

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

**New Delhi,
Dated 3rd February, 2009**

Notification

G.S.R.72.(E).- In exercise of the powers conferred by section 55 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby makes the following rules further to amend the Special Economic Zones Rules, 2006, namely:-

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2009.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Special Economic Zones rules, 2006 (hereinafter referred to as the principal rules), in rule 2, for clause (za), the following clause shall be substituted, namely:-

“(za) “Special Economic Zone for multi-product” means a Special Economic Zone for more than one sector where Units may be set up for manufacture of goods falling in two or more sectors or rendering of services falling in two or more sectors or any combination thereof including trading and warehousing”.

3. In the principal rules, in rule 10, for the second and third provisos, the following provisos shall be substituted, namely:-

“Provided further that exemptions, drawbacks and concessions on the goods and services allowed to a Developer or Co-developer, as the case may be, shall also be available to the contractors including subcontractors appointed by such Developer or Co-developer, and all the documents in such cases shall bear the name of the Developer or Co-developer along with the contractor or sub-contractor and these shall be filed jointly in the name of the Developer or Co-developer and the contractor or sub-contractor, as the case may be:

Provided also that the Developer or Co-developer, as the case may be, or the Special Economic Zone Unit shall be responsible and liable for proper utilisation of such goods in all cases”.

4. In the principal rules, in rule 11,

- (i) for sub-rule (4), the following sub-rule shall be substituted, namely:-

“The persons authorised by the Development Commissioner shall only be allowed to enter the processing area of a Special Economic Zone”;

- (ii) in sub-rule (10), after the second proviso, the following proviso shall be inserted, namely:-

“Provided also that the Developer or Co-Developer shall strive to provide adequate housing facilities not only for the management and office staff but also for the workers of the Special Economic Zones Units”;

5. In the principal rules, in rule 18, in sub-rule (2), for the second proviso, the following proviso

shall be substituted, namely:-

‘Provided further that a copy of the registered Lease Deed shall be furnished to the Development Commissioner concerned within six months from the issuance of the Letter of Approval and failure to do so, the Approval Committee may take action to withdraw the Letter of Approval after giving an opportunity of being heard.

6. In the principal rules, in rule 19,-

(i) in sub-rule(2), for the first proviso, the following proviso shall be substituted, namely:-

‘Provided that no such approval shall be granted by the Approval Committee in those cases which fall within the competence of the Board of Approval’;

(ii) in sub-rule (7), for the proviso, the following proviso shall be substituted, namely:-

“Provided that foreign companies can also set up manufacturing Units as their branch operations in the Special Economic Zones in accordance with the provisions of Foreign Exchange Management (Establishment in India of branch or office or other place of business) Regulations, 2000 as amended from time to time”.

7. In the principal rules, in rule 28, in sub-rule (7), for the words ‘is other than the Special Economic Zone’ the words ‘is the Special Economic Zone’ shall be substituted.

8. In the principal rules, in rule 29, for sub-rule (7), the following sub-rule shall be substituted, namely:-

“(7) A Unit may import the goods exported by it which are either found to be defective or damaged by the overseas buyer or have not been taken delivery of by the overseas buyer or when the payment is not forthcoming from the buyer as per agreed schedule after having taken delivery of goods or when buyers return goods due to change of fashion and other market factors by following the procedure under sub-rule (2) and subject to the following conditions, namely: -

- (i) the identity of the goods is established at the time of re-import ; and
- (ii) the goods are re-imported within the warranty period or the validity of the maintenance

contract or a period of one year from the date of export, whichever is later.”

9. In the principal rules, in rule 30,

(i) in sub-rule (1), for the words, figures, brackets and letters “notification number 40/2001-Central Excise (NT)”, the words, figures, brackets and letters “notification number 42/2001-Central Excise (NT)” shall be substituted;

(ii) in sub-rule (8), the following proviso shall be inserted, namely:-

“provided that the reimbursement of duty in lieu of drawback or Duty Entitlement Pass Book credit against supply of goods by Domestic Tariff Area supplier to Special Economic Zone developers shall be admissible even if payment is made in Indian Rupees. Reimbursement of duty in lieu of drawback against supply of goods to Special

Economic Zone developer shall be made as per the procedure prescribed by the Central Government'.

10. In the principal rules, in rule 39,

(i) in sub-rule (1), after the words "advance intimation" the following words shall be inserted, namely:-

"of not less than seven days";

(ii) in sub-rule (4), after the words "Duty Entitlement Pass Book Scheme Credit" the following words shall be inserted, namely:-

"or any other export incentive".

11. In the principal rules, in rule 46, in sub-rule (8), for the proviso, the following shall be substituted, namely:-

"Provided that the items not sold abroad may be re-imported within a period of three hundred and sixty five days from the date of their export inclusive of the period of forty-five days".

12. In the principal rule, in rule 48, in sub-rule (2), the proviso shall be omitted.

13. In the principal rules, for rule 55, the following rule shall be substituted, namely:-

"55 Form of Appeal.- Any person aggrieved by an order passed by the Approval Committee under section 15 or against cancellation of Letter of Approval under section 16, may prefer an appeal to the Board in Form J".

14. In the principal rules, in rule 56, for sub-rule(1), the following sub-rule shall be substituted, namely:-

"(1) An appeal shall be preferred by the aggrieved person within a period of thirty days from the date of receipt of the order of the Approval Committee under rule 18".

15. In the principal rules, in rule 70, in sub-rule(2), for the proviso, the following shall be substituted, namely:-

"Provided that when the Unit ceases to hold a valid Letter of Approval, all identity cards issued to the Entrepreneurs and employees of such Unit shall be deemed to be invalid and shall be surrendered forthwith".

16. In the principal rules,

(i) in Form 'A', in paragraph v, as per item (i) the following item shall be inserted namely:-

"(i a) Type and quality of land i.e. waste and barren land, single crop or double crop etc";

(ii) in Form 'B', in paragraph III, after item (xvii), the following item shall be inserted, namely:-

“(xviii) The Developer shall bear the cost of staff provided by the Government to man the posts in the Special Economic Zone and will deposit the requisite amount as and when demanded by the Development Commissioner”.

[F.No. C.2/3/2008-SEZ]

(Anil Mukim)
Joint Secretary to the Government of India

Note: The principal rules were published in the Gazette of India, Extraordinary vide number G.S.R. 54(E), dated the 10th day of February, 2006 and subsequently amended vide notification number (i) G.S.R. 470(E), dated, the 10th day of August, 2006 (ii) G.S.R. 393 (E), dated, the 16th day of March 2007 (iii) G.S.R. 1744(E), dated, the 12th day of October, 2007 and (iv) S.O.2661(E), dated, the 14th day of November, 2008