

CHAPTER I

Preliminary

Short title, extent and commencement

- 1(1) This Act may be called the Special Economic Zones Act, 2005.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Definitions

- 2 In this Act, unless the context otherwise requires, -
- (a) “**appointed day**” with reference to a Special Economic Zone means the date on which the Special Economic Zone is notified by the Central Government under sub-section (1) of section 4;
 - (b) “**Approval Committee**” means an Approval Committee constituted under sub-section (1) of section 13;
 - (c) “**authorised operations**” means operations which may be authorised under sub-section (2) of section 4 and sub-section (9) of section 15;
 - (d) “**Authority**” means a Special Economic Zone Authority constituted under sub-section (1) of section 31;
 - (e) “**Board**” means the Board of Approval constituted under sub-section (1) of section 8;
 - (f) “**Co-Developer**” means a person who, or a State Government which, has been granted by the Central Government a letter of approval under sub-section (12) of section 3;
 - (g) “**Developer**” means a person who, or a State Government which, has been granted by the Central Government a letter of approval under sub-section (10) of section 3 and includes an Authority and a Co-Developer;
 - (h) “**Development Commissioner**” means the Development Commissioner appointed for one or more Special Economic Zones under sub-section (1) of section 11;
 - (i) “**Domestic Tariff Area**” means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the Special Economic Zones;

- (j) “**entrepreneur**” means a person who has been granted a letter of approval by the Development Commissioner under sub-section (9) of section 15;
- (k) “**existing Special Economic Zone**” means every Special Economic Zone which is in existence on or before the commencement of this Act;
- (l) “**existing Unit**” means every Unit which has been set up on or before the commencement of this Act;
- (m) “**export**” means –
- (i) taking goods, or providing services, out of India, from a Special Economic Zone, by land, sea or air or by any other mode, whether physical or otherwise; or
 - (ii) supplying goods, or providing services, from the Domestic Tariff Area to a Unit or Developer; or
 - (iii) supplying goods, or providing services, from one Unit to another Unit or Developer, in the same or different Special Economic Zone;
- (n) “**Free Trade and Warehousing Zone**” means a Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on;
- (o) “**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;
- (p) “**infrastructure facilities**” means industrial, commercial or social infrastructure or other facilities necessary for the development of a Special Economic Zone or such other facilities which may be prescribed;
- (q) “**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;
- (r) “**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 and shall include processes such as refrigeration, cutting, polishing, blending, repair, remaking, re-engineering and includes agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining;
- (s) “**notification**” means a notification published in the Official Gazette and the expression “notify” shall be construed accordingly;

- (t) “**notified offences**” means the offences specified as such under sub-section (1) of section 21;
- (u) “**Offshore Banking Unit**” means a branch of a bank located in a Special Economic Zone and which has obtained the permission under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949;
- (v) “**person**” includes an individual, whether resident in India or outside India, a Hindu undivided family, co-operative society, a company, whether incorporated in India or outside India, a firm, proprietary concern, or an association of persons or body of individuals, whether incorporated or not, local authority ¹[or trust or any entity as may be notified by the Central Government] and any agency, office or branch owned or controlled by such individual, Hindu undivided family, co-operative, association, body, ²[authority, company, trust or entity];
- (w) “**prescribed**” means prescribed by the rules made by the Central Government under this Act;
- (x) “**Reserve Bank**” means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934;
- (y) “**Schedule**” means Schedules to this Act;
- (z) “**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 Organisation concluded at Marrakes on the 15th day of April, 1994;
 - (ii) may be prescribed by the Central Government for the purposes of this Act; and
 - (iii) earn foreign exchange;
- (za) “**Special Economic Zone**” means each Special Economic Zone notified under the proviso to sub-section (4) of section 3 and sub-section (1) of section 4 (including Free Trade and Warehousing Zone) and includes an existing Special Economic Zone;
- (zb) “**State Government**” means a State Government of the State in which a Special Economic Zone is established or proposed to be established;
- (zc) “**Unit**” means a Unit set up by an entrepreneur in a Special Economic Zone and includes an existing Unit, an Offshore Banking Unit and a Unit in an International Financial Services Centre, whether established before or established after commencement of this Act;
- (zd) **all other words and expressions** used and not defined in this Act but defined in the Central Excise Act, 1944, the Industries (Development and Regulation) Act, 1951, the Income-tax Act, 1961, the Customs Act, 1962 and the Foreign Trade (Development and Regulation) Act, 1992 shall have the meanings respectively assigned to them in those Acts.

¹ Inserted vide The Special Economic Zones (Amendment) Act, 2019 w.e.f. 02-03-2019

² Substituted vide The Special Economic Zones (Amendment) Act, 2019 w.e.f. 02-03-2019