

F.No.D-12/4/2010-SEZ  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce

Udyog Bhawan, New Delhi  
Dated the 12<sup>th</sup> March, 2010

To  
All Development Commissioners.

Sub: Clarifications on FTWZ issues –regarding.

Sir

A meeting was held under the chairmanship of Additional Secretary (SEZ) to discuss issues relating to Free Trade Warehousing Zones(FTWZ). Based on the decisions taken in the meeting, the following guidelines are laid down in respect of FTWZ :

- i) No approval for procurement of service “Rental” of immovable property for office outside the Special Economic Zone/FTWZ can be given.
- ii) Regarding Licencing requirement, it is clarified that in terms of Rule 27 of SEZ Rules, a unit in SEZ/FTWZ can import all types of goods except prohibited items. However, in terms of Rule 26 of SEZ Rules, if any permission is required for import under any other law, the same shall be allowed with the approval of BOA. In respect of prohibited items, Instruction No.47 dated 4<sup>th</sup> March, 2010 shall apply.
- iii) Regarding permissibility of diesel in the FTWZ, it is clarified that Rule 27 of SEZ Rules permits a developer to procure all types of goods including consumables for authorized operations. Hence diesel is permitted for authorized operations in the processing area including material handling equipment.
- iv) There are no limitation on Units set up in FTWZs located in Sector Specific SEZs to carry out Trading and Warehousing Activities in respect of any product.
- v) Trading and Warehousing units located within FTWZ can carry out DTA to FTWZ and FTWZ to DTA transactions.
- vi) Requests for allowing cutting, polishing, blending etc. as part of authorised operation of a FTWZ unit can be considered by the Approval Committee on a case to case basis based on the merits of the case.

Yours faithfully

Sd/-

(T Srinidhi)  
Director

Ph:2306 3265