

No. C.1/1/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi.
Dated: 31st August, 2009.

To

1. All Development Commissioners
2. All Chief Commissioners of Customs
3. All Chief Commissioners of Excise

Subject: Implementation of the Provisions of the SEZ Act, 2005 & SEZ Rules, 2006.

Sir,

I am directed to refer to this department's letter No. F-5/1/2006-SEZ dated 3rd August, 2006 (Instruction No. 6) on the subject mentioned above. An issue has arisen as to whether different agencies of Government of India and State Government can carry out search, inspections, seizure and investigation in a SEZ in view of para 4(i) of the said Instructions.

2. Section 22 of SEZ Act, 2005 clearly mentions that unless an agency is authorized under sections 20 (or 21) of the SEZ Act, it need to have prior approval of the DC before undertaking any of the above mentioned activities. Para 4(i) of the said instruction only clarifies that different agencies under relevant Acts of Central Government and State Governments will have powers to take action as per the provisions of relevant Acts till an agency is notified u/s 20 or 21 of SEZ Act. However, it is clarified that no such agencies can carry out inspection, search, seizure or investigation without approval of the DC of the Zone concerned.

Yours faithfully,

(R.K.Pandey)
Under Secretary to the Govt.of India

Copy to: Chief Secretaries of all States / UTs.