

Special Economic Zones

July 3, 2019

Special Economic Zones (Amendment) Bill, 2019

Recently the Union Cabinet, chaired by the Prime Minister has approved to introduce a Bill, namely, the Special Economic Zones (Amendment) Bill, 2019 that is the Bill **to replace the Special Economic Zones (Amendment) Ordinance, 2019**. The Bill will be introduced in the upcoming session of the Parliament.

Key Highlights

- After the amendment of sub-section (v) of section 2 of the Special Economic Zones Act, 2005, a trust or any entity notified by the Central Government will be eligible to be considered for grant of permission to set up a unit in Special Economic Zones.
- The amendment also seeks to provide flexibility to the central government to include 'trusts' in the definition of a 'person', in a bid to facilitate investments in these zones.
- To set up a unit in these zones, which are treated as foreign entities in terms of customs rules, an applicant would have to approach the Board of Approval, which is headed by the commerce secretary.
- The present provisions of the Act do not permit 'trusts' to set up units in SEZs. 'Person' defined in the Act who are allowed to seek permission for setting up units does not include 'trusts'.
- Currently, the definition of 'person' includes an individual, whether resident in India or outside India, a Hindu undivided family, cooperative society, a company, whether incorporated in India or outside, a firm, proprietary concern, or an association of persons or body of individuals, whether incorporated or not, local authority and any agency, office or branch owned

or controlled by such individual