Guidelines for establishment of a new unit in NSEZ

(1) **Submission of application**: An applicant planning to setup a unit in NSEZ or other SEZ including Private SEZs needs to make an online application at SEZonline system and submit physical application including Form-F along with other necessary documents as per guidelines to O/o DC, NSEZ.

(2) **Verification of Application**: Applications received will be processed by O/o Development Commissioner before forwarding it to the Approval Committee (UAC) for consideration. Upon examination, the O/o, DC may raise a request for submitting additional documents, if required and applicant shall submit those documents within the stipulated time period as prescribed in the demand.

(3) **Attending the Meeting**: Applicant needs to attend the Approval Committee meeting as notified by the Development Commissioner and explain their proposal to the members of the Approval Committee.

(4) **Decision on Application:** The Approval Committee may, either approve the proposal without modification, or approve the proposal with modifications subject to such terms and conditions as it may deem fit to impose, or reject the proposal in accordance with the provisions of sub-section (8) of Section 15 of SEZ Act, 2005

(5) **Issuance of LOA:** In case the proposal is approved, a Letter of Approval (LOA) in Form-G shall be issued to the applicant indicating the name of authorized operations as well as terms & conditions of granting the approval.

(6) **Acceptance:** After issuance of LOA, the unit is required to submit acceptance of the LOA within 45 days of issue of LOA.

(7) **Validity:** The Letter of Approval shall be valid for one year within which period the Unit shall commence production or service or trading or Free Trade and Warehousing activity and the Unit shall intimate date of commencement of production or activity to Development Commissioner.

(8) **Requirement before commencement:** Before commencement, unit is required to complete following formalities:

(i) Make the required payment at NSDL (SEZonline system) and create Maker & Approver ID.

(ii) Complete registration at ICEGATE for import & export filing.

(iii) Apply for allotment of premises (Plot or SDF) at NSEZ.

(iv) After allotment of premises, the unit is required to obtain EPCES membership certificate.

(v) Obtain Importer Exporter Certificate (IEC) or update the existing IEC with

the address of NSEZ.

(vi) Execute Bond-cum-Legal Undertaking in terms of Rule 22 of SEZ Rules, 2006.

(vii) Obtain Identity Cards for its employees in NSEZ through the website of NSEZ.

(9) Once the Bond-cum-Legal undertaking is accepted, the unit may start its operations of procurement and export.

(10) **Commencement:** The unit is required to commence its export operation within the validity of LOA (*which is one year from the date of issuance of LOA*). In case, the unit could not commence its operations within the validity of LOA, it may apply for extension of LOA in terms of Rule 19(4) of SEZ Rules, 2006.

(11) The unit needs to intimate the date of commencement of production/ commercial activities after it makes the first export from NSEZ along with supporting documents.

(12) **Lapse of LOA:** If the Unit has not commenced production or service activity within the validity period or the extended validity period under sub-rule (4), the Letter of Approval shall be deemed to have been lapsed with effect from the date on which its validity expired in terms of Rule 19(5) of SEZ Rules, 2006.

(13) **Validity and Renewal of LOA:** The Letter of Approval shall be valid for five years from the date of commencement of production or service activity and it shall be construed as a licence for all purposes related to authorized operations, and, after the completion of five years from the date of commencement of production, the Development Commissioner may, at the request of the Unit, extend validity of the Letter of Approval for a further period of five years, at a time.

(14) **Procedure for LOA renewal:** The unit needs to apply for renewal of LOA in terms of Rule 19(6A) of SEZ Rules, 2006.

(15) **Submission of APR:** After the commencement of production or service activities, The unit is required to submit Annual Performance Return (APR) within a period of one hundred eighty days following the close of financial year, in the form (Form-I) prescribed under the Special Economic Zones Rules, 2006, certified by a Chartered Accountant and authenticated by authorized signatory of the unit. In case of wrong submission of such information or failure to submit such information within the stipulated time, the permission granted to the unit for carrying out the authorized operations may be withdrawn and/or the permission for further imports and sales in the Domestic Tariff Area may be stopped.

(16) **Other formalities:**

(i) The Service units are required to file Softex/ SERF within the prescribed time at SEZonline system.

(ii) The unit needs to intimate, forthwith, this office about any change in their name, directors/partners/promoters, shareholding pattern, registered office address, telephone No., E-mail address, Web-Site, Passport No., Bank Address and Factory address.

(iii) The units are required to achieve positive Net Foreign Exchange Earning or stipulated Value Addition and shall fulfil other conditions stipulated in the Letter of Approval and in case of failure to achieve the said positive NFE Earnings/ stipulated Value addition, except when the fulfilment of such conditions is prevented or delayed because of any law & order, proclamation or regulation or ordinance of the Government, the unit shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992.

(17) **Exit:** In case, unit wants to exit from SEZ scheme, it may apply for the same in terms of Rule 74 of SEZ Rules, 2006. The unit is required to complete the exit formalities for issuance of final exit.

Note: The units are required to file all the application through SEZonline system and physically submit a printout of the same duly signed by Authorized signatory to this office along with other documents required.