

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

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EPCES CIRCULAR NO. 245 DATED 16-02-2017

Subject (1) Clarification on the definition of SEZ in an existing port or airport
(2) Clarification on the issue of process of achieving NFE by FTWZ units
(3) Setting up of new SEZ and MHA Clearance

(1) Clarification on the definition of SEZ in an existing port or airport

Department of Commerce, Ministry of Commerce & Industry has issued a clarification vide File No. F.1/12/2007-SEZ dated 1-2-2017 regarding definition of SEZ in an existing port or airport. Some difficulties in the interpretation of Rules 2(zc) have been expressed as to whether there is any restriction on sector/product/services in an “SEZ in a port or airport.

Vide this communication, Department of Commerce has clarified that as per definition, in an SEZ in a port or airport, manufacture of goods falling in two or more sectors, trading and warehousing and rendering of services are permitted i.e. units may be set up for manufacture of goods and rendering services including trading and warehousing under two or more sectors.

Copy of the communication File No. F.1/12/2007-SEZ dated 1-2-2017 is available at the website:

<http://www.sezindia.nic.in/writereaddata/GeneralNotifications/existing%20port%20or%20airpor t.pdf>

(2) Clarification on the issue of process of achieving NFE by FTWZ units

Department of Commerce, Ministry of Commerce & Industry has issued a clarification vide File No. G.3/2016/2007-SEZ dated 31-1-2017 regarding process of achieving NFE by FTWZ units.

Vide this communication Department of Commerce has clarified that if goods are held by a FTWZ unit in warehouse in SEZ on behalf of foreign supplier and thus rendering warehousing services, the value of goods kept in warehouse in SEZ will not be part of NFE calculation. This should be dealt as per Rule 53(k) of SEZ Rules, 2006 dealing with rendering of services. However, if the goods are purchased by an FTWZ unit and sold, that should be dealt as per Rule 53(o) and value of goods kept in SEZ warehouse will form part of NFE calculation.

Copy of the communication File No. G.3/2016/2007-SEZ dated 31-1-2017 is available at the website

<http://www.sezindia.nic.in/writereaddata/GeneralNotifications/NFE%20by%20FTWZ.pdf>

(3) Setting up of new SEZ and MHA Clearance

Department of Commerce, Ministry of Commerce & Industry has issued letter to all Development Commissioners of SEZs vide File No. F.2/7/2016-SEZ dated 19-12-2016 regarding proposals for setting up of new SEZs and MHA clearance

Vide this communication Department of Commerce has informed that National Security Clearance is required to be obtained from Ministry of Home Affairs (MHA) as per the guidelines issued by the MHA. Vide this communication Development Commissioner are advised that 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, the proposals may be examined in terms of the above provisions and indicate whether the proposal would be require National Security Clearance from MHA before sending the same to Department of Commerce for consideration of the Board of Approval (BoA). It was also requested that such proposal requiring National Security Clearance should be accompanied by a self declaration by the Company/Developer/Director(s) in the format prescribed. It is further advised that in those cases where National Security Clearance is not required, the same may be confirmed while referring the proposal for consideration of BoA meeting. No proposal for setting up of new SEZ will be entertained without this information.

A copy of this communication File No. F.2/7/2016-SEZ dated 19-12-2016 is available at the website <http://www.sezindia.nic.in/writereaddata/GeneralNotifications/MHA%20Clearance.pdf>

This is for kind information of the members.
