

## **Welcome Amendment To The Net Foreign Exchange Conditions For Units In An IFSC**

Rule 53 of the Special Economic Zones Rules, 2006 ("SEZ Rules") imposes the obligation on units established in a special economic zone to maintain a positive net exchange, calculated cumulatively over a five-year period using a prescribed formula. However, this requirement of achieving a positive net foreign exchange can be burdensome, particularly during times of anticipated economic slowdown.

In December 2019, the Government of India introduced an amendment to the SEZ Rules by incorporating Rule 53A, which provided exemptions to Alternative Investment Funds, Mutual Funds, and insurance office units situated in an International Financial Service Centre from complying with Rule 53.

Following a sandbox run and numerous representations made to the Ministry of Commerce and Industry, the Government of India, through a notification dated April 27, 2023, has further amended Rule 53A of the SEZ Rules. This amended rule grants an exemption to all units offering financial services, established in an International Financial Service Centre and regulated by the International Financial Services Centers Authority, from complying with Rule 53 of the SEZ Rules, specifically regarding the Net Foreign Exchange Earning requirements.

This amendment is a welcome change, especially at a time when concerns about non-compliance repercussions during an economic downturn are prevalent. The revision reinforces the commitment to provide enhanced operational freedom to units established in International Financial Service Centers like GIFT City, thereby delivering a truly international experience.

### **Pooja Tidke**

Email: [pooja.tidke@parinamlaw.com](mailto:pooja.tidke@parinamlaw.com)

Phone: 022-42410007

### **Monisha Mane**

Email: [monisha.mane@parinamlaw.com](mailto:monisha.mane@parinamlaw.com)

Phone: 022-42410013

### **Pranav Nair**

Email: [pranav.nair@parinamlaw.com](mailto:pranav.nair@parinamlaw.com)

Phone: 022-42410022

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### **MUMBAI**

4<sup>th</sup> Floor, Express Towers, Ramnath Goenka Marg, Nariman Point, Mumbai – 400 021

Tel : +91 22 4241 0000

### **NEW DELHI**

Flat No. 14(II), 2<sup>nd</sup> Floor, Front Block, Sagar Apartments, 6, Tilak Marg, New Delhi – 110 011.

Tel : +91 11 4610 2548

### **PUNE**

2<sup>nd</sup> Floor, Kundan Chambers, Thube Park, Next to Sancheti Hospital, Pune – 411 005

Tel : +91 20 2553 0711

[WWW.PARINAMLAW.COM](http://WWW.PARINAMLAW.COM)



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अधिसूचना

नई दिल्ली, 27 अप्रैल, 2023

सा.का.नि. 334(अ).—केंद्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 का और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात्: -

- 1.(1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (दूसरा संशोधन) नियम, 2023 है।
- (2) ये राजपत्र में इनके प्रकाशन की तारीख को प्रवृत्त होंगे।
2. विशेष आर्थिक जोन नियम, 2006 में, नियम 53 के स्थान पर, निम्नलिखित नियम रखा जाएगा, अर्थात्: -

'53क. छूट - नियम 53 में अंतर्विष्ट कोई भी बात वित्तीय सेवा प्रदान करने वाले और अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण द्वारा विनियमित किसी अंतर्राष्ट्रीय वित्तीय सेवा केंद्र में स्थापित किसी इकाई पर लागू नहीं होगी।

स्पष्टीकरण- इस नियम के प्रयोजन के लिए, "वित्तीय सेवा" का वही अर्थ होगा जो इसे अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण अधिनियम, 2019 की धारा 3 के उप-धारा (1) खंड (ङ.) में दिया गया है और "अंतर्राष्ट्रीय वित्तीय सेवा केंद्र" का वही अर्थ होगा, जो उस अधिनियम की धारा 3 के उप-धारा (1) खंड (छ.) में दिया गया किया गया है।

[फा. सं. एफ-20019/3/2019-एसईजेड-भाग(1)]

एल सत्या श्रीनिवास, अपर सचिव

**टिप्पणि:-** मूल नियम भारत के राजपत्र, असाधारण, भाग-2, खंड 3, उप खंड (i) में अधिसूचना संख्यांक सा.का.नि. 54 (अ), तारीख 10 फरवरी, 2006 द्वारा प्रकाशित किए गए थे और अंतिम बार अधिसूचना संख्यांक सा.का.नि. 125 (अ), तारीख 23 फरवरी, 2023 द्वारा, संशोधित किए गए।

**MINISTRY OF COMMERCE AND INDUSTRY**  
**(Department of Commerce)**

**NOTIFICATION**

New Delhi, the 27th April, 2023

**G.S.R. 334(E).**—In exercise of the powers conferred by section 55 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby makes the following rules further to amend the Special Economic Zones Rules, 2006, namely: -

1. (1) These rules may be called the Special Economic Zones (Second Amendment) Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Special Economic Zones Rules, 2006, for rule 53A, the following rule shall be substituted, namely: -

**‘53A. Exemption.**— Nothing contained in rule 53 shall apply to a Unit setup in an International Financial Service Centre providing financial service and regulated by the International Financial Services Centres Authority.

*Explanation.* - For the purpose of this rule, "financial service" shall have the meaning as assigned to it in clause (e) of sub-section (1) of section 3 of the International Financial Services Centres Authority Act, 2019 and "International Financial Service Centre" shall have the meaning as assigned to it in clause (g) of sub-section (1) section 3 of that Act.'

[F. No. F-20019/3/2019-SEZ-Part(1)]

L SATYA SRINIVAS, Addl. Secy.

**Note:-** The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), vide notification number G.S.R 54(E), dated the 10<sup>th</sup> February, 2006 and lastly amended vide notification number G.S.R. 125(E), dated the 23<sup>rd</sup> February, 2023.