

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

Ministry of Commerce & Industry, Government of India

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Anand Giri
Deputy Director

EPCES CIRCULAR NO. 239 DATED 09-01-2017

Sub : Proposals for setting up of new SEZs and MHA clearance – Guidelines from Ministry of Commerce & Industry

SEZ Division, Department of Commerce, Ministry of Commerce & Industry has issued directions to the Development Commissioners of all the SEZs vide their communication No. F.2/7/2016-SEZ dated 19/12/2016 (copy enclosed) informing that National Security Clearance is required to be obtained from Ministry of Home Affairs (MHA) as per the guidelines issued by the MHA. These guidelines inter-alia provide as under:-

- (i) **Country Sensitivity** : India's national security concerns include threats emanating from outside country. Hence, investment proposals originating from certain countries of concern (contextual) and tax havens require higher due diligence and caution during the process of vetting.
- (ii) **Geographical Sensitivity** :For the preservation of territorial integrity, serious threats emanate from ware and cross border activities including terrorism, subversion and sabotage. Consequently, special care and higher due diligence needs to be exercised while evaluating proposals in the proximity of the LoC, LAC and the international borders from the point of view of locational integrity. A list of geographically sensitive areas is as under:-

Proposals of foreign investment from countries of concern in the following areas will require more due diligence in threat assessment:-

1. Areas in the vicinity of within 50 kms from LOC/LAC/International Border;
2. Areas in the proximity of nuclear, space, defence installations or installations notified under the Official Secrets Act, 1923.

The communication further informed that since the requirement of National Security Clearance is to be assessed by Department of Commerce before issuance of formal approval for setting up of new SEZs, Development Commissioners are requested that the proposals may be examined in terms of the above provisions and indicate whether the proposals would require National Security Clearance from MHA before sending the same to the Department of Commerce for consideration of the Board of Approval (BoA). The proposals requiring National Security Clearance should be accompanied by a self-declaration by the Company/Developer/Director(s) in the prescribed format. In cases where National Security Clearance is not required, the same may be confirmed while referring the proposals for consideration of BOA. No proposal for setting up of new SEZ will be entertained without this information.

This is for kind information of the members.

No.F.2/7/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 19th December, 2016

To
The Development Commissioners
Special Economic Zone

Subject : Proposals for setting up of new SEZs and MHA Clearance – regarding

Sir/Madam,

I am directed to say that National Security Clearance is required to be obtained from Ministry of Home Affairs (MHA) as per the guidelines issued by the MHA. These guidelines inter-alia provide as under:-

- (i) **Country Sensitivity** : India's national security concerns include threats emanating from outside country. Hence, investment proposals originating from certain countries of concern (contextual) and tax havens require higher due diligence and caution during the process of vetting.
- (ii) **Geographical Sensitivity** : for the preservation of territorial integrity, serious threats emanate from ware and cross border activities including terrorism, subversion and sabotage. Consequently, special care and higher due diligence needs to be exercised while evaluating proposals in the proximity of the LoC, LAC and the international borders from the point of view of locational integrity. A list of geographically sensitive areas is as under:-

Proposals of foreign investment from countries of concern in the following areas will require more due diligence in threat assessment:-

1. Areas in the vicinity of within 50 kms from LOC/LAC/International Border;
2. Areas in the proximity of nuclear, space, defence installations or installations notified under the Official Secrets Act, 1923.
2. Since the requirement of National Security Clearance is to be assessed by this Department before issuance of formal approval for setting up of new SEZs, it is requested that the proposals may be examined in terms of the above provisions and indicate whether the proposal would require National Security Clearance from MHA before sending the same to this Department for consideration of the Board of Approval (BoA).
3. It is also requested that such proposal requiring National Security Clearance should be accompanied by a self-declaration by the Company/Developer/Director(s) in the enclosed format.
4. In those cases not requiring National Security Clearance, the same may be confirmed while referring the proposals for consideration of BOA meeting. No proposal for setting up of new SEZ will be entertained without this information.

Yours faithfully,

Encls : As above

Sd/-
(Aditya Narayan)

Under Secretary to the Government of India

Self declaration for company and Director(s) for whom security clearance is sought

a. Name & address and registration number of the company

b. Name and address of owners, promoters and directors of the company

1. _____
2. _____
3. _____
4. _____

c. Is the company owners, promoters or directors listed above, the subject of any

1. Preventive detention proceedings (PSA/NSA etc) : Yes/No
2. Criminal proceedings : Yes/No

d. If yes, please provide following details

1. Detention/Case/FIR/warrant number
2. Police station/District/Agency
3. Section of law
4. Name and place of the court

e. The above mentioned details are in respect of both India and any other foreign country

Note : The above self declaration is required to be filled and signed by the authorized signatory of the company.