

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1966
TO BE ANSWERED ON 23rd DECEMBER, 2022

NEW LEGISLATION ON SEZs

1966 SHRI PRABHAKAR REDDY VEMIREDDY:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) whether Ministry is of the view that the time has come to revisit and revamp Special Economic Zones (SEZs) in the country;
- (b) if so, the details thereof;
- (c) in view of announcement made in the Budget to revamp SEZ Act, whether the Ministry is in the process of bringing a new legislation on SEZs;
- (d) the steps taken/proposed to be taken to make States partners in the SEZ ecosystem;
- (e) whether it is a fact that Government is now giving income tax benefits only to those units in SEZs which commenced their operations before 2020; and
- (f) if so, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) to (d): Yes, Sir. As per announcement made in Union Budget 2022-23, Special Economic Zones Act, 2005 shall be replaced with a new legislation to widen the ambit of the zones from the extant narrow focus on exports. The new framework would include State governments as key partners to strengthen the single window based clearances and also usher in a simplified regulatory regime with an emphasis on high quality infrastructure.

(e) and (f): Yes, Sir. In order to phase out exemptions and deductions while simultaneously reducing tax rates, the Finance Act, 2016 rationalized the deductions/exemptions under the Act by providing a sunset date for most of the existing profit linked deductions allowed under the various provisions of the Income Tax Act, 1961.
