

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1718**  
**TO BE ANSWERED ON 27<sup>th</sup> JULY, 2022**

**DEVELOPMENT OF ENTERPRISE AND SERVICE HUBS BILL**

1718. SHRIMATI SANGEETA KUMARI SINGH DEO:  
DR. JAYANTA KUMAR ROY:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has issued the draft 'Development of Enterprise and Service Hubs Bill' to amend the existing Special Economic Zones (SEZ) Act;
- (b) if so, the details thereof;
- (c) whether it is proposed to set up an integrated single window clearance mechanism for the grant of time-bound approvals for the establishment and operation of these hubs;
- (d) if so, the details thereof;
- (e) the details of other changes proposed in the draft Bill; and
- (f) the other measures being taken by the Government regarding challenges faced by the SEZs in the country?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

(a) to (e): The draft 'The Development (Enterprises and Services) Hubs Bill, 2022' is under Inter-Ministerial consultations and based on inputs received the provisions of Bill will be finalised for seeking Cabinet approval.

(f): Several measures have been initiated to enhance ease of doing business for SEZ Developers/Units as detailed in **Annexure**.

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## ***Annexure to the Lok Sabha Unstarred Question No. 1718 for 27<sup>th</sup> July, 2022***

### **Measures for enhancing Ease of Doing Business in Special Economic Zones (SEZs):**

1. Method of calculation for Net Foreign Exchange earning criteria was reviewed and modified vide Notification dated 07.03.2019.
2. Rule 53A inserted to facilitate the calculation of net foreign exchange for a unit in an International Financial Service Centre in view of its special nature.
3. Uniform list of services to SEZ, a broad list of input services that could be utilized by SEZ units for their day-to-day operations thereby avoiding the requirement of the units to seek permission of Development Commissioners for each such instance.
4. Setting up of cafeteria, gymnasium, creche and other similar facilities / amenities allowed to SEZ units.
5. Delegation of powers to Development Commissioner for shifting of SEZ unit from one SEZ to another within their jurisdiction.
6. An amendment to the SEZ Rules in March-2019 to allow employees of IT/ITeS SEZ units to work from home.
7. Guidelines for clearance of abandoned goods/ uncleared cargo lying in Free Trade Warehousing Zones (FTWZs.)
8. Formalize “de-notification” process for enclaves and delink its present mandatory usage for SEZs purpose only.
9. Support to enable servicification of manufacturing zones. Allowing manufacturing enabling services companies e.g. Research and Development (R&D) services, engineering design services, logistics service.
10. Developer are allowed flexibility to enter into a long term lease agreement with stakeholders in Zones in line with the State policies.
11. Enabling provisions for transfer of approval from one co-developer to other co-developer.
12. Amendment in SEZ Act, 2005 [Section 2(v)] for enabling Trusts and any other entity notified by the Central Government to set up units in SEZ.
13. Vide amendment dated 23.10.2020, a proviso in Rule 24(3) of the SEZs Rules inserted regarding admissibility of Drawback and any other similar benefit on supplies from Domestic Tariff Area to foreign suppliers in Free Trade and Warehousing Zone, where the payments are made in foreign currency by the foreign supplier to Domestic Tariff Area.
14. A new rule 21A inserted in SEZ Rules, 2006 which enables setting up of Unit by Multilateral or Unilateral or International agencies notified under United Nations (Privileges and Immunities) Act, 1947 (46 of 1947) in International Financial Services Centre.
15. Power Guidelines, 2016 amended vide OM dated 07.06.2021 allowing a unit to set up non-conventional power plants within their premises for the exclusive purpose of captive consumption subject to the condition that non tax/duty benefits stipulated under Section 26 of SEZ Act, 2005.
16. Instruction no. 106 relating to the policy for worn/used clothing and plastic recycling units in SEZs was issued on 27.5.2021.
17. Instruction No. 107 dated 26.08.2021 was issued for minimizing regulatory compliances for Pharma Industry. Further, integration of Food Standards and Safety Authority of India (FSSAI) with SEZ Online System has been made live.
18. Instruction No. 108 dated 11th October, 2021 was issued pertaining to alternative method of transfer of space by an existing unit under Rule 74 of SEZ Rules, 2006.
19. Instruction No. 109 dated 18th October, 2021 was issued which provides that reorganization including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc. may be undertaken by the Unit Approval Committee (UAC) concerned subject to the condition that Developer/Co-developer/Unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern.
20. A new rule 43A. was inserted in SEZ Rules, 2006 which enables SEZ Units to allow Work from Home to its employees.

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