

► SEZ Admission Criteria

- SEZ shall have a minimum size of at least fifty acres.
- The SEZ, upon development, shall generate economic activity in terms of exports, employment and other performance indicators.
- SEZ will provide import substitution and generate direct and indirect exports.
- SEZ will not target any industry or product which is being banned in the world.
- SEZ will not target any industry material/input of which is being protected by other countries in the larger national interest.
- Zone Application shall be in conformity with the provisions of the Act, any applicable regulations issued under the Act and other applicable provisions of law.
- 70% of the SEZ land area will be used for purpose of operations of zone enterprises.
- Developer will be obliged to undertake to comply with all the environmental, labour and other applicable legislation in force in Pakistan.
- Developer will be obliged to undertake to take all necessary approvals to start construction activities within six months of signing of development agreement.
- Developer to be engaged for the particular SEZ shall be a body incorporated under the laws of Pakistan.
- Articles of Association of the developer shall be approved by the Provincial SEZ entity.
- Developer shall ensure that the zone enterprises start construction of facilities within six months and assume regular production within twenty four months after receipt of all required licenses and permits.
- There shall be no real estate activities in the zone,

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**Sindh Economic
Zones Management
Company**

Business Growth through Sustainable
Development & Innovation

The Government of Sindh has established Sindh Economic Zones Management Company (SEZMC), a provincial SEZ Entity under Company's Act 2017 to institutionally facilitate, promote, encourage and enhance the industrial base in the province.

The objective of SEZMC as body corporate is to facilitate domestic and foreign investors to invest in the manufacturing sector offering them special exemptions and incentives leading to reduced cost of doing business with efficient infrastructure through the development of Special Economic Zones under SEZ Act 2012 in Sindh.

The SEZ Act 2012 was passed by the Parliament in 2012 and subsequent amendments were made therein in 2016 to make it more business friendly.

Special Economic Zone (SEZ) is a blanket term for various types of specialized zones with specific types of enterprises operating in a well-defined geographic area where certain economic activities are promoted by a set of policy measures that are not generally applicable to the rest of the country. In addition, streamlined regulatory enforcement, simpler business and establishment rules, expedited customs administration, and other special administrative and approval procedures are also offered in such SEZs.

Special Economic Zone (SEZ) is a tool for attracting investment to revive and diversify the manufacturing and exports. Sindh Government through SEZMC envisages that SEZs will enhance overall economic connectivity, integration and competitiveness, as well as investments, exports and productivity, which are keys for economic growth, job creation, poverty alleviation and socio economic development.

SEZMC aim is to provide an enabling platform to promote interaction between local and foreign investors, as well as relevant stakeholders with a conducive and enabling business environment with distinct attention on facilitation to SEZs.

► Mechanism for SEZ Development

The SEZ act 2012 declares that the SEZs can be developed either by the public sector, or the private sector exclusively or it can be on public-private partnership basis (PPP), irrespective of foreign or domestic investors. SEZ Act 2012 provides the authority of establishing SEZ with a minimum of 50 acres of land. However, 70 percent of the area should be used for processing while remaining 30 percent should be kept as non-processing area, such as hospitals, residence, vocational training institutes.

► Key Enablers & Incentives of SEZs:

For Developers

- Exemption from all custom duties and taxes on plant and machinery imported into Pakistan for the development, operation and maintenance of the SEZ
- Exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five years, starting from the date of signing of the Development Agreement.
- Availability of gas and electricity by federal government and water by provincial government at the door step of zone

For Zone Enterprises

- One time exemption from all custom duties and taxes on imports of plant and machinery into the SEZ for installation therein;
- Exemption from all taxes on income for a period of ten years to units starting production by 30 June 2020 and five years for those doing so after 30th June 2020.
- Developed Infrastructure at the doorstep of enterprises.
- Availability of utility services at the door step of each enterprise.

Guidelines for Investment in SEZs

- Least dependence on Imports
- Utilize local factor endowment instead of imported inputs/ raw material
- Generate local employment
- Enter into JV – for technology transfer, entrepreneurship
- Value Addition
- Export Orientation
- In adherence to environmental protection standards

