



## Tax alert: Amendments made to Special Economic Zone Rules, 2006

**6 June 2025**

The Ministry of Commerce and Industry has notified Special Economic Zones (Amendment) Rules, 2025 to further amend the Special Economic Zones Rules, 2006.

### In a nutshell



Amendments have been made to the Special Economic Zones Rules, 2006 which are effective from 3 June 2025.



Minimum area requirement for establishment of an SEZ set up exclusively for manufacturing of semi-conductors or electronic components has been notified.



Methodology prescribed for calculation of net foreign exchange (NFE) in case of units providing manufacturing services in the semiconductor sector.



Scroll down to read the detailed alert

## Background

The amendments made to the Special Economic Zones Rules, 2006, effective from 3 June 2025 are:

Rule	Amendment
Rule 5 - Requirements for establishment of a Special Economic Zone ("SEZ")	<p>Minimum area of land required for establishment of an SEZ set up exclusively for manufacturing of semi-conductors or electronic components has been specified as 10 hectares or more.</p> <p>The term electronic components have been specified to include display module sub-assembly, camera module sub-assembly, battery sub-assembly, various types of other module sub-assemblies, printed circuit board, li-ion cells for batteries, mobile and information technology hardware components, hearables and wearables.</p>
Rule 7 - Details to be furnished for issue of notification for declaration of an area as an SEZ	<p>A certificate from the concerned state government or its authorized agency is required to be furnished by an SEZ developer stating that the SEZ area is free from all encumbrances.</p> <p>Relaxation has been provided with respect to encumbrance free area, in case such area is mortgaged or leased to the Central Government or state government, or their authorized agency on mortgage or for lease, for reasons to be recorded in writing.</p>
Rule 18 (6) – Conditions for setting up units providing services or manufacturing services to Overseas Entities in an SEZ	<p>Condition specified in clause (c) have been relaxed to permit supply of finished goods to Domestic Tariff Area ("DTA") with payment of applicable duties or transferred to the Free Trade and Warehousing Zone Unit to be maintained by the overseas entity in the same or different SEZ, as per the instructions of the overseas entity.</p>
Rule 53 – Foreign Exchange Earning – Requirements and Monitoring	<p>Manner of calculation of NFE for SEZ units engaged in providing manufacturing services in semi-conductor sector has been prescribed.</p> <p>Value of goods received as well as value of goods supplied on free-of-cost basis in accordance with the Customs valuation rules shall be considered for calculation of NFE.</p>
Annexure II – Minimum area of land as per Rule 5(3) of the SEZ Rules	<p>The minimum area requirement for units in the textile and articles of textile industry set-up in SEZ located in Gujarat has been reduced from 20 hectares to 4 hectares.</p>

## Deloitte comments

The amendments made to the SEZ Rules are in line with the Government's agenda to make India a manufacturing hub for semiconductors. Further, apparel industry would also benefit with the reduction in the minimum area requirement for manufacturing in SEZ.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.