



भारत सरकार
वाणिज्य एवं उद्योग मंत्रालय
विकास आयुक्त का कार्यालय
कोच्चिन विशेष आर्थिक क्षेत्र
काक्कनाड, कोच्चिन, केरल-682 037
GOVERNMENT OF INDIA
Ministry of Commerce and Industry
Office of the Development Commissioner
COCHIN SPECIAL ECONOMIC ZONE (CSEZ)
Kakkanad, Cochin, Kerala-682 037

No.4/03/2018:PLY:CSEZ

Dated: 12.10.2018

To

All the units under the jurisdiction of
Development Commissioner, Cochin SEZ.

Sub: Sale of Services in DTA.

Sir,

Kind attention is invited to section 2 (z) of the Special Economic Zone Act,2005 wherein
“Services” means such tradable services which:-

- (i) are covered under the General Agreement on Trade in Services annexed as IB to the Agreement establishing the World Trade Organization concluded at Marrakesh on the 15th day of April,1994:
- (ii) may be prescribed by the Central Government for the purposes of this Act.
- (iii) earn foreign exchange.

2. In this regard, as per the instructions of the Department of Commerce, Ministry of Commerce and Industry, Govt.of India, contained in its letter No.D.12/50/2016-SEZ dated 04/04/2016, all SEZ units in IT/ITeS SEZs have to comply with the definition of “Service” under Section 2 (z) of the SEZ Act,2005.

3. It is evident from the extract the SEZ Act,2005 as reproduced hereinabove read with relevant SEZ Rules,2006, and instructions of the Department of Commerce, an SEZ unit can export or sell in Domestic Tariff Area any services as authorized under the Letter of Approval granted to it under Rule 19 of the SEZ Rules,2006,**only against payment in Foreign Exchange.**

4. In view of above, it is hereby reiterated that all the SEZ units should strictly adhere to the above mentioned provisions of the SEZ Act,2005 in letter and spirit. In case where Letter of Approval (LOAs) for undertaking service activities falling under the definition of “Service” as defined in Section 2 (z) of the SEZ Act,2005,have already been issued prior to issuance of this circular, in all such LOAs the following additional condition shall be deemed to have been inserted:

“ You have to comply with the definition of Service under Section 2 (z) of the SEZ Act,2005.

Yours faithfully,

(Saju K Surendran)

Deputy Development Commissioner

Copy to:

All the Specified Officers/Authorized Officers.