Department of Commerce notifies rules for Work from Home for Special Economic Zones

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- WFH allowed for a maximum period of one-year; may be extended to maximum 50% of total employees including contractual employees
- Development Commissioners of SEZs empowered to extend it beyond one-year and for more than 50% of total employees
- Notification provides a transition period of 90 days to SEZ units to seek approval, whose employees are already WFH
- Notification, a boon to large number of IT/ITES employees working in SEZs; Addresses a long-pending demand of the industry;

The Department of Commerce has notified a new Rule, namely Rule 43A - Work from Home in Special Economic Zones Rules, 2006 across all Special Economic Zones. The notification was issued on demand from the industry for making a provision for a country wide uniform Work From Home (WFH) policy across all Special Economic Zones. The Department of Commerce thereafter held several rounds of discussions with various stakeholders before firming up the notification.

The notification under Rule 43A provides work from home for following category of employees of a unit in SEZ:

i. Employees of IT/ITeS SEZ units

ii.Employees, who are temporarily incapacitated

iii.Employees, who are travelling

iv.Employees, who are working offsite

As per the new notification, WFH may be extended to maximum 50% of total employees including contractual employees of the unit. There is flexibility granted to Development Commissioner (DC) of SEZs to approve a higher number of employees (more than 50%) for any bona-fide reason to be recorded in writing.

Work From Home is now allowed for a maximum period of one-year. However, same may further be extended for a period of one year at a time by the DC on the request of units. In respect of SEZ units whose employees are already working from home, the notification has provided a transition period of 90 days to seek approval.

SEZ Units will provide equipment and secured connectivity for the purpose of WFH to perform authorized operations of the units and the permission to take out the equipment is co-terminus with the permission granted to an employee.