

## **Guidelines for Specialized Zones**

The application process for specialized zone designation is the same as that of a developer as outlined in Part IV of the SEZ Regulations, 2017, however the Applicant must indicate that it desires specialized zone designation and this must be supported in their business plan. A developer contemplating applying for a specialized zone shall consider the following guidelines:

1. Specialized zones carry out activities within the industries listed in s. 18(b) of the SEZ, Act (maritime or aviation including dry docks, bunkering facilities, aircraft maintenance and repair, or tank farms) and those in the Logistics Hub Master Plan and Industry Analysis. These include:
  - a. Agro Processing Industry
  - b. Pharmaceutical Industry
  - c. Parts and Accessories for Motor Vehicles
  - d. Electrical Products
  - e. Medical Devices
  - f. Refrigerators, Freezers and Other Home Appliances
  - g. ICT and BPO
  - h. Logistics and Distribution
  - i. Aluminum Industry
2. The specialized zone, based on an applicant's business model, does not fit within the definition of a single entity (s. 17) or the general zone (s. 18(2)(a)) of the SEZ Act, 2016. The activities carried out within the specialized zone must generate income from the specialized industry identified. Supporting activities may be permitted within the specialized zone where the activities are aligned with or are required for the operation of the industry identified. The specialized zone will be limited one or two interconnected industries.
3. Specialized zones may have either Occupants, Zone Users or both.
4. The commercial activities of the specialized zone occupants and zone users must be ancillary to the main economic activity of the specialized zone.
5. The specialized zone developer's income will be taxed at 12.5% headline rate. However, the entity may apply for the other credits listed in the First Schedule of the SEZ Act.