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SECTION-3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
(DEPARTMENT OF COMMERCE)

New Delhi, dated the 3rd August, 2009

NOTIFICATION

G.S.R. 562(E) - In exercise of the powers conferred by section 55 of the Special Economic Zone 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 (Third Amendment) Rules, 2009.

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

2. In the Special Economic Zones Rules, 2006, (hereinafter referred to as the principal rules), Chapter II in rule 11, after sub-rule (11), the following sub-rule shall be inserted, namely :-

“(12) The Central Government may lay down guidelines for development, operation and maintenance of Special Economic Zones”.

3. In the principal rules, in Chapter III, in rule 17, after sub-rule (2), the following sub-rule shall be inserted, namely :

“(2A) The Approval Committee shall meet once in every fortnight on a fixed pre-determined day”.

4. In the principal rules in Chapter IV, in rule 26, after the second proviso, the following provisos shall be inserted, namely :-

“Provided also that the Foreign Trade Policy restrictions on State Trading Enterprises shall not apply to Special Economic Zone manufacturing Units.”;

Provided also that export of iron-ore shall be subject to the conditions as imposed by the Central Government.’

5. In the principal rules, in Chapter IV, in rule 27, in sub-rule (9), after the first proviso, the following proviso shall be inserted, namely :-

“Provided further that the goods which are sent outside the Special Economic Zone for repairs are returned to the Special Economic Zone, within 180 days from the date of removal from the Special Economic Zone, under intimation to the specified officer. In case goods are sent out for replacement then on replaced goods, no Duty Entitlement Passbook Scheme, duty drawback or other export incentives shall be claimed for this purpose”

6. In the principal rules, in Chapter IV, in rule 39 for sub-rule (4) the following shall be substituted, namely :-

“Where any goods procured from Domestic Tariff Area under claim of drawback or Duty Entitlement Passbook Scheme credit or under any export promotion scheme are destroyed due to natural calamities, the zone unit shall be required to pay drawback or Duty Entitlement Passbook Scheme credit or any other export incentive claimed on such goods:

Provided that in case where the Unit has procured the goods from Domestic Tariff Area against payment of foreign exchange, the Unit shall not be liable to pay back drawback or Duty Entitlement Passbook Scheme credit or any export incentive claimed on such goods.”

7. In the principal rules, in Chapter IV, for rule 40, the following rule shall be substituted, namely :-

The movement of goods to and from non-processing area to a processing area and from one processing area of Special Economic Zone to a different processing area of the same Special Economic Zone shall be under serially numbered challans pre-authenticated by the owner or Managing Director or working partner or the company secretary or by any person duly authorised in this behalf by the unit or developer, as the case may be, and the challans shall contain complete description of goods.

8. In the principal rules, in Chapter IV, in rule 46, in sub-rule (8), for the proviso the following proviso 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.”

9. In the principal rules, in Chapter VIII, in rule 70, in sub-rule (2), after the proviso, the following proviso shall be inserted, namely:-

“The identity card shall be valid upto a period of five years and shall be issued, in the format given in Form K, to the entrepreneurs and regular employees of the Units:

Provided that when any employee who has been issued an identity card ceases to be in employment of the Unit or Developer, the said identity card shall be surrendered forthwith and shall be deemed to be invalid from such date:

Provided further 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.”

(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 G.S.R number 54 (E), dated the 10th February, 2006 and subsequently amended as under :-

S. No.	G.S.R No.	Dated
1	470 (E)	10 th August, 2006
2	393 (E)	16 th March, 2007
3	1744 (E)	12 th October, 2007
4	2661 (E)	14 th November, 2008
5	72 (E)	3 rd February, 2009
6	1293(E)	20 th May, 2009