

NEED CLARITY Cos want to know whether services rendered by SEZ staff while on WFH will be treated on par with services rendered from SEZ and be eligible for tax exemption

IT Industry's Seeking Permanent WFH for Units Operating in SEZs

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New Delhi: The IT industry is seeking permanent work from anywhere arrangement for units operating in Special Economic Zones (SEZ), from where nearly 60% of IT services are exported. This follows a government move earlier this month to ease a set of rules for the IT and IT-enabled Services industry permitting work from anywhere on a permanent basis.

In discussions with the Ministry of Commerce – the latest of which took place on Tuesday – IT industry lobby group Nasscom said clarity on this issue will allow the industry to plan a blended work model in future. In a significant reform initiative, the government eased regulations for the industry under the Other Service Provider (OSP) guidelines of the Department of Telecom (DoT).

The registration requirement for OSPs was done away with altogether and the BPO industry engaged in data-related work was taken out of the ambit of OSP regulations.

Other requirements, such as deposit of bank guarantees, frequent reporting obligations, penal provisions, have also been removed.

“With the recent reforms of OSP Telecom guidelines in place, it is important that the IT-ITES industry is provided with relaxations and clarity on the SEZ rules and related tax procedures to enable the industry to implement long-term blended


work model with remote working as a key component,” said Ashish Aggarwal, senior director and head - public policy, Nasscom.

He added that the IT-ITES sector contributes over 60% of the services exports from SEZs and without an explicit guidance from the commerce and finance ministries, the complete benefit of work from home and the recent OSP reforms cannot be realised. Many IT companies, including Tata Consultancy Services, have already stated that they would transition a significant part of their employees to work from

anywhere once the pandemic is contained. While Rule 43 of SEZ Rules allows companies to enable employees to work from home based on their requirements, industry is seeking clarity on whether WFH can be enabled on a permanent or long-term basis.

The Wish List

- Nasscom has asked govt for clarity which will allow industry to plan a blended work model in future
- Clarity would help in addressing uncertainties and will enable companies to plan operations efficiently

 Important that IT-ITES industry is provided with relaxations and clarity on SEZ rules and related tax procedures to enable it to implement blended work model

ASHISH AGGARWAL, snr director and head, public policy, Nasscom

