees shall be remitted by 31st December of the preceding financial year.

15. **Manner of payment of Fees:** The fee shall be remitted by online banking/ RTGS/ NEFT/ or through any other recognised electronic mode / Demand draft issued by any scheduled bank in favour of the Insurance Regulatory and Development Authority of India.

16. Further powers of the Authority

- (1) The Authority shall have the right to call, inspect or investigate any document, record or communication of the I/O.
- (2) Closure of operation of any IFSC Insurance Office (I/O) in a SEZ shall be with the prior approval of the Authority.

- (3) Notwithstanding the above, where the Authority is of the opinion that the operations of an IIO are not in public interest, the Authority reserve the right to direct the Insurer to close the office in SEZ after giving adequate opportunity of being heard to the IIO.

Chapter IV

Miscellaneous Provisions

17. IIO shall follow the terms and conditions for underwriting the business of insurance and reinsurance within the overall scope of Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015 notified by Central Government.
18. **Applicability of the provisions of Insurance Act, 1938**
- i. IIO is regulated under provisions of Insurance Act, 1938 read with notifications issued by the Central Government under Section 2CA of the Insurance Act, 1938.
 - ii. All IIOs shall comply with the provisions of Insurance Act, 1938, IRDA Act 1999, SEZ Act 2005, rules, regulations, guidelines and circulars made thereunder save as expressly otherwise provided in the aforesaid notifications and the guidelines in this behalf.

(TS VIJAYAN)
Chairman

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RESERVE BANK OF INDIA www.rbi.org.in

RBI/2014-15/533

DBR.IBD.BC. 14570/23.13.004/2014-15

April 1, 2015

All Scheduled Commercial Banks (excluding Regional Rural Banks)

Dear Sir/Madam,

Setting up of IFSC Banking Units (IBUs)

Please refer to the Reserve Bank of India Notification No. FEMA.339/2015-RB dated March 02, 2015 (copy enclosed) under FEMA 1999 on Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 setting out RBI regulations relating to financial institutions set up in International Financial Services Centres (IFSC). These regulations have been published in the Official Gazette of Government of India on March 23, 2015 vide Notification No. G.S.R. 218 (E) dated March 2, 2015.

2. Pursuant to the above Notification, Reserve Bank has formulated a scheme for the setting up of IFSC Banking Units (IBUs) by banks in IFSCs. The broad contours of the scheme for Indian banks and foreign banks already having presence in India are detailed in Annex I and Annex II, respectively. You may be aware that Government of India has already announced setting up of an IFSC in Gujarat namely Gujarat International Finance

Tec-City (GIFT) in Gandhinagar, Gujarat. The guidelines contained in this circular will be applicable to IBUs set up in GIFT as well as in other IFSCs which may be set up in India.
3. Eligible banks intending to set up IBU may approach this department with an application under Section 23 of the Banking Regulation Act, 1949.

Yours faithfully

(Rajinder Kumar)
Chief General Manager

ANNEX - I

Scheme for setting up of IFSC Banking Units (IBU) by Indian Banks

The Reserve Bank has issued a notification under FEMA vide Notification No. FEMA.339/2015-RB dated March 02, 2015 setting out RBI regulations relating to financial institutions set up in International Financial Services Centres (IFSC). The regulatory and supervisory framework governing IBUs set up in IFSCs by Indian banks is detailed below.

2. The scheme

2.1 Eligibility criteria

Indian banks viz. banks in the public sector and the private sector authorised to deal in foreign exchange will be eligible to set up IBUs. Each of the eligible banks would be permitted to establish only one IBU in each IFSC.

2.2 Licensing

Eligible banks interested in setting up IBUs will be required to obtain prior permission of the Reserve Bank for opening an IBU under Section 23 (1)(a) of the Banking Regulation Act, 1949 (BR Act). For most regulatory purposes, an IBU will be treated on par with a foreign branch of an Indian bank.

2.3 Capital

With a view to enabling IBUs to start their operations, the parent bank will be required to provide a minimum capital of US\$ 20 million or equivalent in any foreign currency to its IBU. The IBU should maintain the minimum prescribed regulatory capital on an on-going basis as per regulations amended from time to time.

2.4 Reserve requirements

The liabilities of the IBU are exempt from both CRR and SLR requirements of Reserve Bank of India.

2.5 Resources and deployment

The sources for raising funds, including borrowing in foreign currency, will be persons not resident in India and deployment of the funds can be with both persons resident in India as well as persons not resident in India. However, the deployment of funds with persons resident in India shall be subject to the provisions of FEMA, 1999.

2.6 Permissible activities of IBUs

The IBUs will be permitted to engage in the form of business mentioned in Section 6(1) of the BR Act as given below, subject to the conditions, if any, of the licence issued to them.

- i. IBUs can undertake transactions with non-resident entities other than individual / retail customers / HNIs.
- ii. All transactions of IBUs shall be in currency other than INR.
- iii. IBUs can deal with the Wholly Owned Subsidiaries / Joint Ventures of Indian companies registered abroad.
- iv. IBUs are allowed to have liabilities including borrowing in foreign currency only with original maturity period greater than one year. They can however raise short term liabilities from banks subject to limits as may be prescribed by the Reserve Bank.
- v. IBUs are not allowed to open any current or savings accounts. They cannot issue bearer instruments or cheques. All payment transactions must be undertaken via bank transfers.

vi. IBUs are permitted to undertake factoring / forfaiting of export receivables.

vii. IBUs are permitted to undertake transactions in all types of derivatives and structured products with the prior approval of their Board of Directors. IBUs dealing with such products should have adequate knowledge, understanding, and risk management capability for handling such products.

2.7 Prudential regulations

All prudential norms applicable to overseas branches of Indian banks would apply to IBUs. Specifically, these units would be required to follow the 90 days' payment delinquency norm for income recognition, asset classification and provisioning as applicable to Indian banks. The bank's board may set out appropriate credit risk management policy and exposure limits for their IBUs consistent with the regulatory prescriptions of the RBI.

The IBUs would be required to adopt liquidity and interest rate risk management policies prescribed by the Reserve Bank in respect of overseas branches of Indian banks and function within the overall risk management and ALM framework of the bank subject to monitoring by the board at prescribed intervals.

The bank's board would be required to set comprehensive overnight limits for each currency for these Units, which would be separate from the open position limit of the parent bank.

2.8 Anti-Money Laundering measures

The IBUs will be required to scrupulously follow "Know Your Customer (KYC)", Combating of Financing of Terrorism (CFT) and other anti-money laundering instructions issued by the Reserve Bank from time to time. IBUs are prohibited from undertaking cash transactions.

2.9 Regulation and Supervision

The IBUs will be regulated and supervised by the Reserve Bank of India.

2.10 Reporting requirements

The IBUs will be required to furnish information relating to their operations as prescribed by the Reserve Bank from time to time. These may take the form of offsite reporting, audited financial statements for IBUs, etc.

2.11 Ring fencing the activities of IFSC Banking Units

The IBUs would operate and maintain balance sheet only in foreign currency and will not be allowed to deal in Indian Rupees except for having a Special Rupee account out of convertible fund to defray their administrative and statutory expenses. Such operations/transactions of these units in INR would be through the Authorised Dealers (distinct from IBU) which would be subject to the extant Foreign Exchange regulations. IBUs are not allowed to participate in the domestic call, notice, term, forex, money and other onshore markets and domestic payment systems.

The IBUs will be required to maintain separate nostro accounts with correspondent banks which would be distinct from nostro accounts maintained by other branches of the same bank.

2.12 Priority sector lending

The loans and advances of IBUs would not be reckoned as part of the Net Bank Credit of the parent bank for computing priority sector lending obligations.

2.13 Deposit insurance

Deposits of IBUs will not be covered by deposit insurance.

2.14 Lender of Last Resort (LOLR)

No liquidity support or LOLR support will be available to IBUs from the Reserve Bank of India.

ANNEX II

Scheme for setting up of IFSC Banking Units (IBU) by foreign banks already having a presence in India

The Reserve Bank has issued a notification under FEMA vide Notification No. FEMA.339/2015/RB dated March 02, 2015 setting out RBI regulations relating to financial institutions set up in International Financial Services Centres (IFSC). The regulatory and supervisory framework governing the IFSC Banking Units (IBU) set up by foreign banks is detailed below.

2. The scheme

2.1 Eligibility criteria

Only foreign banks already having presence in India will be eligible to set up IBUs. This shall not be treated as a normal branch expansion plan in India and therefore, specific permission from the home country regulator for setting up of an IBU will be required. Each of the eligible banks will be permitted to establish only one IBU in each IFSC.

2.2 Licensing

The banks will be required to obtain prior permission of the Reserve Bank for opening an IBU under Section 23 (1) (a) of the Banking Regulation Act, 1949 (BR Act). The applications of foreign banks will be considered on the basis of extant guidelines for setting up branches in India subject to the additional requirement of the home country regulator/s confirmation in writing of their regulatory comfort for the bank's presence in the IFSC, having regard among other things, to the provisions of paragraphs 2.3 and 2.14 below.

2.3 Capital

With a view to enabling IBUs to start their operations, the parent bank would be required to provide a minimum capital of US\$ 20 million or equivalent in any currency, other than INR, to the IBU. The IBUs should maintain the minimum prescribed regulatory capital on an on-going basis as per regulations amended from time to time. The parent bank will be required to provide a Letter of Comfort for extending financial assistance, as and when required, in the form of capital / liquidity support to IBU.

2.4 Reserve requirements

The liabilities of the IBU are exempt from both CRR and SLR requirements of Reserve Bank of India.

2.5 Resources and deployment

The sources for raising funds, including borrowing in foreign currency, will be persons not resident in India and deployment of the funds can be with both persons resident in India as well as persons not resident in India. However, the deployment of funds with persons resident in India shall be subject to the provisions of FEMA, 1999.

2.6 Permissible activities of IBUs

The IBUs will be permitted to engage in the form of business mentioned in Section 6(1) of the BR Act as given below, subject to the conditions, if any, of the licence issued to them.

i. IBUs can undertake transactions with non-resident entities other than individual / retail customers / HNIs.

- ii. All transactions of IBUs shall be in currency other than INR.
- iii. IBUs can deal with the Wholly Owned Subsidiaries / Joint Ventures of Indian companies registered abroad.
- iv. IBUs are allowed to have liabilities including borrowing in foreign currency only with original maturity period greater than one year. They can however raise short term liabilities from banks subject to limits as may be prescribed by the Reserve Bank.
- v. IBUs are not allowed to open any current or savings accounts. They cannot issue bearer instruments or cheques. All payment transactions must be undertaken via bank transfers.
- vi. IBUs are permitted to undertake factoring/forfeiting of export receivables.
- vii. IBUs are permitted to undertake transactions in all types of derivatives and structured products with the prior approval of their Board of Directors. IBU dealing with such products should have adequate knowledge, understanding, and risk management capability for handling such products.

2.7 Prudential regulations

An IBU shall adopt prudential norms as prescribed by Reserve Bank of India. The bank's board may set out appropriate credit risk management policy and exposure limits for their IBUs consistent with the regulatory prescriptions of the Reserve Bank of India.

The IBUs will be required to adopt liquidity and interest rate risk management policies prescribed by the Reserve Bank and function within the overall risk management and ALM framework of the bank subject to monitoring by the board at prescribed intervals.

The bank's board would be required to set comprehensive overnight limits for each currency for these Units, which would be separate from the open position limit of the other branch/es of the foreign bank having a presence in India.

2.8 Anti-Money Laundering measures

The IBUs will be required to scrupulously follow "Know Your Customer (KYC)", Combating of Financing of Terrorism (CFT) and other anti-money laundering instructions issued by RBI from time to time, including the reporting thereof, as prescribed by the Reserve Bank / other agencies in India. IBUs are prohibited from undertaking cash transactions.

2.9 Regulation and supervision

The IBUs of foreign banks will be regulated and supervised by the Reserve Bank of India.

2.10 Reporting requirements

The IBUs will be required to furnish information relating to their operations as prescribed from time to time by the Reserve Bank. These may take the form of offsite reporting, audited financial statements for the IBU, etc.

2.11 Ring fencing the activities of IFSC Banking Units

The IBUs would operate and maintain balance sheet only in foreign currency and would not be allowed to deal in Indian Rupees except for having a Special Rupee account out of convertible fund to defray their administrative and statutory expenses. Such operations/transactions of these units in INR would be through the Authorised Dealers (distinct from IBU) which would be subject to the extant Foreign Exchange regulations. IBUs are not allowed to participate in the domestic call, notice, term, forex, money and other onshore markets and domestic payment systems.

The IBUs will be required to maintain separate nostro accounts with correspondent banks which would be distinct from nostro accounts maintained by other branches of that foreign bank in India.

2.12 Priority sector lending

The loans and advances of IBUs will not be reckoned as part of the Net Bank Credit for computing priority sector lending obligations of the foreign bank in India.

2.13 Deposit insurance

Deposits of IBUs will not be eligible for deposit insurance in India.

2.14 Lender of Last Resort (LOLR)

No liquidity support or LOLR support will be available to IBUs from the Reserve Bank of India.

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**[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (ii) OF THE GAZETTE
OF INDIA, EXTRAORDINARY]**

**Government of India
Ministry of Finance
Department of Financial Services
Notification
New Delhi, the 27th March, 2015**

S. O. 870 (E).- In exercise of the powers conferred by section 2CA of the Insurance Act, 1938 (4 of 1938), the Central Government hereby directs that-

(a) the provisions contained in sections 29, 32B, 32C, 32D, 64C, 64D, 64E, 64F, 64G, 64H, 64J, 64K, 64L, 64M, 64N, 64-O, 64R, sub-section (2) of section 64 ULA, sections 101A, 101B, 105B, 110F, 118 and section 120 of the said Act shall not apply to an insurer, being an Indian Insurance Company, insurance co-operative society or a body corporate referred to in clause (c) of sub-section (1) of section 2C;

(b) all sections other than those mentioned in clause (a) shall apply to an insurer, being an Indian Insurance Company, insurance co-operative society or a body corporate referred to in clause (c) of sub-section (1) of section 2C, carrying on the business of insurance in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).

[F.No. 14017/98/2014-Ins. II]

**AnupWadhawan,
Joint Secretary**

**[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE
GAZETTE OF INDIA, EXTRAORDINARY]**

**Government of India
Ministry of Finance
Department of Financial Services
Notification
New Delhi, the 27th March, 2015**

G.S.R. 229 (E).- In exercise of the powers conferred by clause (c) of sub-section (2) of section 24 of the Insurance Regulatory and Development

Authority Act, 1999 (41 of 1999), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.- (1) These rules may be called the Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- In these rules, unless the context otherwise requires,-

(a) "Act" means the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(b) "Act of 2005" means the Special Economic Zones Act, 2005 (28 of 2005);

(c) words and expressions used herein and not defined but defined in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Insurance Act, 1938 (4 of 1938) and the Special Economic Zones Act, 2005 (28 of 2005) shall have the meanings respectively assigned to them in those Acts.

3. Provisions regarding regulation of insurance business in Special Economic Zone.- For the purposes of regulating and promoting the insurance business in Special Economic Zone, the Authority may, in consideration of the notification issued by the Central Government under section 2CA of the Insurance Act, 1938 (4 of 1938),-

(a) permit an insurer registered, with the Authority, under section 3 of the Insurance Act, 1938 (4 of 1938) to carry on the business of insurance in a Special Economic Zone subject to the following conditions, namely:-

(i) that an insurer shall set up its place of business in a Special Economic Zone with the prior approval of the Authority;

(ii) that an insurer may underwrite only such classes or sub-classes of business of life insurance, general insurance, health insurance or re-insurance as may be specified by the Authority from time to time for the Special Economic Zone:

Provided that the Authority may allow such insurer to accept re-insurance of all classes of business from within the Special Economic Zone involving cover either within the Special Economic Zone or from outside the country, subject to the provisions of Act of 2005 and rules made thereunder:

Provided further that the Domestic Tariff Area entities may be allowed by the Authority to procure services relating to re-insurance from insurers operating

from the Special Economic Zone on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder:

Provided also that such insurer may be allowed by the Authority to accept insurance business from entities within the Special Economic Zone and from entities outside the country, subject to the provisions of Act of 2005 and rules made thereunder:

Provided also that the Domestic Tariff Area entities may be allowed by the Authority to procure services relating to insurance from insurers operating from the Special Economic Zone on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;

(iii) acceptance of insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of section 18 of Act of 2005;

(b) permit an insurer from outside the country to set up his branch in Special Economic Zone to transact the business of re-insurance within the Special Economic Zone, in the Domestic Tariff Area and abroad, subject to the conditions mentioned in clause (a), and-

(i) any placement of re-insurance business by an Indian insurer to such insurer shall be deemed as re-insurance placed outside India;

(ii) such insurer carrying on the business of re-insurance shall not be deemed to be an Indian re-insurer within the meaning of the provisions of section 101A of the Insurance Act, 1938 (4 of 1938);

(iii) the Domestic Tariff Area entities may be permitted to procure re-insurance services from such insurers on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;

(iv) acceptance of re-insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of section 18 of Act of 2005;

(c) permit an insurer from outside the country to transact the insurance business from the Special Economic Zone on the conditions specified in clause (a), and-

(i) such permission may include approval for procurement of insurance business from entities within the Special Economic Zone with cover confined to the Special Economic Zone and from entities outside India;

(ii) the Domestic Tariff Area entities may be permitted to procure insurance services from such insurers on the same terms as they may be allowed in general under the relevant law for the time being in force to procure such services from the insurers outside the country subject to the provisions of Act of 2005 and rules made thereunder;

(iii) acceptance of insurance business within the Special Economic Zone shall be in accordance with the guidelines of the Authority, referred to in sub-section (2) of section 18 of Act of 2005;

(d) direct the insurers, carrying on the insurance business and re-insurance business in a Special Economic Zone, to comply with its directions, and with the relevant laws and rules and regulations framed thereunder.

[F. No. 14017/98/2014-Ins. II]

**AnupWadhawan,
Joint Secretary**