



GOVERNMENT OF SIKKIM

DEPARTMENT OF INFORMATION TECHNOLOGY

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NOTIFICATION

IT, ITeS, Electronics and Telecommunications sector specific SEZ

I. Introduction

The IT/ITeS, Electronics and Telecommunication Special Economic Zone/ SEZ in Sikkim can be developed in the public, private or joint sector in accordance with guidelines issued from time to time by the Government of India. Exploiting the full potential of the concept of SEZ, is expected to bring large benefits to State in terms of economic and industrial development, generation of employment opportunities and contribute to growth of export earnings.

This SEZ could be set up as sector specific or as part of multi product SEZ, as prescribed under the SEZ rules 2006 and amendment of 2019 of the Ministry of Commerce, GoI.

II. Definition

This Notification for the State of Sikkim shall be guided by following definitions:

II. a) “Act” here means Special Economic Zone, ACT, 2005.

b) “Special Economic Zone for specific sector” means a SEZ meant exclusively for one or more products in a sector or one or more services in a sector;

c) “Development Commissioner” means the Development Commissioner appointed for one or more Special Economic Zones under sub-section (1) of section 11 of Act.

d) “Import” means

i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or

ii) receiving goods, or services by, Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;

e) “Manufacture” means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use.

f) “Infrastructure facilities” means industrial, commercial and social infrastructure or other facilities necessary for the development of a Special Economic Zone.

g) “International Financial Services Centre” means an International Financial Services Centre which has been approved by the Central Government under sub-section (1) of section 18 of Act ;

h) “Approval Authority” means the authority for approval process and development under the Department of Commerce,

Ministry of Commerce.

i) "Special Economic Zone for multi-product" means a SEZ for more than one sector where Units may be set up for manufacture of goods falling in two or more sectors or rendering of services falling in two or more sectors or any combination thereof including trading and warehousing.

*III. Special
Economic zone
and its role*

III. a) A SEZ in Sikkim shall come into force on such date as the Central Government may, by notification in the Official Gazette announce the zone as such under-sub section (1) of section 4 of ACT and in the manner prescribed under the SEZ Rules of 2006 and its subsequent amendments.

b) The SEZ shall generate additional economic activity in the area of IT/ITeS ,Electronics and Telecommunication; promotion of exports of goods and services pertaining to IT/ITeS ,Electronics and Telecommunication; promotion of investment from domestic and foreign sources in the sectors of IT/ITeS, Electronics and Telecommunication; creation of employment opportunities in the area of IT/ITeS,Electronics services and development of infrastructure facilities in respect of IT/ITeS,Electronics and Telecommunication.

c) Sikkim would allow the IT, ITeS and Electronics and Telecommunications SEZ under two categories:

i) Special Economic Zone for multi-product.

ii) Special Economic Zone for specific sector.

*IV. Approval
Process*

In line with the GoI requirements if the SEZ is proposed to be set up exclusively for electronics hardware and software, including information technology enabled services, the area shall be in line with the SEZ Act & Rule amendment of 2019.

IV. a) Any person; company who intend to setup a unit for carry on

the authorized operations in the SEZ will submit the document to the assigned Development Commissioner or the approval authority as prescribed in the Act.

b) The APEX/Steering Committee of DIT Shall forward the unit name to Approval Authority.

c) The approval committee shall comprise in accordance with the section 13(2) of the Act where two officers of the State Government who shall be the ex-officio members shall be Director (IT), Department of Information Technology and Director, (Industries) Commerce and Industries from the State Government.

d) Approval Committee will discharge the function in line with the section (14) of the Act.

*V. SEZ
Developer*

V. a) The State Government shall be the Developer who will allocate space or built up area or provide infrastructure services to the approved units in accordance with the agreement entered into by it with the entrepreneurs of such units.

b) The State Government may in turn adopt a co-developer in line with the guidelines and rules prescribed by GoI.

*VI SEZ pre -
requisites*

VI. In line with rule 5A of SEZ rules 2006, in case of a Special Economic Zone relating to Information Technology, the following facilities will be ensured, namely: —

i) twenty-four hours uninterrupted power supply at stable frequency in the Zone;

ii) reliable connectivity for uninterrupted and secure data transmission;

iii) provision for central air-conditioning system; and

iv) a ready to use, furnished plug and pay facility for end users.

VII. Fiscal Incentive

VII. a) Any goods or services exported out of, or imported into or procured from the domestic tariff area by a unit in the notified SEZ or by a developer shall be exempt from payment of taxes, duties, cess as provided by the Act and its amendment of 2019.

b) In addition to above the units would also be able to avail of the benefits under the North East Industrial Development Scheme, subject to the eligibility criteria¹ of the said scheme. The NEIDS benefits will remain in force until 31st March 2022, unless the same are revised, re adopted or acted upon otherwise.

c) Only new industrial units are eligible to avail the benefits under the scheme. This scheme would not be applicable to the industries that are:

i) Established by the splitting up or reorganizing an existing business.

ii) Created by the transfer to the new unit of plant and machinery previously used for any other purpose; and

iii) Relocated from elsewhere and /or existing units reopened under a new name, brand, etc.

¹ Eligibility Criteria for North East Industrial Development Scheme

- All new industrial sectors under the manufacturing and services sector including Biotechnology and also Hydel Power Generation Unit sectors that are up to 10 MW located in the North East Regions (NER), will be eligible for the incentives under this NEIDS scheme.
- Total benefit from all components of scheme shall be limited to total investment in Plant and machinery subject to maximum limit of 200 crore per unit
- All such industries/units are needed to be mandatorily be registered with the Department.
- All eligible industrial units will be allowed to get the benefits under one or more components under this scheme, even if such units are getting benefits under other schemes of the Government of India.
- Plant & Machinery for the service sector industrial unit would include the cost of construction of a building and all other permanent physical assets basic to the running of that specific service industry but exclude the total cost of land and consumables, disposables or any other item charged to revenue.
- Only new industrial units are eligible to avail the benefits under the scheme. This scheme would not be applicable to the industries that are:
 - o Established by the splitting up or reorganizing an existing business
 - o Created by the transfer to the new unit of plant and machinery previously used for any other purpose; and
 - o Relocated from elsewhere and/or existing units reopened under a new name, brand, etc. **Incentives under the Scheme**

VII.
*Transfer of
Ownership*

VII. The transfer of ownership in any goods brought into, or produced or manufactured in, any Unit or Special Economic Zone or removal thereof from such Unit or Zone shall be allowed, subject to such terms and conditions as the Central Government has prescribed in announcing a SEZ in Sikkim.

IX. *Domestic
Clearance by
Units.*

IX. Subject to the conditions specified in the rules made by the Central Government in this behalf: -

i) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and

ii) the rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.