Frequently Asked Questions (FAQ)

1. Statutory Context & Legal Framework

Q1: What governs the zero-rated status and endorsement of services supplied to SEZ units?

A: The procurement of goods and services by SEZ Units/Developers for authorized operations is governed by:

- **SEZ Act, 2005 (Section 26):** Provides exemptions and tax benefits for authorized operations.
- **SEZ Rules, 2006 (Rule 30):** Outlines the procedures for procurement from the Domestic Tariff Area (DTA).
- **Integrated Goods and Services Tax (IGST) Act, 2017 (Section 16):** Defines zero-rated supplies made to SEZ units or developers for authorized operations.

Q2: Why was there ambiguity regarding the timeline for service invoice endorsements compared to goods?

A: Under **Rule 30(4) of the SEZ Rules, 2006**, a strict timeline (typically 45 days) is specified for endorsing the admission of **goods** into an SEZ. However, neither the SEZ Act, 2005 nor the SEZ Rules, 2006 explicitly prescribed a specific statutory timeline for filing DSPFs or obtaining invoice endorsements for **services**.

Q3: Why have pending service endorsements accumulated across SEZ zones?

A: Delays in obtaining service endorsements typically stem from:

- Lack of operational clarity among DTA suppliers regarding zero-rated service procedures.
- Administrative and operational disruptions during the COVID-19 pandemic.
- DTA suppliers becoming aware of endorsement requirements only after tax/GST audit authorities raised queries.

2. One-Time Regularisation Window (For Pending Past Cases)

Q4: What is the purpose of the one-time regularisation window?

A: To promote Ease of Doing Business, protect the zero-rated status of supplies made by DTA vendors, and establish uniform regulatory compliance across all SEZ zones.

Q5: Which past service procurements qualify for one-time regularisation?

A: Any eligible services procured by SEZ Units/Developers from DTA service providers for authorized operations up to **March 31, 2026**, where invoice endorsement from the Authorised Officer was not previously obtained.

Q6: What are the key deadlines under the one-time regularisation measure?

A:

- **Filing Window for SEZ Units:** Submit pending DSPFs online by **August 31, 2026**.
- **Completion Deadline for Officers:** Authorised Officers must process and conclude all pending pre-March 31, 2026 cases by **December 31, 2026**.
- **Compliance Reporting:** A formal compliance report must be submitted to the Specified Officer on **January 1, 2027**.

Q7: What mandatory documents must accompany the online DSPF submission for past cases?

A: Submissions on the online portal require:

1. Copies of invoices issued by the DTA service provider.
2. Proof of payment made to the service provider.
3. A declaration regarding the nature of services received and their utilization toward authorized operations.
4. Any additional supporting documentation requested by the Authorised Officer for verification.

3. Standard Operating Procedure (For Services on or After April 1, 2026)

Q8: What is the timeline for filing DSPFs for services procured on or after April 1, 2026?

A: SEZ units are advised to file DSPFs within **ninety (90) days** from the date of payment (whether full or partial) made to the DTA service provider.

Q9: What is the processing timeframe for the SEZ Authorised Officer?

A:

- **Standard Approval:** Within **fifteen (15) working days** from the date of online filing, provided documentation is in order.
- **Maximum Disposal Limit:** All complete DSPF applications must be disposed of within **thirty (30) days**.

4. Inter-Departmental & Operational Scope

Q10: Does an SEZ officer's endorsement restrict the GST Department from taking action?

A: No. Endorsements provided by SEZ Authorised Officers are granted without prejudice to any proceedings or actions taken by the GST Department under GST laws against either the SEZ unit or the DTA service provider.

Q11: Does this DSPF relaxation procedure apply to physical goods procured from DTA?

A: No. These instructions apply **exclusively** to the procurement of services under Zero-Rated Supply and do not alter the existing statutory requirements for goods.