

DGFT POLICY CIRCULAR

-COPY OF-

POLICY CIRCULAR NO.1/2015-20
Dated 11th June, 2015

To

All Regional Authorities
Central Board of Excise & Customs

Supply of a 'service' by units located in DTA to SEZ units - ineligible for rewards under SEIS.

1. References have been received in this Directorate enquiring whether or not supply of a 'service' by unit(s) located in DTA to SEZ unit(s) is eligible for rewards under SEIS.
2. In this context reference is invited to Para 3.08 of the FTP 2015-2020 which specifies the requirements for being eligible for rewards under SEIS. Sub-para (a) of Para 3.08 clearly states that **"Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible"**

Para 9.51(i) of FTP 2015-2020 reads as under:

"Service Provider" means a person providing:

- (i) Supply of a 'service' from India to **any other country**; (Mode1- Cross border trade)
3. Para 3.08 (a) read together with para 9.51(i) of FTP 2015-2020, as notified on 1.4.2015, makes it abundantly clear that 'supply' of a service **to any other country** only is eligible for SEIS benefits. Since SEZ is 'Indian Territory' supply of a service to SEZs is **not eligible** for rewards under SEIS.
4. Therefore it is clarified that regardless of the amendment notified vide Notification No.08/2015-2020 dated 04.06.2015 (through which export turnover relating to services of units operating under SEZ Scheme or supplies of services made to such units has been deleted from the list of ineligible categories under SEIS thereby making supply of a 'service' from SEZ to other countries eligible for SEIS benefits), supply of a 'service' by units located in DTA to SEZ units **was and shall continue to remain ineligible** for rewards under SEIS as explained in para 3 above.

This issues with the approval of DGFT.

Sd/-
(Akash Taneja)
Joint Director General of Foreign Trade

File No.01/61/180/35/AM16/PC-3 Issued
by:
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi

**** ** ***