

Dept. of Commerce
Ministry of Commerce & Industry
Govt. of India

Report on

Integrated Online Portal

M.K. Shanmuga Sundaram, DC, MEPZ SEZ

D. Anandan, JDC, MEPZ SEZ

D.V. Swamy, DC, Cochin SEZ

Anish Muraleedharan, DC (Customs), Cochin SEZ

Vijay Gupta, Sr. Vice President, NSDL Database Management Ltd.

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Integrated Online Portal

‘Integrated Online Portal’ aims for operations of Special Economic Zones towards time-bound approvals and day-to-day compliances; thereby, getting the physical interface off.

Background

The Ministry of Commerce and Industry, Government of India had constituted a group of eminent persons on 4th June 2018 under the chairmanship of Shri. Baba Kalyani, Chairman & MD, M/s. Bharat Forge Ltd. to study the SEZ policy and suggest reformative measures in the same. One of the recommendations of the group was the creation of an ‘Integrated Online Portal’ for operations of Special Economic Zones for time-bound approvals, exit and day to day compliances and reducing physical interface in line with the State models of Andhra Pradesh, Telangana, and Odisha. The group also recommended revamping the SEZs as Employment and Economic Enclaves (3Es) with a view of creating an integrated hub for employment and economic activities rather than focusing on exports alone.

The Department of Commerce has constituted a Committee on the recommendation of the group of eminent persons regarding ‘Integrated Online Portal’. The Committee comprises of the following members:

- i. **Dr. M.K. Shanmuga Sundaram** IAS, DC, MEPZ SEZ - Chairman
- ii. **Shri D. Anandan** IAS, JDC, MEPZ SEZ - Member
- iii. **Shri D.V. Swamy** IAS, DC, Cochin SEZ - Member
- iv. **Shri Anish Muraleedharan** IRS, DC (Customs), Cochin SEZ - Member
- v. **Shri Vijay Gupta**, Sr. Vice President, NDML - Member

Objectives

- ❖ Study the report of the group of eminent persons and suggest as to how the existing SEZ Online system may be upgraded/modified to facilitate the industry and emphasise on the Single-Window mechanism in collaboration with the State Governments to expedite operations and procedures, and suggest suitable actionable points.
- ❖ Consider the issue of integration across SEZ online, DGFT and ICEGATE systems as also integration with other regulatory jurisdictions to digitise and fully automate the import/export approval processes related to SEZs.

Limitations of the Existing System

The existing system is limited to the Development Commissioner's Office and handles functionalities like LoA, BLUT, SOFTEX, Renewal, Permissions as well as Customs related Bills & clearances. The integration with various Central Government departments/agencies like DGFT, ICEGATE, GSTN etc. are almost complete. However, complete integration with the state government portals and other participating agencies in the various Customs approval processes viz: FSSAI, Quarantine, and Drug Controller, etc. is yet to take place.

Justification for the Proposed System

Setting up an SEZ requires statutory clearances such as land/building permission, water, power, fire, environmental approvals, etc. which involves interface with multiple authorities both at the Centre and the State levels like MoEF, Planning Authority, Fire Department, etc. The delay in obtaining these approvals leads to time/cost overruns. The proposed Integrated Online Portal could facilitate 'Ease of Doing Business' and foster a conducive business environment. It will act as a 'single-window' for clearances from various departments, leveraging technology to bring in transparency, improve efficiency and extend time-bound clearances to the Developers/Units. The Integrated Online Portal will also allow seamless integration/linkage with portals of different government departments thereby eliminating the need to fill forms multiple times, ensuring time-bound clearances as well as ensuring 'single login credential' for all applications. It acts as a one-stop solution for information, approvals, e-payment, and application tracking for clearances/approvals. It shall also provide updated information relating to relevant rules, regulations, orders and policy initiatives, and schemes for guiding the Developers/ Units. In addition to this, the proposed portal sends alerts, via email and SMS to applicants about the progress on their submitted applications.

Other key features are:

- Information regarding the status of approved proposals, proposed investments, and pending applications.
- An online grievance redressal and feedback mechanism, to timely address issues faced by investors.

· Existing online systems such as SEZ Online, ICEGATE, GSTN, and DGFT are integrated into the Single Window Portal, making it a 'one-stop-shop' for a plethora of services. EPCES has also to be linked.

Streamlining the entry and exit process under a single integrated authority is one of the main objectives of the proposed system.

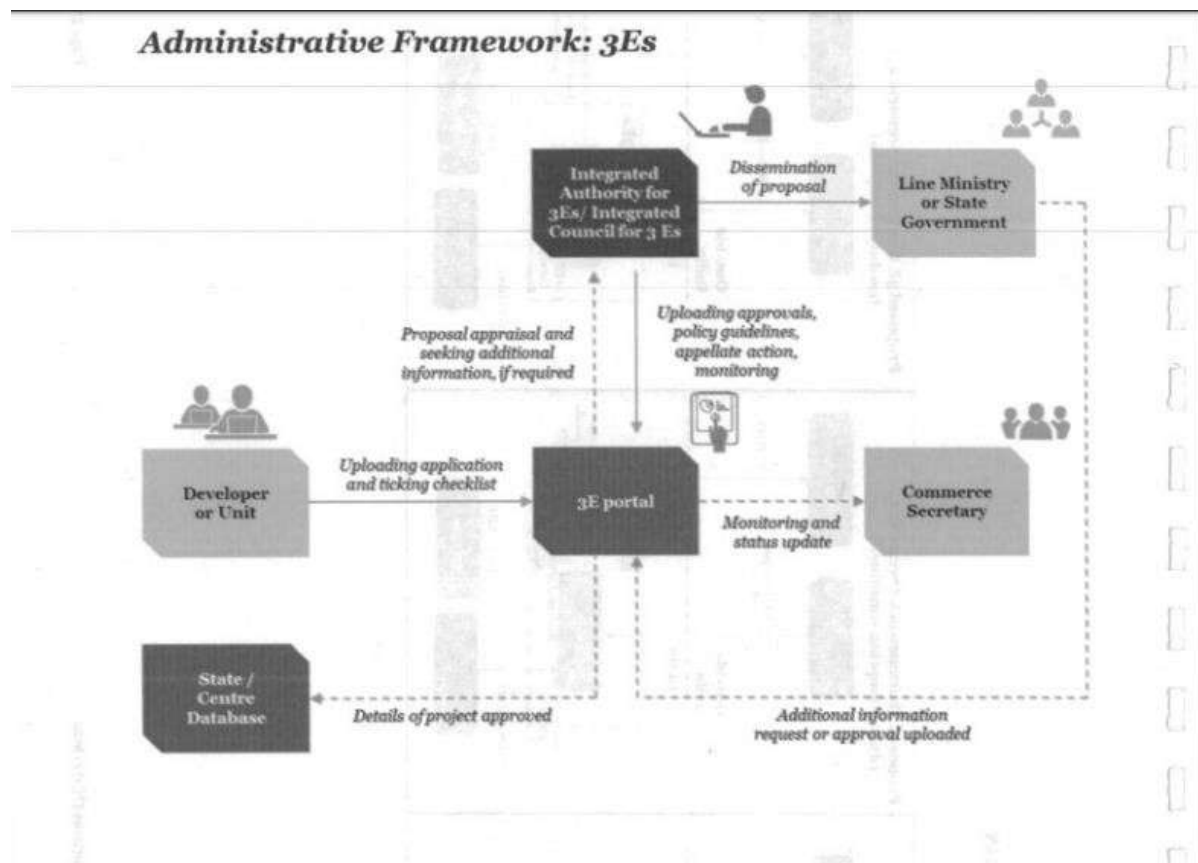


Illustration of Integrated Portal (Baba Kalyani Report)

Examples of Single Window Portal – Cases available:

1. Single Desk Policy, Govt. of Andhra Pradesh:

Govt. of Andhra Pradesh follows a Single Desk Policy to provide all necessary clearances for starting and operating an industry within 21 working days. An entrepreneur has to register in the Single Desk Portal by providing details like Name and Designation, Address, PAN Card Number, Mobile Number, Email Id, Name of the Industry, etc. The documents like copy of PAN Card, Photo, and Authorization Letter in specified size and format should be uploaded in the portal. The declaration should

be given and OTP validation is also enabled in the platform. To set up a Micro/Small/Medium Enterprise, the Entrepreneur has to file the Entrepreneur's Memorandum Part -I with concerned District Industries Centre of the District & obtain Acknowledgement through the Single Desk Portal. After procuring the land, the Entrepreneur can apply for statutory approvals/clearances also through Single Desk Portal. Once commercial production is commenced, Part-II of the memorandum also can be filed through the Single Desk Portal. The portal also provides facility for verification of approvals.

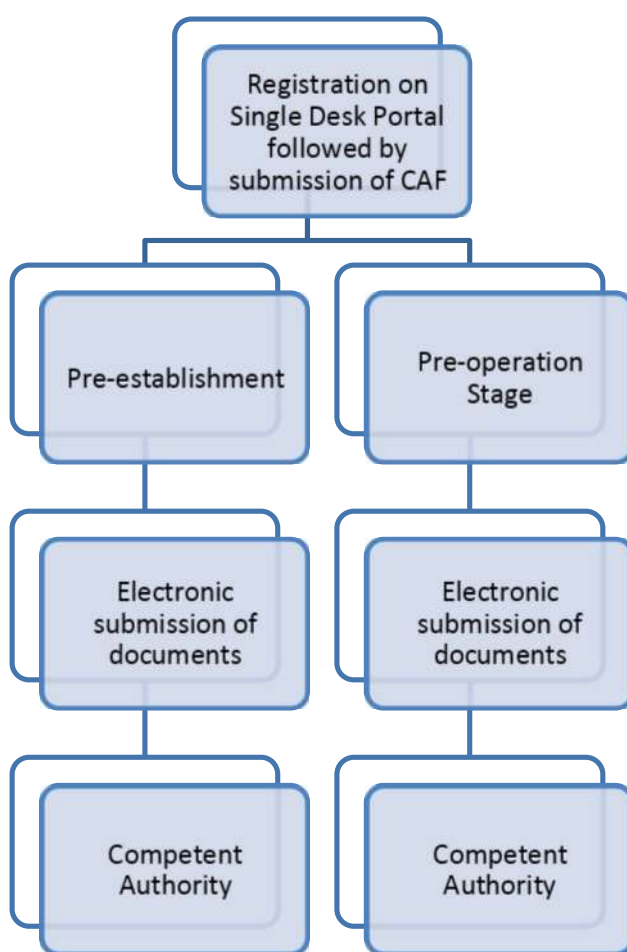


Illustration: Single Desk Policy (Source: Baba Kalyani Report)

2. GO SWIFT (Government of Odisha – Single Window for Investor Facilitation & Tracking).

GO-SWIFT is a one-stop-solution for all available services useful during the investment lifecycle of a project. Govt. of Odisha has integrated all technological applications of the Industries Department via Single – Sign on framework. As a result, an industrial Unit can get customised information regarding incentives and requisite approvals about the proposed investment, select land, apply for single-window clearance, obtain land and other utilities, and get statutory clearances and other post land-allotment services. The time limit for disposal of applications by each of the Departments concerned has been stipulated to facilitate speedy implementation.

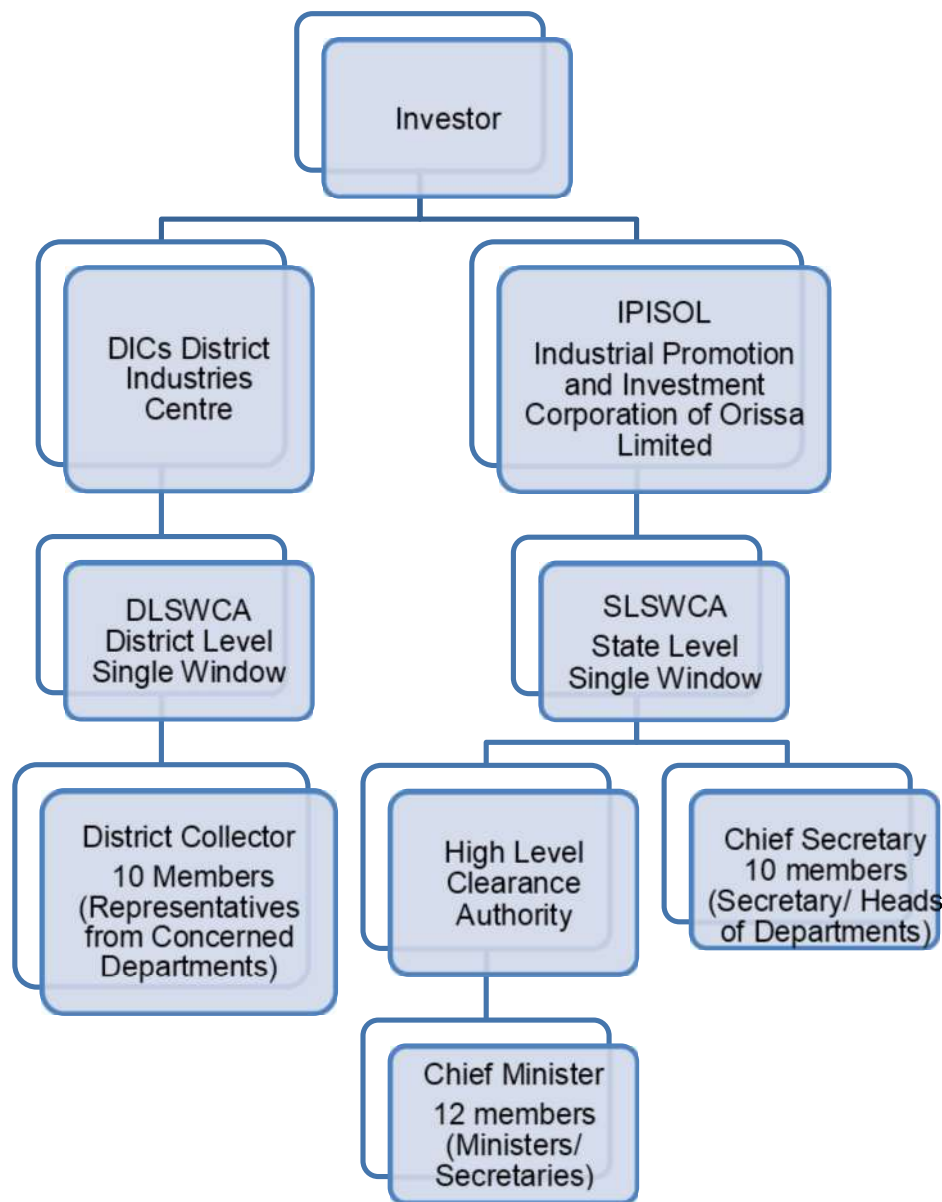


Illustration: GO SWIFT (Source: Baba Kalyani Report)

3. TS-iPASS (Telangana State Industrial Project Approval and Self Certification System)

The Government of Telangana has taken several reform measures to facilitate the Ease of Doing Business. Telangana State Industrial Project Approval and Self Certification System (TS-iPASS) has been implemented to process applications for issue of various clearances required for setting up of industries at a single point based on the self-certification provided by the entrepreneur and also to create an investor-friendly environment in the State of Telangana. All departments connected for establishing and operation of an Enterprise brought under the purview of TS-iPASS. The time limits are also prescribed which enables the Entrepreneurs to know the reasons for the delay in getting any clearance. A Centralised Inspection system deals with compliance inspections pertaining to Labour, Factories, Boilers, and Pollution Control Board departments. It is an online system functioning as part of the TS-iPASS portal. The inspections are scheduled in an automated manner and selection of establishments for inspections is done using computerised risk assessment. The Commissioner of Industries, the Commissioner of Labour, the Director of Boilers, Director Factories, and the Member Secretary, Telangana State Pollution Control Board (TSPCB) are the participating departments in the inspection system.

4. Easybusiness (Single Window Portal of Govt. of Tamil Nadu)

Government of Tamil Nadu has the Single Window Portal under administrative control of the TN Industrial Guidance & Export Promotion Bureau, which serve as the single point for accepting and electronically distributing applications to the respective competent authorities, receiving electronic payment of fees from the enterprises, ensuring submission of supporting documents, communicating queries/clarifications raised by the respective competent authorities to enterprises and receiving responses of the enterprises, tracking and monitoring the status of application processing, allowing enterprises to download the final signed clearance, recording grievances of the enterprises and redressal of the same. There are three stages of clearances of proposals: pre-establishment stage, pre-operational stage and post-operational stage. This portal integrates 11 key departments of the state government and offer 37 services online.

5. SWIFT (Single Window Interface for Facilitating Trade)

The Central Board of Excise & Customs, Government of India has implemented the Single Window Project to facilitate the Trading Across Borders in India. The '**India Customs Single Window**' allows importers and exporters the facility to lodge their clearance documents online at a single point only. Required permissions, if any, from other regulatory agencies would be obtained online without the trader having to approach these agencies. This reduces the time taken for obtaining clearances thereby facilitating trade at the country's points of entry and exit.

The various Government Agencies Participating in SWIFT are Plant Quarantine Information System, Food Safety and Standards Authority of India, Drug Controller General, Wildlife Crime Control Bureau, Textile Committee, Animal Quarantine and Certification Services, WPC wing of Ministry of Communications and Information Technology, Automotive Research Association of India, Department of Atomic Energy, Directorate General of Foreign Trade(DGFT), etc.

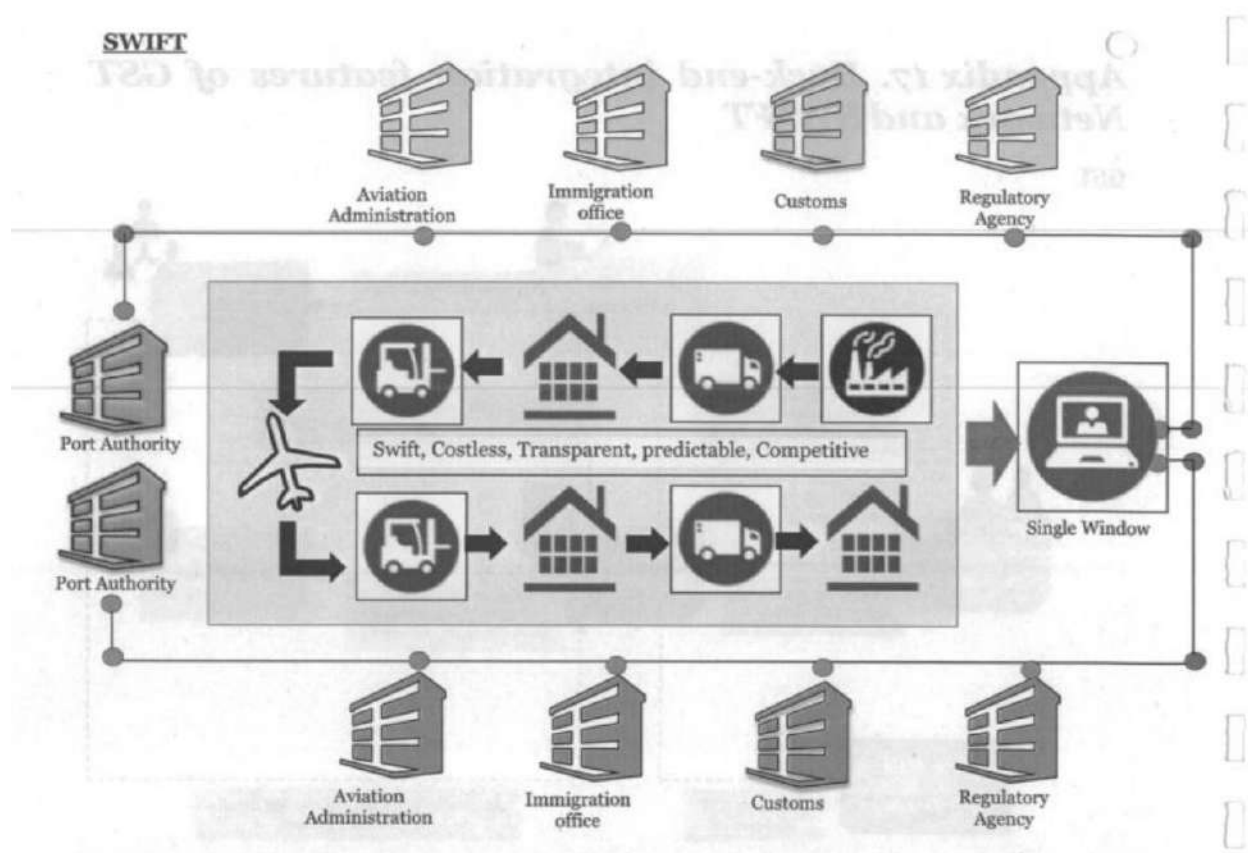


Illustration SWIFT (Source: Baba Kalyani Report)

6. GST (Goods & Services Tax) Portal

The GST Portal is one single common portal for all GST related services such as Taxpayer Registration (new, surrender, cancellation, amendment, etc.), invoice upload, auto-drafting of purchase details of the buyer, GST Returns filing on stipulated dates for each type of return, Tax payment by the creation of challan and integration with agency banks, Electronic credit ledger, cash ledger and Liability Register MIS reporting for taxpayers, tax officials and other stakeholders and Business Intelligence or Analytics for Tax Officials. GSTN is accessible over the internet (by taxpayers and their CAs/ Tax Advocates etc.) and Intranet by Tax officials etc.

A common GST system provides linkage to all State/UT Commercial Tax Departments, Central Tax Authorities, Taxpayers, Banks, and other stakeholders.

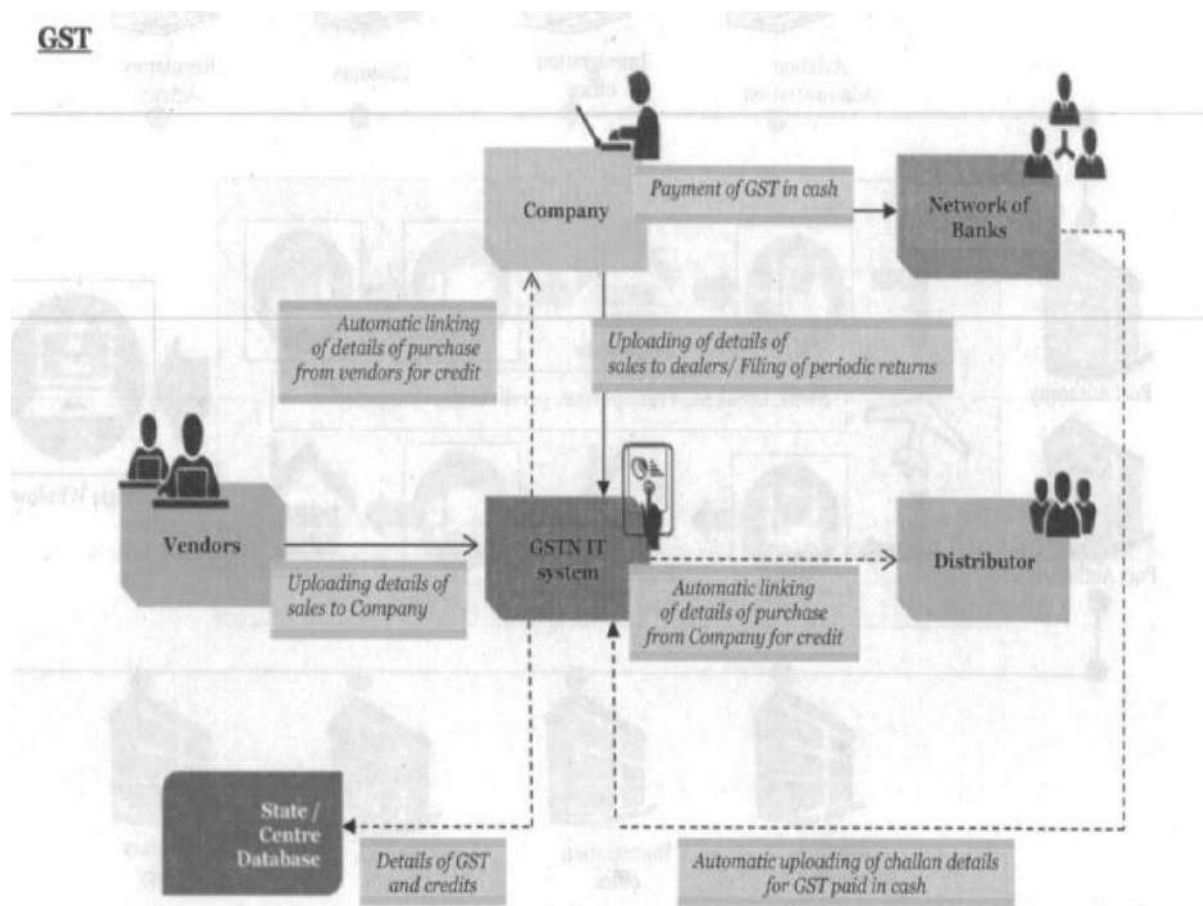


Illustration GSTN (Source: Baba Kalyani Report)

Proposed Operations of SEZ through a Common Portal (Upgrading the SEZ Online System)

The Committee has examined in detail the pros and cons of the existing SEZ Online system *vis a vis* the common integrated portal proposed by the Baba Kalyani Report. The Committee observed that setting up an Integrated Portal and integrating the various Central Government Departments/Agencies and the various State governments involved in the entire chain of approval process of SEZ Developers/Units is going to be a protracted and cumbersome process. Many a times, a complete integration with a State Government portal which will enable back and forth data exchange can involve procedural and technical issues leading to delay in implementation. It is also felt that complete integration with various portals like DGFT, ICEGATE, GSTN, etc. can also take a considerable amount of time. The Committee also examined the features of the existing SEZ online System with respect to the functionalities available therein for the administrative and Customs processes. The Committee observed that a host of matters is already taken care of by the existing system without much hassles. Hence, the Committee opines that instead of creating a brand new Integrated Online Portal, the existing SEZ Online System can be upgraded to capture various functionalities hitherto unavailable and the existing portal can be linked to the various other agencies involved in the whole chain of SEZ/Unit approvals. A roadmap in the stated direction is discussed as follows:

Target Audience

Dept. of Commerce

Development Commissioner's Office

Developer

Co-Developer

SEZ Units

EOUs

Authorities/Agencies involved in the working of the SEZ

The clearances required for establishing an SEZ/SEZ Unit can be classified under the following phases:

Pre-approval

Post-approval

The Committee undertook a study of the approvals required by Developer/Units to arrive at various clearances and agencies involved in the setting

up of an SEZ *per se*/SEZ Unit. The average time taken for the clearances was also studied. The case studies are enclosed at Annexure-I. The indicative list of approvals/agencies involved at various stages in the pre and post approval phases are appended at Annexure-II. The studies indicated that the involvement of multiple agencies both at the pre and post approval stages of setting up of an SEZ/SEZ Unit. The studies have also revealed that most of the approvals came through within a reasonable period of time (3-4 months for a Developer and 1-2 months for a Unit). However, the Committee felt the need for putting in place statutory timelines for each and every stage involved in the approval process. The matter is discussed in detail under the head Time bound Approvals elsewhere in this report.

Upgrading the existing system

SEZ Online System: SEZ Online System is an e-governance initiative of the Ministry of Commerce and Industry for setting up a nationwide uniform platform for carrying out Administrative and Customs operations of the SEZ Units/Developers under the purview of SEZ Act and Rules with SEZ Authorities. The objective was to bring in transparency, efficiency, reduce paperwork, real time data, ensure the authenticity of the information, adherence to applicable compliances and business rules, and provide a robust system for storage and reporting of SEZ data. SEZ Rules have been modified to facilitate filing transactions electronically using SEZ Online system. NSDL Data Management Ltd. (NDML) was appointed to develop, implement, and operate the specified system modules. Details Terms of modules available in the system are enclosed as Annexure-III.

From October 2009 to August 2010, the system was implemented in a pilot and development phase at SEEPZ and other Central Government SEZs. During this period, the feasibility of the system and its implementation got tested and since then more and more modules have been developed in discussion with the Users involved and MOCI has rolled out the system to all SEZs and DC's offices across the country. The system is now successfully integrated with the EDI System of CBIC (for control and facilitation over the movement of Import/Export cargo between SEZ and Ports), RBI (for facilitating monitoring and processing of Import and Export proceeds), DGFT (for facilitating online applications for MEIS benefits to SEZ exporters), GSTN System (for facilitating GST related transactions of SEZs with Domestic businesses), DGCI&S (for Trade data consolidation and reporting), Principal CCA (for reconciliation of duties collected), MMTC (for facilitating Custodian Support at SEEPZ). Officers from CAG, DGEP, DGGI, DGH, and DRI also extensively use the system. The extent of such integration with multiple agencies is presented in the enclosed Annexure-IV.

SEZ Online is an internal work system of SEZs that connects MOCI - DC's office – Specified Officer – Officers - Developers – Units and all other users of the ecosystem in a common, transparent and efficient chain. It facilitates applying for and receiving approval for various important processes like setting up SEZ, setting up Unit within an SEZ, issuance of LOA and its subsequent extension/renewal, the achievement of DCP, filing of Monthly, Quarterly, Half-Yearly, Annual Performance Reports, Bond cum Legal Undertaking, various approvals, etc. It also facilitates the whole gamut of Customs operations apart from Imports/Exports such as DTA Supplies and Procurements, Temporary Removals and Sub-contracting, Inter-Zone, and Intra-Zone supplies, etc. For all these transactions the system maintains LOA and LUT based controls.

The SEZ online also provides Customised and on-demand reports to SEZ Units/Developers/Co-developers, Customs Officials, officials of the DC's office, DOC, DGEP, CAG, DGCI&S, DRI, Regional Customs Commissioner, etc. The system also provides various reports in Summarised as well as Item level details for the past many years.

Therefore, the Committee proposes to build on this platform which is already in existence which will further strengthen the tenets technology and convenience. The Committee proposes to further upgrade the IT infrastructure, expand the SEZ Online application, and further expand the system functionalities to meet the demand of an integrated portal. Some of the aspects would involve encompassing the EOUs, facilitating interfaces for DTA Suppliers/Consumers to directly register on the system and perform transactions, Risk Management System, Mobile app, Reports & Dash-boards, API based integrations, etc.

With this background, the up-gradation of the existing SEZ online portal to an integrated portal is discussed under the following heads:

I. Eco System Connect/Integration

The Ecosystem Integration is discussed below under the following heads:

- A. Central Government Department/Agencies
- B. State Government

A. Central Government Department/Agencies

1. **EDI System for Port Connectivity**: For facilitating controls over the movement of Import/Export cargo based on authentic and approved SEZ transactions. In this case, data of all Bill of Entries (BoEs) and Shipping Bills (SBs) are sent to ICEGATE and is integrated at the EDI system. This system has been in place for almost 5 years and all import/export transactions of the SEZs are integrated with the EDI system on an instant basis. SEZ Online provides facilities to Units to correct mistakes, view the status of integration, and also facilitates re-processing if required. This integration has strengthened information flows, efficient movement of goods, and transparency.

Suggestions:

- i. The present system of data exchange is supported by transaction level messages which are exchanged through services supported by secure servers. This has served well and has achieved decent timelines. However, this was established in 2015, and with the advancement in technology, it is proposed that this same integration can be extended using API protocols. The same has been implemented in the case of online duty payments introduced with effect from 01/07/2020 for duty payments for DTA clearances. This would reduce the time taken for exchanging the messages and bring better assurance mechanisms.
- ii. Quarterly review mechanism can be established with DG systems for resolving technical/operational issues.
- iii. In the case of Shipping Bills, EGM details are not flowing back to SEZ Online from the EDI system and the same can also be provided. Technically, this is already implemented but it is not being received in most of the cases.

2. **RBI**: SEZ Online is integrated with the RBI system for the following aspects:

- i. Issuance of EDF Numbers;
- ii. Issuance of SOFTEX Numbers;
- iii. Import Transactions for facilitating Import payments;
- iv. Merchandise Export Transactions for facilitating Export payment monitoring;
- v. Software Export Transactions for facilitating Export payment monitoring.

Suggestions:

This integration has helped users with efficiency, transparency, and digital processing. This integration is working quite well and no further suggestions are made. However, this can be further extended so that RBI can be requested to return the details of realisations so that the same can be consumed by the system for its further usage and inputs.

3. GSTN: SEZs are procuring goods/services from DTA as 'Zero Rated Goods' and are also supplying goods to DTA which are subject to levy of GST. In this context, from July 2017 (launch of GST), SEZ Online is providing data of all SEZ – DTA transactions to GSTN through ICEGATE. Following data are integrated:

- i. Data of Bill of Entries filed for Import of Goods by DTA from SEZ;
- ii. Data of Zero Rated DTA Procurements by SEZ from DTA;
- iii. The System has also been developed and implemented for Service procurements from DTA. The format has been shared with ICEGATE / GSTN for approval;
- iv. SEZ Online also provides access to GST officers to verify the details of SEZ transactions.

Suggestions:

GSTN can make use of these data to validate the GST returns filed by DTA Importers/Suppliers and provide electronic approvals/refunds/ITC credits. This data is further proposed to be used by GSTN for auto-populating the imports side of the GSTR for the DTA importer. As there is some delay at ICEGATE end in making this data available to GSTN, SEZ Online has created a module so that access can be provided to authorised GST officers who can review the details through the SEZ Online system itself instead of paper documents. This needs to be put to practical use.

4. DGFT: SEZ Online provides details of SEZ Shipping Bills to facilitate the claim of eligible export incentives. Given this facility, DGFT has considered SEZs also as EDI ports. Further MEIS Duty credit Scrip needs to be registered at the port of exports. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, Scrip can be automatically used at any EDI port for payment of import duty. Since SEZ is considered as Non-EDI port, the Scrips are registered at the SEZ port and in case the Scrip holder intends to use the Scrip for import from another port, the concerned DC issues Telegraphic Release Advice (TRA). TRA is issued manually

in the name of the buyer of the Scrip. The buyer in turn will have to register the Scrip in his port of import for utilization of the Scrip. This process is time consuming and due to which MEIS of SEZ Units are sold at a discount of around 10%. This is a loss for the SEZ Units.

Suggestions:

- i. In the present scenario, SEZ Online shares Shipping Bill data to DGFT for online verification, validation and issuance of MEIS Scrips. It is proposed that the integration with DGFT portal may extend to the level of generating MEIS Scrips through SEZ Online. It is also suggested that a second line integration of the MEIS Scrips so generated should happen with ICEGATE, for registration of the Scrips there. This will facilitate the usage of the Scrips automatically in any port and thereby doing away with the TRA procedure.
- ii. The upgraded portal can have linkage to the DGFT portal for generation of Import-Export Code (IEC), submission of MEIS/SEIS applications, etc.

5. Agencies involved in Customs Processes:

Suggestions:

All authorities involved in the various approvals related to Customs processes like, FSSAI, Drug Controller, Plant/Animal Quarantine, etc. (all participating agencies in SWIFT) should be integrated with the portal. This will ensure one-stop approval through SEZ online for customs related processes. This linkage can be made through ICEGATE. The list of various Departments/ Agencies is included in Appendix- I.

6. EPCES:

Suggestions:

Export Promotion Council for EOUs & SEZs (EPCES) should be linked with the portal to issue Registration-cum-Membership Certificate (RCMC) to EOUs, SEZ Units and SEZ Developers including Co-Developers.

7. Regulatory Jurisdictions:

Suggestions:

All the other regulatory jurisdictions involved in the pre/post Approval stages of setting up of an SEZ/SEZ Unit (Annexure II) shall be mapped and linked to the

upgraded SEZ Online system. Direct links to access the relevant applications of the respective agencies can be provided in the upgraded portal.

B. State Governments

1. **State Govt. Integrations:** The Committee has observed that at the pre/post approval stages of setting up of an SEZ/SEZ Unit, various State Government Departments/agencies are involved. It was also observed that different States have developed their own internal Single Window Portals for providing various approvals to new businesses. Significant amount of work has been done by most of the State Governments after many years of planning and integration of different departments. Now, it has been left for the Committee to suggest between the options of either complete integration or providing only a link access to the respective State Government single window portals.

The Committee has observed that if complete integration occurs across the upgraded online system and the respective state portals, the workflow will entail the SEZ Developer/Unit filing a Common Application Form (CAF) at the SEZ Online, the CAF getting transmitted to the State Single Window Portal, the processing of the CAF at the respective State government end, the approval / rejection being conveyed back to the SEZ online and the applicant accessing the approval/rejection conveyed through the upgraded SEZ online portal. The major advantage of the entire process is that the Unit/Developer can get approval at 'one stop' - the SEZ online portal. They need not access the multiple portals of various state governments in the whole process of getting various approvals.

However, the Committee do notice that the whole integration process may suffer from certain operational infirmities. In case of a complete integration, the upgraded portal has to be integrated with the single window portal of various state governments. The platforms on which the single window portals of state governments are hosted may not be compatible with the upgraded SEZ on line portal. Further, the willingness of various state governments to integrate fully with the SEZ online system is also a matter of concern. The time which may take in bringing all the respective State Governments on board is also a matter of concern. In view of these operational difficulties which may happen in case of a complete integration, the Committee is of the opinion that rather than going for a

complete integration with the state single window portals, providing a link access to the respective portals will be a more practical and feasible approach.

In this context, it also observed that to facilitate participation and approval by the Nodal Officer of the State Governments, a provision has already been made in the SEZ online system to facilitate the State Nodal Officer to access the online system and review the applications made for various purposes. The officers can view the details of the applications, the recommendations of the Development Commissioner and can provide their comments and approval in the system.

The Department of Commerce has sent a request to the State Governments to provide the details of the officers to access the system and provide the approvals. These details have been received only from one or two states and the rest of the details are awaited. Hence, the Committee felt that, building upon the functionality already available in the SEZ Online system will be a more pragmatic solution to the problem at hand i.e., the integration with the state government portals.

In view of the aforesaid discussions, the following suggestions are made:

Suggestions:

- i. A facility can be provided where the SEZ constituents can be provided with information and direct links to access the relevant applications of respective State Governments/agencies which they can use directly and file respective applications.
- ii. It is considered that in SEZ online a system can be created where the details of applications made to the respective State Portal can be logged by the concerned applicant.
- iii. This can be monitored by the DC's office to examine if the approvals are happening promptly. In case of any need for intervention, the DC's office can act as a catalyst and engage with the nodal officers of the State Govt. for facilitating expeditious disposal. Such an arrangement would ensure that applications of the Units are processed quickly, support and review are provided by the DC's office and working of the State Govt. departments are not needed to be changed.

2. Time-bound Approvals

Another important objective for trade facilitation is to ensure that various approvals are provided in a time-bound manner. This needs to be ensured at least in those cases where there are no adverse inputs, observations, or queries. Trade should be able to understand the status of their transactions, receive any queries, respond to the queries in an online manner, and escalate in cases involving any delay(s).

In this regard, as already mentioned, most of the applications are filed in an online manner in SEZ online system. The Unit is also able to submit necessary documentary evidence that is needed for application processing through the system. The officers can instantly review the online submissions and can provide their approvals/queries online. If the officers need to seek internal guidance from their senior officers, the same can also be done in an online manner. The Unit is enabled at all times to seamlessly access and track the status of its application processing and approvals by various officers. The Unit also receives the queries raised by officers through the system and can respond to the same by providing clarification, documentation, or revising the application.

Suggestions: To further enhance the user facilitation, following is proposed:

- i. In case of administrative approvals such as LOA, LUT, Lease Deed, APR, Sub-contracting Permission, Free Forms, etc., it is proposed that timelines may be defined at various levels of approval and within that time the concerned officer must approve/respond to the application. If the officer does not take any action on such application within a defined time, the application may be treated as 'deemed to be approved' at that level and sent to the next officer in the hierarchy for further approval. The System should generate a report of all such transactions where the deemed approvals had been given.
- ii. In this regard, timelines for work related to various processes of SEZ Developers/Units were communicated along with the minutes of the meeting of Development Commissioners with the Joint Secretary on 24th July 2014 (Annexure-V). The timelines communicated may be further elaborated to include the time which can be taken at each level of hierarchy in the approval process. This can be brought out in the form of a citizen charter by the DoC and the same may be introduced in the upgraded online portal as well.

- iii. If an officer raises observation/query on an application more than 2 or 3 times, then the application is referred to the senior officer for review on an automated basis.
- iv. A senior officer is designated in each Zone to track the TAT performance and pendency of various transaction modules and officers. Such an officer may submit his report to the Development Commissioner every month.
- v. In the case of transactional modules (Customs), these are time-critical transactions and therefore, following is recommended:
 - a. A Committee may be constituted to develop a Risk Management Framework and set up an ancillary system which can be used to define and monitor the risk sensitivity of various transactions;
 - b. This system would be outside the SEZ Online system and would be accessible to only the identified officers;
 - c. The risk ratings can be defined at the level of Units, Tariff categories, trading nations, value threshold, etc.
 - d. Transactions attracting very low risk may be cleared on auto clearance mode and may be subject to a small percentage of random audits;
 - e. Transactions attracting low to moderate risk may be subjected to a small percentage of officer approvals;
 - f. Other transactions may be approved on a 100% review basis but subjected to TAT norms and auto-processing in case of delays. Every transaction should be approved within a maximum time of one working day by every officer.

3. Reduction in Paper Documents

One of the important tasks that need to be taken up is to move towards a paperless system. Now, we have an internal system of online filing of transactions and these transactions are filed using a well established Maker–Checker discipline and are authenticated with registered Digital Signatures. These are valid for all legal purposes as per IT Act 2000. The System maintains a permanent record of these transactions and makes it available as per requirement.

The approvals in the DC's office are also done by various officers as per their work allocation and authorisation and are digitally signed. Various forms for specific purposes are also available in the system, placed at Appendix-II. Therefore, it can be agreed that the need for paper copies for internal use by DC's office, Customs, Audits, and for records of SEZ Units/Developers are taken care of by the system itself.

Further, if the system is completely integrated/linked with various ecosystem partners, the need for physical copies for submission to these agencies may not arise.

In this context, following suggestions are made in the transaction flow and paper documentation:

Suggestions:

Imports/Exports:

Step 1: Unit files Bill of Entry/Shipping Bill in the system. This involves the Maker–Checker and DSC process. This can be done online from anywhere. Required documentary evidence can be attached for online submission.

Step 2: SEZ Customs Authoriser reviews and approves the Bill of Entry/Shipping Bill. This can be done online without paper. However, paper copies are traditionally asked for and are endorsed by the officers. These copies generally serve the following purposes:

- a. **Office Use and records of the Units** - This is available to the Units through the system and hence, physical copy can be considered for reduction. If we do this, this will take us ahead of ICEGATE, where this copy is provided at the time of clearance of goods.
- b. **Office Use and records of SEZ Customs** - This is always available to SEZ Customs through the system and hence, physical copy can be considered for reduction. (However, we may retain one physical copy for scrutiny of investigating agencies, if required).
- c. **Office Use and records of Port Customs** – As SEZ Online and ICEGATE system have established a data exchange mechanism, all the required details of the Bill of Entries are automatically available in the ICEGATE system and hence, they do not require this copy. DGEP has already

issued instructions in this regard and this copy is technically not required. However, on the ground, the Port Customs receives a signed copy and continues to expect that.

- d. Bank Copy for Import/Export Payments:** This data is already sent to RBI and Banks by SEZ Online system and having a signed copy of this document is not required. The RBI has already issued Circular in this regard (Annexure- VI)

Step 3: Unit collects the goods from Port (Imports) / presents goods at Port (Exports) on the strength of the electronic data of BE/SB.

Step 4: The Unit brings the goods to SEZ (Imports) and SEZ Online sends an electronic confirmation to the ICEGATE system about the receipt of the goods at the port (re-warehousing completion) and thus, the need for submission of a physical copy of re-warehousing completion certificate can be done away. In the case of Exports, the ICEGATE system needs to send EGM details so that Shipment Success can be established electronically.

SEZ Online has also developed and provided additional facilities so that any person can verify the genuineness and details of SEZ BoE/SB on SEZ Online website by entering the Request ID or Scanning the QR Code. This facility is being used by MMTC also. This can be used through SEZ Mobile App also. It is necessary to issue instructions for paperless processing.

As a customary practice and in the absence of any specific instruction/direction in this regard, all users are still resorting to paper copies. The Committee suggests that necessary instructions be issued to eliminate/minimise the paper copies.

Other Matters: Paperless processing of following matters:

Transaction	Processing
Form F Application for setting up of SEZ Unit	<p>This application is submitted online in the system and is required for internal use of the DC's office. Online Copy is available at all times to the Unit and DC's office. This is approved online at various stages.</p> <p>Stamp Paper can be scanned and uploaded. NEFT payments can be implemented instead of DD.</p>

Bond cum Legal Undertaking (BLUT)	This module is also available in the system. Approvals by Specified Officer and DC are also available online. This is a Digitally Signed submission and is valid. Digital Stamping can be introduced for submission of lease deed, etc.
SOFTEX filing by IT Units	This module is available online. This is also integrated with RBI and Banks. Submission of hard copies can be done away with.
DCP Communication	This module is available in the system. Approvals by the DC's office are also available online. This is a Digitally Signed submission. Once this is approved by the DC's office, the LOA validity date is also automatically updated.
Renewal of LOA	Same as LOA application.
Attestation of 'Zero-Rated' GST Invoices by SO	This matter is already discussed with the Department of Revenue, GSTN, DGEP and DG System. Data of all these transactions is already successfully transmitted to DG System. DG System has confirmed in February 2020 meeting that all data would be integrated with GSTN in March 2020. Access is also provided to GST officers to view SEZ transaction details. Mandatory implementation of the online filing of Procurement of Goods/Services by SEZ from DTA to be done.

This will go a long way in the reduction of paper copies of the documents where an application is submitted and processed online.

IV. Trade Facilitation

Some facilitation measures proposed:

- i. Implementation of LOA/Online SOFTEX filing for Export Oriented Units (EOUs) also so that their transaction filing and processing can also be automated and connected with RBI and Authorised Dealers.
- ii. Extending the SEZ Online System to DTA Units also so that they can file transactions directly into SEZ Online system. DTA Units can file DTA Procurement/DTA Sales/Supply of Services from DTA to SEZ. Such transactions will need to be

accepted by SEZ Unit/Developer before getting submitted to Customs. This will significantly reduce the dependence and work at SEZ Units' end.

iii. Comprehensive Information Portal for Users.

- a. Act/Rules/Policies/Procedures/Circulars and Instructions.
- b. Minutes and Agenda of BoAs and UACs.
- c. Details of SOPs for various processes and applications.
- d. Details of Nodal Officers with contact details and provisions for scheduling meetings/appointments.
- e. Interactive Maps of SEZs along with details of vacancy available.
- f. Provision for Show Cause Notices/Adjudication.
- g. Grievance handling and resolution mechanism
- h. Facility for Online Payments for various types of payments to DC's offices and SEZ Authorities.
- i. A common 'e-office' for all DC's offices similar in line with the Ministry.
- j. A help section - Chat Box may be introduced to handle the common queries raised by the Stakeholders.

Conclusion

The proposed system will become an umbrella environment for handling out the operations of SEZs and EOUs through a 'single-window' in a time-bound manner. The Government of India has, in the past few years, accorded an utmost priority to the Ease of Doing Business (EoDB). The accent is on the simplification of regulations and the use of technology to make compliance more efficient for businesses. The proposed system focuses on the simplification and rationalisation of regulatory processes. The desired upgradation of the SEZ Online portal in the proposed manner would ensure transparency and enable a conducive and favourable business ecosystem. The upgraded portal will facilitate the investors in obtaining the requisite information/clearances in a hassle free and paperless manner - a 'one stop solution' for a plethora of services.

Annexure I: Case Studies

Case studies were carried out involving Developers and Units with an objective to identify the agencies involved in the approval process and also to arrive at the average time taken at each stage of approval.

Case Study 1

Developer

RGA Infrastructure

SY No. 31/1,
Chikkakannelli Village,
Varthur Hobli,
Bangalore East Taluk,
Bangalore, Karnataka.

Sl. No.	Department	Approvals	Time Frame
1.	DOC	Approval for setting up of SEZ.	19 days
2.	Commerce & Industries Department of the State Government	Project Approval/NOC from State Government.	7 days
3.	Office of the Development Commissioner	Site Inspection.	5 days

Case Study 2

Co-Developer

Brigade Industries Limited

Co-Developer of Infopark SEZ
Infopark P.O
Kakkanad, Cochin.

Sl. No.	Department	Approvals	Time Frame
1.	Ministry of Environment and Forest	Proof for constructing and operating without any destruction to the environment.	6 months
2.	Pollution Control Board (Single Window)	Certified to be a non-polluter.	One month

3.	Kerala State Fire Department	NOC for meeting all compliances related to fire-fighting equipments, other arrangements and its installations.	One month
4.	Regional Town Planner (Single Window)	Certificate for abiding all building rules.	One month
5.	Petroleum and Explosives Safety Organisation (PESO)	For stocking diesel to be used for DG.	6 months

*This is in addition to the SEZ approvals.

Case Study 3

SEZ Unit IT/ITeS

(i). Suyati Technologies Private Limited

2nd Floor, B-Wing,

Thapasya Building,

Infopark, Kusumagiri PO,

Kakkanad, Cochin.

Year of getting License: 2015

Sl. No.	Department	Approvals	Time Frame
1.	Ministry of Corporate Affairs	Certificate of Incorporation	Two Months
2.	Central Board of Direct Taxes	PAN/ TAN	One month
3.	Cochin Special Economic Zone	Letter of approval from CSEZ	One month
4.	Directorate General of Foreign Trade	IE Code	Immediate (Initially four months)
5.	Goods & Services Tax	GST	Within 21 days
6.	District Labour Office	Labour License	One month
7.	District Labour Office	Labour Welfare Registration under Shops & Establishments Act	Along with Labour License
8.	Employee's Provident Fund Organisation	EPF	15 days
9.	Employee's State	ESI	15 days

	Insurance Office		
10.	Respective Local Body Office	License from the Local Body	Panchayat/ Municipality/ Corporation
11.	Department of Telecommunication	OSP License (for Call Centres/ BPO's)	One month
12.	Ministry of Micro, Small & Medium Enterprises	Udyog Aadhar (for MSME's)	Online - immediately

(ii). Business DNA India Private Limited

Phase IV,
Second Floor,
Carnival Infopark,
Infopark PO,
Kakkanad, Cochin.

Sl. No.	Department	Approvals	Time Frame
1.	Ministry of Corporate Affairs, Deputy Registrar of Companies	Formation of Company	60 days
2.	DC's office	Formation of SEZ Unit	21 days
3.	Income Tax Department	Tax & PAN	21 days
4.	Commercial Tax Officer	KVAT Registration (TIN & GST Registration)	24 days
5.	Government of India	GST Registration	82 days
6.	Office of Joint Director General of Foreign Trade	Import Export Code	83 days
7.	Central Board of Excise & Customs	Service Tax Registration	90 days

Annexure II: Indicative List of Approvals Required

Pre-Approval Phase:

Sl.No.	Name of the Department (Indicative)
1.	MoC/ BoA
2.	Revenue Department
3.	Registration & Stamps
4.	Town Planning Department
5.	Environment & Forest Department
6.	IT Department

Post-Approval Phase:

Sl.No	Name of Department (Indicative)
1.	DC's office
2.	Developer
3.	Water Authority
4.	Electricity Board
5.	Pollution Control Board
6.	MSME
7.	Labour Department/ District Labour Officer
8.	Fire & Safety Department
9.	GST
10.	Drug Control Administration
11.	Commercial Tax
12.	Legal Metrology
13.	Factories and boilers
14.	Department of Municipal Administration & Urban Development
15.	Roads & Buildings
16.	Science & Technology
17.	Chief Electrical Inspectorate
18.	Department of Energy
19.	Income Tax Department
20 .	Customs / BoEs, SBs etc
21.	Petroleum and Explosives Safety Organization

22.	Director General of Foreign Trade
23.	Employee's Provident Fund Organization
24.	Employee's State Insurance Office
25.	Ministry of Micro, Small & Medium Enterprises (MSMEs)
26.	Department of Telecommunication

Annexure III: SEZ Online Modules

Registration Modules	
Module Name	DeDescriptions
New Unit Application [NUA]	Application for setting up of a new Unit in an SEZ
User Management	Authentication, Authorisation, Role Allocation, Role Management
SEZ Allocation, Hierarchy Management	
DC Admin, SEZ Admin	Exception Handling for Workflow, Users
Unit regularization [URG]	Regularisation and Approval of details of existing Units
New Developer Application [NSA]	A Developer who is going to set up an SEZ need to file NSA Application which should be forwarded by DC's office and approved by MOCI. State Govt. NOC is also provided.
Developer Regularisation [SRG]	Regularisation and Approval of details of existing Developers
Co-Developer Regularisation [CRG]	Regularisation and Approval of details of Co-Developers
New LUT	Unit has to submit the BLUT with regard to its obligations regarding proper utilization and accountable of goods, including capital goods, spares, raw materials, components and Consumables including fuels, imported or procured duty free and regarding achievement of positive net foreign exchange earnings. This is applicable to Developer & Co-developer also.
Update LUT	
LUT Details Submission	
LOA Extension	The LOA issued by the DC's office to an entrepreneur for setting up of a new Unit within an SEZ, is valid for one year within which period, the Unit needs to commence production/service/trading/Free Trading or Warehousing activity. However, if the Unit is unable to do so within the specified period, he has to submit a request for Extension of LOA to the DC's office.
LOA Expired - Temporary Access	DC's office has given the provision to provide temporary access when LOA has just expired and is in renewal process.
LOA Renewal	The LOA issued by the DC's office to a Unit is valid for 5 years from the date of commencement of production or service activity. After the completion of 5 years, the

	Unit needs to submit a request for renewal of LOA to the DC's Office for a further period of 5 years at a time.
Unit Lease Deed	After acceptance of Letter of Approval, the Unit is expected to enter into a lease agreement with the developer of the SEZ in which he/she is opening the Unit. After entering into the agreement, the Unit will have to enter the lease deed details in the SEZ Online system and submit it online to the DC's Office. The Unit shall also have to submit a copy of the lease deed to the DC's Office in physical form.
DCP Updation	Once Unit has started exporting goods/services, they needs to declare date of Commencement of production to DC's office. On approval of DCP intimation approval, LOA is extended to 5 years from DCP.
Administrative Modules	
Module Name	DeScriptions
Annual Performance Report [APR]	Unit has to submit the details of performance during the Financial Year to DC's office on annual bases.
NFEE Monitoring based on APR	DC's office monitors the performance i.e., Positive Net Foreign Exchange Earnings of the Unit by considering its import-export, consumption of capital goods/raw materials for a period of 5 years.
Previous years APR Information	Unit has given the provision to submit their previous financial year's import-export details which will considered for APR monitoring.
SOFTEX Contract (Gist of Contract)	When SEZ Unit (IT/ ITES) enters into an agreement/contract with a foreign buyer for export of software or processed/analysed data or call centre services through data link/ internet/ e-mail or any other electronic mode, SEZ Unit based on compliance requirement of DC's office needs to furnish either the entire copy of Contract or summary of the Contract which mentions critical fields forming part of the contract i.e., the Gist of contract, to the DC's Office for verification.
De-bonding	Application for exiting from SEZ.
Application [Free Form]	The SEZ Units/Developers/Co-Developers interact with the Office of Development Commissioner for several reasons, taking approvals, clarifications, etc.
Amendment and	Facility has been given to Unit users to request

Cancellation	<p>amendment for any corrections in the import-export transactions. Amendment may be required due to reasons like change in shipment details, invoice details or item details etc.</p> <p>Similarly user can file for cancellation. This may be due to reasons like cancellation of order by the foreign client after submission, submission of document twice erroneously, etc.</p>
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Units	Developer
Unit - Intimation for Jewellery Exhibition	Developer - Form C7
Unit - Permission for Jewellery Exhibition	Developer - Form C1
Unit - Permission for DR/BCP Centre	Developer - Form C2
Unit - Permission for Movement of Data backup tape	Developer - Form E
Unit - Exit Permission (In-Principle Approval)	Form C3 - Change of Sector
Unit - Intimation of DCP	Form C4 - Addition of Land in Notified SEZ
IEC Application	Form C5 - Deletion of Land in Notified SEZ
RCMC Application	Form C6 - De-notification of Notified SEZ
Issuance of Form-I for CST Exemption	Issuance of Form-I for CST Exemption
Broad Banding Request	Lease out space for in processing area for common services
Capacity Enhancement Request	List of materials for Authorised Operations
Change in the Items of Manufacture or Service activity	Default Services for Authorised Operations
Change of Entrepreneur or in Shareholding Pattern	Additional Services for Authorised Operations
Changes in Area (Addition)	Others
Changes in Area (Deletion)	
Default Services for Authorised Operations	
Final Exit from SEZ Scheme	
Application for GSP Certification	
Additional Services for Authorised Operations	
Others	

Other Facilities

Reports	
Module Name	DeDescriptions
Create/Submit MOC Reports	A To I Reports includes Import–Export details, Duty Details.
Monthly Reports	Month wise Employment, Investment details of an entity.
Trade Data	<p>Item wise details of following Import/Export transactions assessed in the specified period.</p> <ul style="list-style-type: none"> ● Bill of Entry ● DTA Sale ● Zone to Zone Transfer ● Intra SEZ Transfer ● Shipping Bill ● DTA Procurement ● DTA Procurement with Export Benefit ● SOFTEX ● Sub-contracting ● Temporary Removal <p>Period: 1 month (between 11:00 AM and 07:00 PM), 3 months (before 11:00 AM and after 07:00 PM)</p>
Trade Summary Reports	<p>DC wise, SEZ wise, Sector wise, Entity wise, Country wise, Currency wise, Chapter wise, LOA Type wise, Major Industry wise summarised information of all import/export transactions.</p> <p>Period: Month/Year.</p>
Temporary Removal & Sub Contracting Status Report	<p>SEZ/Entity wise details of all Temporary Removals and Sub-contracting transactions whether Open/Closed.</p> <p>Period: 1 Year (Max)</p>
Customs Transaction Reports	<p>Entity wise detailed/summarised report of all the following submitted transactions with their current Status.</p> <ul style="list-style-type: none"> ● Bill of Entry ● DTA Sale ● Shipping Bill ● DTA Procurement ● DTA Procurement with Export Benefit <p>Report type:</p> <ul style="list-style-type: none"> ● Detailed (Item wise)

	<ul style="list-style-type: none"> Summary (Request id wise) Period: Last 45 Days
Advance Duty Ledger Report	Entity wise report of the usage of Advance Duty deposited by that entity and its available balance.
Grievance Status Report	All the Free Form (Grievances) requests submitted by the entities to a particular DC with their current status (Open/Closed) Period: Previous 30 Days (Max)
Pendency - TAT Reports	User wise number of pending transactions (transactions submitted by entities but not yet approved by the corresponding customs user) since specific no. of days. (2-3, 4-7, 8-15 Days, more than 15 days).

Annexure IV

Integration status of SEZ Online System with important ecosystem partners:

DG System through ICEGATE System:

1. Integration of **SEZ Shipping Bills (Exports)** for facilitating paperless acceptance of cargo at the Ports and facilitating control over movement of cargo – Implemented since 2015.
2. Integration of **SEZ Bill of Entries (Imports)** for facilitating linking of SEZ Imports with IGM Manifest, Paperless release of cargo at the ports, facilitating control over movement of cargo, submission of Re-Warehousing certificates to the Port – Implemented since 2015.

Reserve Bank of India & Authorised Dealers

1. **Export Proceeds Linking (EDPMS System)** – SEZ Shipping Bill data are sent to RBI to eliminate the need for EDF Forms and FIRC are linked to the Exports on the basis of authentic exports data. RBI has also allowed SEZ to generate EDF Forms numbers at SEZ end itself. In case of FTWZs, the details of clients of FTWZ Units are also sent.
2. **Import Proceeds Linking (IDPMS System)** – SEZ Bill of Entries data is sent to RBI to ensure import payments are linked to the Imports on the basis of authentic Imports data. In case of FTWZs the details of clients of FTWZ Units are also sent.
3. **Software Exports:** In SEZs, Software exports constitute a large segment of overall exports. SEZ Software Export / Royalty data is sent to RBI to eliminate the need for SOFTEX Forms and FIRC are linked to the Exports on the basis of authentic exports data. RBI has also allowed SEZ to generate SOFTEX Forms numbers at SEZ end itself.

GSTN (Through DG System):

1. **Zero Rated Supplies of Goods from DTA to SEZ** under Bill of Exports / Invoice to facilitate validation of GST Returns of DTA Suppliers as well as processing GST refund claims. As discussed in last meeting with GST Policy Wing, this data

would be used for processing returns/validating claims and need for paper endorsements will be done away.

2. **Imports made by DTA Units from SEZs:** These transactions are filed under 'Bill of Entry' and invite applicable Customs/GST duties. DTA Unit pays the duties under Customs challan (TR6) and can claim ITC for the same. To validate the ITC claims this data is sent. It is now proposed by DG System / GSTN that GSTR return may be auto populated on the basis of this data so as to avoid manual filing.
3. **Online Facility for GST officers:** SEZ Online provides facility for GST officers to download authentic data of DTA – SEZ transactions for verification of claims.
4. **Zero Rated Supplies of Services from DTA to SEZ** has been introduced in SEZ Online and proposal has been given to GSTN / DG System to use this data also to facilitate validation of GST Returns of DTA Suppliers as well as processing GST refund claims.

Director General of Foreign Trade (DGFT)

1. **Exports from SEZ under MEIS Claim:** Details of all Shipping Bills with MEIS claim are sent to DGFT for facilitating online issuance of MEIS Scrips to SEZ Exporters.
2. **Supplies from DTA to SEZ under Bill of Exports:** Discussion has been completed regarding sharing of details of supplies made by DTA Units to SEZ Units. This can be used by DGFT to validate supplies made by DTA Units under Export Obligations. – **It is in advance stage and it will be implemented in next 2 months.**
3. Proposal for registration of MEIS Scrips of SEZs at EDI ports is under consideration so that these can be used more effectively as in SEZs the import duties are not levied. **A concept note is also shared with for further perusal.**

Principal CCA, CBIC:

1. Online Payment and Reporting of Duties – Rolled out since July 2020.

Director General of Commercial Intelligence & Statistics (DGCI&S):

1. Exports Data
2. Imports Data
3. Services Exports

MMTC – As a Custodian for precious cargo import and exports**System Access / Audit Access / Data & Reports Access:**

1. Directorate of Revenue Intelligence
2. CAG
3. DGEP
4. EPCES
5. PPAC

DGFT MEIS Proposal

Usage of Scrips issued to SEZ Units at EDI Ports / Non EDI ports: SEZ Units are issued MEIS/SEIS Scrips by the DGFT; but, generally they are not required to use it for SEZ Imports as duties are foregone. Therefore, for using these Scrips, they need to either transfer these to some DTA Unit or apply for TRA (Transfer Release Advice) in favour of an EDI port. Therefore, it would be more useful for the Units if the Scrips can be used across EDI Ports/SEZ Ports without requiring TRA/Transfer. This can be facilitated by issuing Scrips to SEZ Exporters which are directly credited in EDI system and are mapped to an EDI Port of the choice of the Exporter. In the MEIS application on DGFT Portal, the exporter can optionally indicate the EDI Port. Scrip will be credited on such EDI Port upon issuance. SEZ Exporter can freely use the Scrip at any EDI Port. Steps are mentioned below:

1. SEZ Unit will online file Export Shipping Bill (SB) in SEZ and indicate MEIS/SEIS Declaration and Scheme Code.
2. SB is assessed online in SEZ by SEZ Customs with MEIS claim.
3. SB is sent online to DGFT after export is done.
4. Exporter completes online MEIS application on DGFT – Additional option of indicating the EDI Port.

5. DGFT Issues MEIS to SEZ Exports and sends the Scrips electronically to DG System for crediting to the Exporter against the EDI Port (when EDI Port is chosen). Exporter is informed of issuance.
6. Exporter can use the Scrip freely against any EDI Imports or can freely transfer.

Usage of Scrips issued for exports through EDI Ports at SEZ/Non EDI Ports: In some cases, the DTA Units who are holding MEIS / SEIS Scrips need to make imports from SEZs and use the Scrips to settle the duty. In such a case, they would like to use their Scrips (Registered in EDI) for duty remission at SEZ. This again can be facilitated by enabling data exchange for these Scrips between ICEGATE – SEZ Online. This would avoid the need for applying for TRA. This will require data exchange between EDI – SEZ Online system. Following is proposed in this regard:

1. SEZ Unit / DTA Importer will record the details of the Scrip proposed to be used. SEZ Online will send a message to ICEGATE for validating the details and fetching Scrip balance.
2. Once the Scrip details are received and are accepted by SEZ / DTA Unit for usage, a message will be sent by SEZ to EDI for blocking the Scrip balance. EDI may confirm the request from the Scrip holder using OTP and confirm the blocking request. Expiry time for blocking request will be defined.
3. Once the Scrip is successfully blocked, it will be submitted to SEZ Customs for Bill of Entry approval. Following scenarios may arise here:
 - a. SEZ Custom Approves BE and Scrip Usage: SEZ will send a request to EDI for debiting the blocked amount to recover the duty against the Scrip.
 - b. BE is Amended/Rejected/Cancelled: SEZ will send a request to EDI for reduced Scrip usage or cancellation of blocking request.

Annexure-V

PROPOSED TIMELINE FOR DISPOSAL OF VARIOUS PROCESS**Works related to SEZ Developers**

Sl. No.	Works related to SEZ Developers	Prescribed Time limits for disposal (in working days)
1.	Examination of the proposals for setting up of Special Economic Zone.	Total 15 days for all three activities
2.	Site inspection of land proposed for SEZ.	
3.	Processing the proposal along with site inspection report to DOC for consideration by Board of Approval (BoA).	
4.	Execution of Bond-Cum-LUT by the developer. With regard to their obligations regarding proper utilization and accountal of goods, including goods procured or imported by a contractor duly authorized by the Developer or Co-developer, as the case may be.	7
5.	Demarcation of processing & non-processing area of SEZ.	7
6.	Examination and forwarding the proposal for approval of co-developer of SEZ to DOC for consideration by BoA.	15
7.	Examination and forwarding the proposal for approval of additional authorised operations to DOC for consideration by BoA.	7
8.	Examination of the proposal for addition/ deletion of land in notified SEZ's.	Total 15 days for all three activities
9.	Site inspection of the proposed additional land.	
10.	Forwarding the proposal along with site inspection report to DOC for consideration by BoA.	
11.	Examination of the proposal for change of sector of SEZ.	7
12.	Forwarding of the proposal of extension in the validity period of formal LOA to DOC.	15
13.	Proposal of the SEZ developers for approval of list of materials and services to carry on authorised operation in SEZ. (UAC matter)	30
14.	Approval of Job-work (Sub-contracting) (UAC matter)	7
15.	Approval to lease out space for setting up of canteen etc. facilities in processing area (UAC matter)	15
16.	Issuance of Form-I for CST Exemption.	5
17.	Issuance of Functional/Operational Certificate.	3
18.	Monitoring of performance with regards to utilization of material for construction and maintenance of SEZ through quarterly/half yearly reports by UAC.	30
19.	Various miscellaneous Operational issues of SEZ Developers / Units.	7
20.	Collection / compilation of various data from SEZ Developers required by DOC & other Department & State Government.	
21.	Submission of Monthly Report in respect of Export/ employment/ Investment of all SEZ under the jurisdiction of Zonal DC.	
22.	Forwarding the proposal for de-notification along with DC's Certificate.	15

PROPOSED TIMELINE FOR DISPOSAL OF VARIOUS PROCESS

Works related to SEZ Units

SL. No.	Works related to SEZ Units	Prescribed Time limits for disposal (in working days)
1.	Examination of the application for setting up of units.	15
2.	Preparation of agenda items and minutes of UAC meeting.	15
3.	Issuance of Letter of Approval after approval by UAC.	15
4.	Application for allotment of space / possession of the unit in case of Central Government SEZs.	90
5.	Execution of Bond-Cum-LUT with regard to its obligations regarding proper utilization and accountal of goods, including capital goods, spares, raw materials, components and consumables including fuels, imported or procured duty free and regarding achievement of positive net foreign exchange earning	7
6.	Execution of lease deed between units & SEZ developer: (a) Submission of draft lease/vetting of draft (b) Execution of lease deeds	5 5
7.	Approval for registration of unit at SEZ Online System.	Same day
8.	Issuance of Importer Exporter Code.	3
9.	Issuance of Registration-Cum-Membership Certificate.	3
10.	Issuance of Form-I for CST Exemption & examination of its Utilisation.	5
11.	Extension of LOA upto 4 th year.	7
12.	Proposal of units for amendment in LOA like (UAC matters) <ul style="list-style-type: none"> • Broad banding (addition of authorized operations) • Capacity enhancement. • Diversification/change in the items of manufacture or service activity • Change of entrepreneur, change of name and change in shareholding pattern. • Addition / deletion of area of unit. 	30
13.	Renewal of LOA after completion of five years of operation by the unit. (UAC matter)	30
14.	Permission for Jewellery exhibitions abroad.	2
15.	Permission for setting up of a DR/BCP centre by IT units.	7
16.	Permission for movement of Data backup tape by IT units.	7
17.	Proposal of units for approval of list of services. (UAC matter)	30
18.	In-Principle Exit Order	7
19.	Final Exit Order from SEZ Scheme after receiving of requisite NOC / documents.	15
20.	Monitoring of performance of the units as per Annual Performance Report submitted by them by UAC.	30
21.	GSP Certification	2
22.	SCNs including Adjudication Orders under FTDR Act.	75
23.	Data compilation, reply of parliament questions and report/returns to DoC.	Same day

Annexure-VI



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/78

A.P. (DIR Series) Circular No. 05

October 06, 2016

To

All Category - I Authorised Dealer Banks

Madam/Sir,

Import Data Processing and Monitoring System (IDPMS)

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No.65 dated April 28, 2016](#) read with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), Government of India Notification No. G.S.R. 381(E) dated May 3, 2000 viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000 on import of goods and [A.P. \(DIR Series\) Circular No. 9 dated August 24, 2000](#) which outlines the procedure, mode/manner of payment for imports and submission of related returns.

2. In order to enhance ease of doing business and facilitate efficient data processing for payment of import transactions and effective monitoring thereof, Import Data Processing and Monitoring System (IDPMS) has been developed in consultation with the Customs authorities and other stakeholders. The details of IDPMS were advised to the AD Category-I banks vide above mentioned [A.P. \(DIR Series\) Circular No.65 dated April 28, 2016](#) and banks were requested to be ready with the required IT changes in their system to generate/submit the data under IDPMS as per specified message format and technical specification.

3. As announced in the [fourth Bi-monthly Monetary Policy Statement 2016-17 dated October 4, 2016](#), all AD Category-I banks are advised that IDPMS will go live with effect from October 10, 2016 and are directed to use IDPMS for reporting and monitoring of the import transactions.

4. Customs department has modified the Bill of Entry (BoE) format to display the AD Code of bank with effect from April 1, 2016 and SEZ from June 1, 2016 respectively. Primary import transaction data (from Customs/SEZ) with effect from the above mentioned dates will be made available to respective AD banks in the IDPMS database for further processing. Starting October 10, 2016 all transactions will flow to IDPMS on daily basis for AD banks, to log all subsequent activities and monitor the import transactions.

5. The User Acceptance Test (UAT) of IDPMS was launched on August 19, 2016 and banks were requested to login and familiarise themselves. AD banks were also advised to be ready with data related to all the outstanding import remittances as per the message "outward remittances against Import" to facilitate uploading of the same in IDPMS.

6. The detailed operational procedures are available at Help Menu on IDPMS Portal under "Import process" tag. The operational directions/guidelines are as below:

- i. AD banks are required to create Outward Remittance Message (ORM) for all such outward remittance/s for import payments on behalf of their importer customer for which the prescribed documents for evidence of import have not been submitted.
- ii. Creation of ORM for all outstanding outward remittance/s for import payments needs to be completed on or before October 31, 2016.

Settlement of ORM with BoE

- ii. Based on the AD code declared by the importer, the banks shall download the Bill of Entry (BoE) issued by EDI ports from "BOE Master" in IDPMS. For non-EDI ports, AD bank of the importer shall upload the BoE data in IDPMS as per message format "Manual BOE reporting" on daily basis on receipt of BoE from the customer/Customs office.
- iv. AD banks will enter BoE details (BoE number, port code and date) for ORM associated with the advance payments for import transactions as per the message format "BOE settlement".
- v. In case of payment after receipt of BoE, the AD bank shall generate ORM for import payments made by its importer customer as per the message format "BOE settlement".

- vi. Multiple ORMs can be settled against single BoE and also multiple BoE can be settled against one ORM.

Extension and Write Off

- vii. AD Category I banks shall give extension for submission of BoE beyond the prescribed period in terms of the extant guidelines on the matter, and the same will be reported in IDPMS as per the message "Bill of Entry Extension" and the date up to which extension is granted will be indicated in "Extension Date" column.
- viii. AD Category I banks can consider closure of BoE/ORM in IDPMS that involves write off to the extent of 5% of invoice value in cases where the amount declared in BoE varies from the actual remittance due to operational reasons and the AD bank is satisfied with the reason/s submitted by the importer.
- ix. AD Category I banks may close the BoE for such import transactions where write off of import payable is on account of quality issues; short shipment or destruction of goods by the port / Customs / health authorities in terms of extant guidelines on the matter subject to submission of satisfactory documentation by the importer irrespective of the amount involved. AD Bank shall settle and close ORM/BoE with appropriate "Adjustment Indicator" in IDPMS.
- x. The above operational guidelines for extension and write off are meant to facilitate closure of bills in IDPMS and will be subject to extant guidelines on the matter and shall not absolve the importer from remitting / receiving the amount in case of change in circumstances.
- xi. Extension and write off cases not covered by the extant guidelines may be referred to the concerned Regional Office of Reserve Bank of India for necessary approvals.

Follow-up for Evidence of Import

- xii. AD Category – I banks are required to follow up for submission of prescribed documents for evidence of import in terms of extant guidelines on the subject.

- 7. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

8. Master Direction No. 17/2015-16 dated January 1, 2016 is being updated to reflect the changes.

9. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(A. K. Pandey)
Chief General Manager

Appendix-I: List of Departments/ Agencies

Sl. No.	Name of the Department
1.	Plant Quarantine Information System
2.	Food Safety and Standards Authority of India
3.	Drug Controller General
4.	Wildlife Crime Control Bureau
5.	Textile Committee
6.	Animal Quarantine and Certification Services
7.	WPC wing of Ministry of Communications and Information Technology
8.	Automotive Research Association of India
9.	Department of Atomic Energy
10.	National Authority for Chemical Weapons Convention
11.	State Trading Corporation
12.	Indian Council of Medical Research(ICMR)
13.	Central Pollution Control Board(CPCB)
14.	Rubber Board
15.	Insecticide Board
16.	Ministry of Agriculture & Farmers Welfare
17.	Controller of Explosives(PESO)
18.	Central Bureau of Narcotics(CBN)
19.	Ministry of Environment, Forest and Climate Change
20.	Legal Metrology Division
21.	Department of Consumer Affairs
22.	Reserve Bank of India(RBI)
23.	The Bureau of Indian Standards(BIS)
24.	Director General of Civil Aviation(DGCA)
25.	Gem & Jewellery EPC(GJEPC)
26.	Agricultural and Processed Food Products Export Development Authority(APEDA)
27.	Archaeological Survey of India(ASI)
28.	CAPEXIL
29.	CHEMEXCIL
30.	Coffee Board
31.	Department of Chemicals and Petrochemicals
32.	Director General of Health Services(DGHS)
33.	Export Inspection Council of India(EIC)

34.	Export Promotion Council for Handicrafts (EPCH)
35.	Marine Products Export Development Authority (MPEDA)
36.	Shellac Export Promotion Council(SHEFEXIL)
37.	Spices Board(SB)
38.	Tea Board
39.	Tobacco Board
40.	Telecommunication Engineering Center (TEC)
41.	Ministry of Electronics and Information Technology(MEITY)
42.	The Directorate General of Hydrocarbon
43.	Project Exports Promotion Council of India(PEPC)
44.	The Federation of Indian Export Organisations
45.	Wool and Woollens Export Promotion Council
46.	Apparel Export Promotion Council
47.	Synthetic and Rayon Textiles Export Promotion Council
48.	Department of Scientific & Industrial Research(DSIR)
49.	Ministry of Information and Broadcasting(I&B)
50.	Ministry of New and Renewable Energy(MNRE)
51.	Council of Leather Exports
52.	Sports Goods Export Promotion Council
53.	Carpet Export Promotion Council
54.	Handloom Export Promotion Council
55.	The Cotton Textile Export Promotion Council
56.	Indian Silk Export Promotion Council
57.	Telecom Equipment and Services Export Promotion Council
58.	Project Export Promotion Council of India
59.	Power-Loom Development Export Promotion Council
60.	Atomic Energy Regulatory Board
61.	Electronic and Computer Software Export Promotion Council
62.	Department of Animal Husbandry
63.	Dairying and Fisheries
64.	Cashew Export Promotion Council

Appendix-II: List of Forms

Name of the Form	Purpose
FORM A	Application for Setting up of Special Economic Zone
FORM- A1	Application Form for approval of Co-Developer
FORM- B	Format for Letter of Approval for SEZ Developer
FORM- B1	Ministry of Commerce and Industry, Department of Commerce, SEZ Section – Letter of Approval
FORM- C	Format for Letter of Approval for providing infrastructure facilities in SEZ
FORM- C1	Application for extension of validity of Approval granted under Rule 6(2) (a)
FORM- C2	Application for extension of validity of Approval granted under Rule 6(2) (b)
FORM- C3	Application for seeking change in sector
FORM- C4	Application for increase in area
FORM- C5	Application for decrease in area
FORM- C6	Application form for de-notification
FORM- C7	Application for approval of authorised operations
FORM- D	Bond-cum-Legal Undertaking for Developer
FORM- E	Format for quarterly and half-yearly report for SEZ Developer/ Co-Developer to be furnished to the Development Commissioner
FORM- F	Consolidated application form for <ol style="list-style-type: none"> 1. Setting up of Units in SEZs 2. Annual permission for sub-contracting 3. Allotment of Importer-Exporter Code number 4. Allotment of land/ industrial sheds in the SEZs.

	5. Water Connection 6. Registration-cum-Membership Certificate 7. Small Scale Industries Registration 8. Registration with Central Pollution Control Board 9. Power Connection 10. Building Approval Plan 11. Sales Tax registration 12. Approval from Inspectorate of Factories 13. Pollution Control clearance; wherever required; 14. Any other approval as may be required from the State Government
FORM- F1	Letter of Approval Renewal Application Form
FORM- F2	Format for renewal of Letter of Approval for Unit
FORM- G	Format for Letter of Approval for Unit
FORM- H	Bond-cum-Legal undertaking for Special Economic Zone Unit
FORM- I	Annual Performance Report for Units
FORM- J	Form for Appeal
FORM- K	Permanent Identity Card
FORM- L	Form of Legal Undertaking for exit of the Unit from Special Economic Zone Scheme