

(To be Published in the Gazette of India Extraordinary Part I Section I)

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

Public Notice No. 11/2015-20
New Delhi, Dated the 26 July, 2017

Subject: Amendment in paras 2.16, 2.20, 2.51, 2.74, 2.79 and 2.80 of the Handbook of Procedures (HBP) of Foreign Trade Policy (FTP) 2015- 20 - regarding.

In exercise of the powers conferred under Paragraph 1.03 of the Foreign Trade Policy (FTP), 2015-20, the Director General of Foreign Trade, hereby makes amendments in paras 2.16, 2.20, 2.51, 2.74, 2.79 and 2.80 of the Handbook of Procedures (HBP) of FTP 2015-20, with immediate effect **(changes made are in bold letters)**.

2. The revised paras 2.16, 2.20, 2.51, 2.74, 2.79 and 2.80 of the HBP of FTP 2015-20 would be substituted to read as under [including addition of sub para 2.51(c) and 2.74(IX)] :

“2.16 Validity period of Authorisation/ Licence/ Certificate/ Authorisation/ Permissions/ CCPs

a) Validity period of Import / Export Authorizations from the date of issue shall be as follows, unless specified otherwise:

Sr. No	Type of Authorisation	Validity Period
(i)	Export Authorisation for restricted (Non SCOMET) goods	12 months
(ii)	Export Authorisation for SCOMET items	24 months.
(iii)	Import Authorisation for restricted items and CCP	18 months.
(iv)	EPCG Authorisation	18 months.
(v)	Advance Authorisation (AA) for Deemed Export	Coterminous with contracted duration of project execution or 12 months, whichever is more.
(vi)	AA {except (v) above}, DFIA, Replenishment Authorisation for Gems & Jewellery as per Chapter 4 of FTP.	12 months from issue date.

b) **However, EXIM Facilitation Committee (EFC) (for non-SCOMET items) and Inter Ministerial Working Group (IMWG) (for SCOMET items) may approve the grant of Export Authorisation for a shorter / longer duration in specific cases to meet contractual obligations/delivery schedule or on specific recommendation of the concerned Technical / Administrative Ministry / Department / or any other agency.**

2.20 Revalidation of Import/ Export Licence Certificate/Authorisation/ Permissions for Non-SCOMET **and** SCOMET items


- a) RA concerned may revalidate import authorisation on merits for six months from date of expiry of validity.
- b) **Export Authorisation, including for SCOMET items, may be revalidated, on merits, for a period of six months at a time and maximum upto 12 months by the RA concerned. However, any extension / revalidation shall be allowed only by DGFT in cases where shorter / longer duration of export authorisation has been permitted under Paragraph 2.16(b) of Handbook of Procedures.**
- c) However, revalidation of freely transferable authorization / duty credit scrips and stock and sale authorization shall not be permitted unless validity has expired while in custody of Customs Authority / RA / **or any other Government Authority.**

2.51 EXIM Facilitation Committee

- (a) Restricted item Authorisation may be granted by DGFT or any other RA authorised by him in this behalf. DGFT/RA may take assistance and advice of a Facilitation Committee while granting authorization. The Assistance of technical authorities may also be taken by seeking their comments in writing. Facilitation Committee will consist of representatives of Technical Authorities and Departments /Ministries concerned.
- (b) Import authorizations for a restricted item, if so directed by the competent authority, shall be issued for import through one of the sea ports or air ports or ICDs or LCS, as per the option indicated, in writing, by the applicant. Authorization holder shall register the import authorisation at the port specified in the Authorization and thereafter all imports against said authorization shall be made only through that port, unless the authorization holder obtains permission from customs authority concerned to import through any other specified port.
- (c) **EXIM Facilitation Committee (EFC) shall normally meet once every month. Where a case has been deferred in EFC for want of comments from the Technical Authorities and Departments /Ministries concerned but subsequently, NOC(s) has / have been received from the concerned agency(ies) with no divergence in views, authorisation shall be issued with the approval of Chairman, EFC and the case shall be brought before EFC in its subsequent meeting for approval on ex-post facto basis.**

2.74 Inter-Ministerial Working Group:

An Inter-Ministerial Working Group (IMWG) in DGFT (Hqrs.) shall consider applications for export of SCOMET items as specified in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items based on following guidelines :

- I. Applications for Authorisation to export items or technology on SCOMET List are considered on the basis of following general criteria:
 - a. Credential of end-user, credibility of declaration of end-use of the item or technology, integrity of chain of transmission of item from supplier to end-user, and
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on potential of the item or technology, including timing of its export, to contribute to end-uses that are not in conformity with India's national security or foreign policy goals and objectives, goals and objectives of global non-proliferation, or India's obligations under International treaties/Agreements to which it is a State party.

b. Assessed risk that exported items will fall into hands of terrorists, terrorist groups, and non-State actors;

c. Export control measures instituted by the recipient State;

d. Capabilities and objectives of programmes of the recipient State relating to weapons and their delivery;

e. Assessment of end-use(s) of item(s);

f. Applicability of provisions of relevant bilateral or multilateral Agreements and Arrangements, to which India is a party, or adherent, including but not limited to the guidelines and control lists of the Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group and Wassenaar Arrangement (and its Sensitive List and Very Sensitive List) as updated from time to time.

II. Application shall be accompanied by an end user certificate (**EUC**) in the prescribed proforma, as applicable [Appendix 2S(i), 2S(ii) or 2S(iii)], certifying that:

a. The item will be used only for stated purpose and that such use will not be changed, nor items modified or replicated without consent of Government of India;

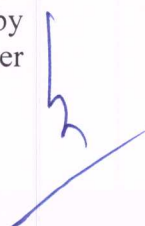
b. Neither the items nor replicas nor derivatives thereof will be re-transferred without consent of Government of India;

c. End-user shall facilitate such verifications as are required by Government of India.

III. The end-user certificate will indicate the name of the item to be exported, the name of the importer, the specific end-use of the subject goods and details of Purchase Order/Contract.

IV. Government of India may also require additional formal assurances, as deemed appropriate, including those on end-use and non-retransfer, from the State of the recipient.

V. (a) Licensing authority for items in Category 0 and Note 2 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is Department of Atomic Energy. Applicable guidelines are notified by the Department of Atomic Energy under Atomic Energy Act, 1962. For certain items in Category 0, formal assurances from the recipient State will include non-use in any nuclear explosive device. Authorisations for export of certain items in Category 0 will not be granted unless transfer is additionally under adequate physical protection and is covered by appropriate International Atomic Energy Agency (IAEA) safeguards, or any other mutually agreed controls on transferred items.



- (b) Licensing authority for items in Category 6 in Appendix 3 to Schedule 2 of ITC (HS) is Department of Defence Production. Export of items in Category 6 is governed by the extant Standard Operating Procedure issued by the Department of Defence Production in the Ministry of Defence. Export of items covered in Note 3 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is prohibited.

VI. Additional end-use conditions may be stipulated in Authorisations for export of items or technology that bear possibility of diversion to or use in development or manufacture of, or use as, systems capable of delivery of weapons of mass destruction.

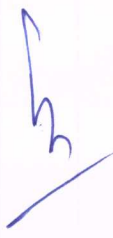
VII. Authorisations for export of items in SCOMET List (other than those under Category 0, 1, 2 & 6) solely for purposes of display or exhibition shall not require any end-use or end-user certification. However, no export Authorisation for display or exhibition shall be issued for 'Technology' in any category. **IMWG would seek comments from technical agencies as deemed necessary.**

VIII. Authorization for export of items in Categories 0, 3 (other than 3D), 4, 5 and 7 of the SCOMET list to Iran would be subject to the relevant provisions contained in Annex B to the UN Security Council resolution 2231 (2015). The licensing authority, i.e. DGFT or Department of Atomic Energy, as the case may be, on completion of the IMWG process or the applicable internal process, shall seek the concurrence of Disarmament and International Security Affairs (D&ISA) Division in the Ministry of External Affairs, as required.

IX. The Inter Ministerial Working Group shall normally meet once every month. Where a case has been deferred in the IMWG and subsequently, NOC(s) has / have been received from all concerned agencies with no divergence in views, authorisation shall be issued with the approval of Chairman, IMWG and the case shall be brought before IMWG in its subsequent meeting for approval on ex-post facto basis. Case(s), where a decision could not be arrived in IMWG, shall be placed before Director General of Foreign Trade for appropriate decision on grant of authorization.

2.79 Issue of authorization for repeat orders

Applications for grant of authorizations for repeat orders for export of SCOMET items shall be **approved by Chairman IMWG on automatic basis and the case shall be brought before IMWG in its subsequent meeting for approval on ex-post facto basis. The approval will be subject to the fulfillment of the following criteria:**

- (i) (a) the product along with the technical specification (b) the exporter (c) the foreign buyer (d) the consignee or the intermediaries, if any (e) the end user (f) the end use and (g) the country of destination; shall be same.
 - (ii) The permitted quantity against repeat export authorizations shall not be more than 2 times of the quantity in original authorization, subject to the annual manufacturing capacity of the end user in respect of the relevant product, as certified by the end user.
 - (iii) Only the applications submitted within two years from the date of approval by IMWG of the original SCOMET authorization will be eligible for repeat authorization.
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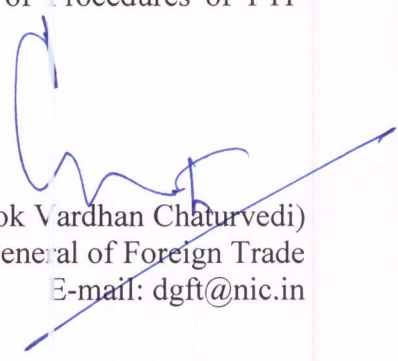
- (iv) There shall be a cap of two repeat authorizations against the original authorization.
- (v) A declaration by the authorized signatory on the qualifying conditions as per (i) to (iv) above shall be submitted along with the application for consideration under the repeat order route”.

2.80 Revalidation of SCOMET authorization

Revalidation of export authorisation for SCOMET items will be governed in terms of Paragraph 2.20(b) .

3. Effect of this Public Notice:

Para No. 2.16, 2.20, 2.51, 2.74, 2.79 and 2.80 of the Handbook of Procedures of FTP 2015- 20 have been amended.



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(Issued from F.No.01/91/180/ 18/AM17/EC)