



EXPORT PROMOTION COUNCIL FOR EOUs & SEZs
Set up by : Ministry of Commerce & Industry, Government of India



सत्यमेव जयते

Department of Commerce
Ministry of Commerce and Industry
Government of India

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Azadi Ka
Amrit Mahotsav

Committee on Harmonization of Export Promotion Schemes and SEZ Reforms

Stakeholder Consultation

30th June, 2026

Vaniya Bhawan, New Delhi

Programme Schedule



TIME	DETAILS	SPEAKER / MODERATOR <small>SEZEP</small>
1030 - 1100	Registration	—
1100	Setting the Context	Shri Gaurav Pundir, Director (SEZ)
1115	Opening Remarks	Shri Ajay Bhadoo, Additional Secretary(SEZ)
1130	Harmonisation of Schemes (AA, EPCG, EOU, MOOWR, SEZ)	Moderated by Shri Alok Chaturvedi DG, SEZEP
1145	SEZ Reforms : ➤ SEZ to DTA on Duty Foregone Basis - Impact on DTA manufacturing ➤ INR payment for SEZ to DTA Services ➤ Reverse job work (by SEZ Units for DTA) without linkage to exports	
1215	SEZs for Import Substitution/FTA imports	
1230	Bringing Warehousing Business in India FTWZ Reforms	
1245	Other SEZ EoDB Reforms	
1245-1300	Concluding Remarks	Shri Ajay Bhadoo, Additional Secretary (SEZ)
1300-1400	Lunch	—



SEZEP

IMC for larger reforms in SEZ policy

Stakeholder Consultation

organized by

Export Promotion Council for EOUs & SEZs

(www.sezeps.in)

June 30, 2026

Key Issues

- **Harmonisation of Export Promotion Schemes**
 - AA, DFIA, Drawback, RoDTEP/RoSCTL, EPCG, EOU, MOOWR, SEZ
- **SEZ Reforms**
 - SEZ to DTA on duty foregone basis
 - INR payment for supply of services to DTA
 - Reverse jobwork, no export linkage, INR payment
 - Import Substitution/FTA imports/China imports
 - Bringing Warehousing in India – FTWZ reforms
 - EoDB reforms

Harmonisation of Export Promotion Schemes

- **All schemes to ensure duties/taxes not exported**
- **Advance Authorisation , Duty Free Import Authorisation, Duty Drawback - for customs duty free raw materials**
- **EPCG for customs duty free capital goods**
- **RoDTEP / RoSCTL for other than GST and Customs**
- **EOU and MOOWR - AA and EPCG for big exporters**
- **SEZ - AA and EPCG in cluster, upfront GST too**

AA, DFIA, Duty Drawback

- AA for upfront duty free import of inputs with export obligation (by DGFT). 25,551 AAs issued, 23,312 cr duty benefits in FY25 (Budget)
- DFIA for upfront duty free import of inputs on post export basis (by DGFT). 3250 issued, 1,629 cr duty saved in FY25 (budget)
- Duty drawback for refund of Customs and Central Excise duties on the inputs used in the exported goods (by CBIC). Product wise average Drawback rate fixed by Govt. 25,932 cr disbursed in FY23
- Comments on harmonisation (FIEO/DGFT/FICCI/CII/ASSOCHAM, other individual exporters)

RoDTEP/RoSCTL

- **Schemes for refund of duties and levies other than Customs and Excise Duties**
- **RoSCTL for apparel/garments and made-ups (Ch 61,62 & 63) (M/o Textiles)**
- **RoDTEP for other products (Ch 4 FTP)**
- **Rate fixed by RoDTEP/RoSCTL Committee (DoR)**
- **Comments on harmonisation** (FIEO/DGFT/FICCI/CII/ASSOCHAM, other individual exporters)

Export Promotion Capital Goods

- **Schemes for import of capital goods duty free (incl IGST, compensation cess) (Ch 5 FTP)**
- **Subject to Export Obligation equivalent to 6 times the duties/taxes/levies saved on capital goods to be fulfilled in 6 years**
- **18,637 Authorisations issued with a duty foregone amount of Rs 24,724 cr in FY25 (DGFT)**
- **Comments on harmonisation** (FIEO/DGFT/FICCI/CII/ASSOCHAM, other individual exporters)



EOU and MOOWR

- **EOU scheme since 1980. Chapter 6 FTP.**
 - Duty free import of all goods. DTA sale on duty foregone basis. **NFE condition**. RoDTEP allowed
 - 1327 EOUs , Rs 1.57 lakh cr exports in 2024-25. 9008 cr duty foregone in FY25
- **MOOWR streamlined in 2019 through new Regulations**
 - Duty deferred import of all goods. DTA sale on duty foregone basis. **No NFE condition**. RoDTEP **not** allowed
 - No official data on benefits availed under MOOWR
 - Foxconn, Pegatron, Tata, Samsung major units (>3000 units)
- **Comments on Harmonisation** (FIEO/DGFT/FICCI/CII/ASSOCHAM, other individual exporters)

Special Economic Zones

- **Cluster basis. Outside Customs territory of India for authorised operations**
- **Kandla SEZ in 1966**
- **Administered under SEZ Act 2005 and SEZ Rules 2006**
- **Duty free import of goods, Supplies to SEZ zero rated. DTA sale on payment of full customs duties**
- **417 approved SEZs, 370 notified, 276 operational SEZs with 6695 approved SEZ units, Rs 14.63 lakh cr exports (FY25)**
- **Duty foregone Rs 46,689 cr in FY 25.**
- **Comments on Harmonisation**

Harmonisation of Export Promotion Schemes

- **AA, DFIA, EPCG, Duty Drawback schemes – Any scope of harmonisation ? – FIEO/FICCI/CII/ASSOCHAM/DGFT to comment**
- **EOU and MOOWR - Any scope for harmonisation ?
Depreciation benefits / RoDTEP benefits/NFE condition
FIEO/FICCI/CII/ EOU/MOOWR Exporters to comment**
- **Harmonisation of SEZ with other schemes – EOU/MOOWR**
 - DTA sale on duty foregone basis
 - NFE condition
 - INR payment for supply of services in DTA
 - Reverse jobwork without linkage to exports and payment in INR

We may discuss as part of SEZ reforms with SEZ units/ developers

SEZ reforms

- **Interest in SEZs tepid post withdrawal of direct tax benefits and sunset clause**
- **It has been under discussion for the last many years**
 - **Baba Kalyani Committee Report 2018**
 - **DESH Bill 2022 preceded by World Free Zone SEZ Plus Model report**
 - **SEZ Amendment Bill 2023**
- **Industry wants decision/implementation of identified reforms**

SEZ reforms – SEZ to DTA on duty foregone basis



- **SEZ to DTA should be on duty foregone basis – reversal of custom duty benefit availed on inputs – As per international practice - Chinese Comprehensive Bonded Zones, US Foreign Trade Zones, UK Freeports, SEZs in Indonesia , Thailand**
- **This is already there in EOUs and MOOWR (harmonisation)**
- **There is no harm to DTA manufacturers as SEZ and DTA serve different market segments even if same product**
- **China, US, Indonesia also have huge domestic market**

SEZ reforms – Payment in INR for SEZ to DTA services



- **Payment for services to DTA should be allowed in INR**
- **It is allowed for goods from SEZ to DTA**
- **Definition of services in SEZ Act should be changed**
- **No justification for DTA buyer to buy foreign currency at commission for making payment for services from SEZs which are situated in India only**
- **No such requirement in US, China, UK, Indonesia, Thailand**
- **This is restricting SEZ units to undertake job work services for DTA units (HAL, Armed forces, ISRO, Airlines, etc) in cutting edge sectors such as aerospace, defence, MRO forcing DTA units to import such job work services**

SEZ reforms – Reverse Job work by SEZ units for DTA



- **SEZs should be allowed to undertake job work for DTA without any linkage to exports (SEZ rule 43)**
- **Presently, SEZ unit can undertake job work only for export on behalf of DTA exporter only**
- **This is restricting SEZ units to undertake job work for DTA units (HAL, Armed forces, ISRO, etc) in cutting edge sectors such as space, defence, etc. forcing DTA unit to import such job work from abroad**

SEZ policy reforms – Import Substitution



- **India has huge imports from China as well as from different FTAs countries/regions**
- **More FTAs. It may, while give opportunity for our exporters, also result in increase in imports**
- **SEZ units should be able to supply these imported goods (China plus FTA countries) in DTA at zero/FTA preferential duty (FTA country/region where maximum imports are there for a product)**
- **This will help in Make in India and import substitution too**

SEZ policy reforms – Attracting Warehousing in India - FTWZs



- **FTWZs to be promoted for warehousing services just like GIFT City for financial services to attract warehousing business from Dubai, Singapore and Hong Kong to India**
- **Warehousing to be treated as export of services just like software exports, if India wants to be logistics hub (proviso of Sec 13(3)(a), IGST Act to be introduced)**
- **RoDTEP to be allowed for export of goods through FTWZs**
- **Instruction No 117 dated 24.9.2024 – many restrictions have been imposed on FTWZs outside SEZ framework**

Other SEZ EoDB reforms

- **Streamlining Compliance and Reporting**
 - Separate return for services
 - Single simple return instead of multiple returns
- **There should not be any NFE Requirement (Rule 53) – not there in other countries- China, US, UK, Indonesia, Thailand**
- **No minimum Area requirement (Rule 5)**
- **Authorised Operations – Negative list instead of approval required for each new authorised operation**
- **Self certificate/ sample based endorsement of invoices for supply of goods and services from DTA to SEZ**
- **Flexibility in use of NPA land**

Other SEZ Procedural/EoDB reforms

- **No export duty on SEZ to DTA supplies**
- **Rooftop Solar Power Plants by SEZ developer for SEZ use should be allowed with fiscal benefits**
- **SEZ to MOOWR supplies to be NFE positive**
- **FTWZs as ports for imports of new cars (Amend import policy)**
- **Clarification regarding Contract Manufacturing Services in SEZs to be treated as export of services and hence zero rated and hence no IGST**
- **Import restrictions/RMS/PGA NOCs should not be applicable to imports into SEZs/FTWZs. It should be on SEZ to DTA supplies**

Other SEZ Procedural/EoDB reforms

- **Import Monitoring Systems (SIMS/PIMS) should be abolished. If not, they should not be applicable to SEZ to DTA supplies**
- **Decision on SEZ ICEGATE integration should be taken. For Services, ICEGATE not applicable. All modules not yet developed. SEZ Rules not in tune with ICEGATE procedures**

Thank you