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Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan

Public Notice No. 36 / 2015-20
New Delhi, Dated 27th September, 2019

Subject:- Amendment in Paragraph 2.79C in the Handbook of Procedures of the Foreign Trade Policy (FTP) 2015-20 to notify the procedure for repair/replacement of SCOMET items.

In exercise of the powers conferred under Paragraph 1.03 of the Foreign Trade Policy (FTP) 2015-20, the Director General of Foreign Trade (DGFT) hereby makes amendment in Paragraph 2.79C of Handbook of Procedures (HBP) of FTP 2015-20, with immediate effect.

2. Para 2.79C relating to export of SCOMET items for (i) repair/replacement of imported item(s) abroad and return (ii) repair/replacement of indigenous SCOMET items (iii) repair of imported items in India and return, will be substituted as under:

"Para 2.79C Issue of authorizations for repair/replacement of SCOMET items

A. Authorization for export of imported SCOMET items for repair/replacement:

i. Conditions to be fulfilled:

(a) The SCOMET items were imported to India and are to be exported for the purpose of repair and replacement, on being defective;
(b) There has been no change to the original characteristics/specifications of the SCOMET item(s);
(c) The SCOMET items are to be exported to the same entity from which they have been imported or to the OEM (including, agency1 authorized by OEM);
(d) No Export Authorisation would be granted if the initial export authorisation has been suspended, modified or revoked by the exporting country;
(e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time; and
(f) No ‘End Use’ and ‘End Use Certificate’ would be required.

1 Agency can include' Approved Repair Centre’ (facility approved by the original equipment manufacturer to repair the goods being exported under license).
ii. **Documents required:**

1. **Proof of import of the item(s):**
   a. Bill of entry containing details of the items to be repaired/replaced;
   b. Export License(if applicable) issued by the foreign country for original import of the items to India;
   c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. **Proof of obligation for replacement or repair of defective/damaged items:**
   Any of the applicable document(s):
   a. Contract agreement with the supplier/OEM (including agency authorized by OEM); or
   b. Purchase order containing terms of import; or
   c. Warranty policy/conditions on replacement/repair of defective/damaged items;

3. **An Undertaking from the applicant firm:**
   An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:
   a. Details of imported items to be exported after repair alongwith their SCOMET Category/Sub-category number(s), quantity, item description and ECCN of foreign country;
   a. That item(s) are being exported to the entity from which it was imported or to the OEM (including agency authorized by OEM) (whichever is applicable) for replacement/repair;
   b. That there has been no change to the original characteristics/specifications of the item(s) after import;
   c. That the replacement or repair of defective/damaged items (whichever is applicable) is allowed under the conditions of import or contractual agreement;
   d. That the defective/damaged item(s) after repair/replacement shall be brought back to India within 90 days of its export;
   e. That, in case the defective/damaged item(s) cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidence of destruction in the importing country shall be submitted to DGFT within 90 days of export.
   f. That, in case time beyond 90 days is required for repair of imported defective/damaged item(s) before re-import, permission from DGFT shall have to be obtained in advance indicating detailed justification for seeking extension of time.
iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM (including agency authorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

B. Authorization for re-export of indigenous SCOMET items after repair/replacement:

i. Conditions to be fulfilled:

(a) The SCOMET items manufactured in India, were exported and brought back to India for repair or being replaced, on being found defective/damaged;

(b) The items are to be re-exported after repair/replacement to the same entity to which the item(s) were originally exported by the applicant exporter;

(c) There has been no change to the original characteristics/specifications of SCOMET item(s);

(d) That the defective/damaged item(s) has/have already been brought back or would be brought back to India within 90 days of its replacement (if applicable);

(e) No authorization for re-export would be granted if the original licence has been suspended, modified or revoked.

(f) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time; and

(g) No ‘End Use’ and ‘End Use Certificate’ would be required;

ii. Documents Required

1. Proof of the original export of the item(s):

   a. Copy of the SCOMET License issued for the export of the items to be replaced/repaired;
   b. Shipping bills containing the details of the initial export of these items;
   c. Bill of Entry containing details of the items imported for replacement or repair;

2. Proof of obligation for replacement or repair of defective/damaged items:

   Letter from the foreign buyer on its letter head, duly signed and stamped, raising the demand for the repair or replacement of the item(s) to be exported and the reason thereof and any of the applicable document(s):

   a. Contract agreement of the Indian exporter/OEM(including agency authorized by OEM) with the foreign buyer; or
b. Purchase order containing terms of replacement/repair; or

c. Warranty policy/conditions on replacement/repair of defective/damaged items;

3. **An Undertaking from the applicant firm:**

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:

a. Details of items to be exported as replacement or after repair alongwith their SCOMET Category/Sub-category number(s);

b. That there has been no change to the original characteristics/specifications of the item(s) after repair (if imported and repaired) or is of the same specifications as of the item(s) being replaced;

c. That they are being exported to the same entity (ultimate end user) after repair or as replacement (as applicable) to which it was exported earlier;

d. That replacement/repair (whichever is applicable) is allowed under the conditions of export or purchase order or contractual agreement;

e. That the defective/damaged item(s) has/have already been brought back or would be brought back to India within 90 days of its replacement (in case of replacement);

f. That, in case the defective/damaged item(s) cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidence of destruction in the importing country shall be submitted to DGFT within 90 days of export of replacement.

iii. Applications for grant of authorizations to export the replaced/repaired item(s) to/through the same entity (ies), as specified in the original SCOMET license, shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export through a new entity (consignee), approval will be granted by Chairman, IMWG after verification of the credentials of the new foreign entity (ies) through which the item(s) are to be exported.

C. **Authorization for export of imported SCOMET items to same entity abroad, or any authorised entity after repair in India:**

i. **Conditions to be fulfilled:**

(a) The SCOMET items were imported to a designated/authorized repair facility in India for the purpose of repair under a contract agreement/Master Service agreement (MSA); or

Imported under a contract agreement between Indian exporter, entities of repair facility (if different from exporter) and entity abroad defining 'Statement of Work (SOW)'/ 'Scope of Work' including conditions for undertaking repair in India;
(b) The items are to be exported to the same entity abroad from which the item(s) has/have been imported or to the OEM (including agency\(^2\) authorised by OEM);

(c) There has been no change to the original characteristics/specifications of the SCOMET item(s) after repair;

(d) No Export Authorisation would be granted when the initial export authorisation has been suspended, modified or revoked by country of import;

(e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

(f) No details of ‘End Use’ and ‘End Use Certificate’ would be required;

ii. Documents Required

1. **Proof of import of the item(s):**
   
a. Bill of entry containing details of the items to be repaired;

b. Export License (if applicable) issued by the foreign country for original import of the items to India;

c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. **Proof of obligation for repair of defective/damaged items:**

Contract agreement and/or ‘Statement of Work (SOW)’/ Master Service agreement (MSA) between Indian exporter and entities of repair facility (if different from exporter) with the entity abroad/OEM (including agency authorized by OEM) defining conditions for undertaking repair in India.

3. **An Undertaking from the Indian exporter:**

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:

a. Details of imported items to be exported after repair alongwith their SCOMET Category/Sub-category number(s), quantity, item description and ECCN of foreign country;

b. That item(s) are being exported to the same entity from which it was originally imported for repair and return purpose or to the OEM (including agency authorized by OEM);

c. That there has been no change to the original characteristics/specifications of the item(s) after import;

\(^2\) Agency can include ‘Approved Repair Centre’ (facility approved by the original equipment manufacturer to repair the goods being exported under license).
d. That the repair of defective/damaged items is allowed under the conditions of import or contractual agreement between Indian exporter, entities of repair facility (if different from exporter) and the entity abroad /OEM (including agency authorized by OEM) (name and address);

iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM (including agency authorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

3. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

4. **Effect of this Public Notice:**

Paragraph 2.79C of Handbook of Procedures of FTP 2015-20 has been amended to lay down the procedure for export of SCOMET items imported for repair / replacement in the repair facilities set up in the country.

![Signature]

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