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

Notification

New Delhi,
dated 10th August, 2006

G.S.R.470 (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 to amend the Special Economic Zones Rules, 2006, namely:-

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2006
(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 sub-rule (2) of rule 5, -

(1) in clause (a), for the third proviso, the following proviso shall be substituted, namely:-

“Provided also that at least thirty-five per cent. of the area shall be earmarked for developing the processing area, which may be relaxed upto twenty-five per cent by the Central Government on recommendations of the Board for the reasons to be recorded in writing;”;

(2) In clause (b) in the second proviso, for the words “the area shall be ten hectares or more”, the following shall be substituted, namely:-

“the area shall be ten hectares or more with a minimum built up area as under:

- (i) forty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for bio-technology and non-conventional energy sectors, including solar energy equipments/cells but excluding a Special Economic Zone set up for non-conventional energy production and manufacturing;
- (ii) fifty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for the gems and jewellery sector.”.

(3) in clause (c), -

(i) for the first proviso, the following proviso shall be substituted, namely:-

“Provided that in a stand alone Free Trade and Warehousing Zone at least fifty per cent. of the area shall be earmarked for developing processing area:

Provided further that a Free Trade and Warehousing Zone may also be set up as part of a Special Economic Zone for multi-product.”;

(ii) in the second proviso, for the words “provided further”, the words “provided also” shall be substituted.

3. After rule 5 of the principal rules, the following rule shall be inserted, namely:-

“5A. Infrastructure requirements relating to information technology.-

In case of a Special Economic Zone relating to information technology, the following facilities shall be ensured, namely:-

- (a) twenty-four hours uninterrupted power supply at stable frequency in the Zone;
- (b) reliable connectivity for uninterrupted and secure data transmission;
- (c) provision for central air-conditioning system; and
- (d) a ready to use, furnished plug and pay facility for end users.”.

4. For sub-rule (10) of rule 11 of the principal rules, the following sub-rule shall be substituted, namely:-

“(10) No vacant land in the non-processing area shall be leased for business and social purposes such as educational institutions, hospitals, hotels, recreation and entertainment facilities, residential and business complexes, to any person except a co-developer approved by the Board:

Provided that the developer or co-developer may lease the completed infrastructure along with the vacant land appurtenant thereto for such purposes:

Provided further that infrastructure for business or social purposes in the Special Economic Zone, as may be approved by the Board, shall be eligible for exemptions, concessions and drawback.”.

5. In sub-rule (4) of rule 18 of the principal rules, after clause (f), the following clause shall be inserted, namely:-

“(g) the use of any plant or machinery previously used for any purpose in Domestic Tariff Area.”.

6. In rule 76 of the principal rules, -

- (i) for the words “sub-clause”, the word “clause” shall be substituted;
- (ii) the following Explanation shall be inserted at the end, namely:-

“Explanation.- The expression “Trading”, for the purposes of the Second Schedule of the Act, shall mean import for the purposes of re-export.”.

(F.No. F.1/6/2006-SEZ)

(Anil Mukim)
Joint Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary vide number GSR 54(E), dated the 10th February, 2006.