

(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. 33 /2015-20
New Delhi, Dated the 4 September, 2018

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

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 to the Handbook of Procedures (HBP) of FTP 2015-20 for inclusion of Paragraph 2.79 C, with immediate effect.

2. The para 2.79 C relating to export of SCOMET items for repair/replacement will read as under:

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

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

Application for grant of authorization for export of imported SCOMET items to the entity from which it has been imported or to its OEM (including agency authorized by OEM), for the purpose of repair or replacement of damaged/defective items, shall be considered by Chairman IMWG, on the following conditions:

- (a) The export should only be to the entity from which the item(s) has/have been imported or to the OEM (including agency authorized by OEM);
- (b) No details on ‘End Use’ and ‘End Use Certificate’ would be required;
- (c) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):

i. **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;

ii. **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;

iii. **An Undertaking from the applicant firm;**

An Undertaking 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 replacement or repair alongwith their SCOMET Category /Sub-category number(s);
 - b. 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;
 - c. That there has been no change in the specifications of the item(s) after import;
 - d. That the replacement or repair of defective/damaged items (whichever is applicable) is allowed under the conditions of import or contractual agreement;
- (d) 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.
- (e) All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

B. Authorization for replacement/repair of indigenous exported SCOMET items:

Application for grant of authorization for export of SCOMET items, which on being exported from India, were brought back for repair or being replaced, on being found defective/damaged, and are now being re-exported after replacement/ repair, shall be considered by Chairman IMWG, on the following conditions:

- (a) The export should only be to the same entity (ultimate end user) to which the item(s) were originally exported by the applicant exporter;
- (b) No details on 'End Use' and 'End Use Certificate' would be required;
- (c) The application is accompanied with the following additional documents (depending on whichever is applicable):

i. **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/repared;
- 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;

ii. **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;

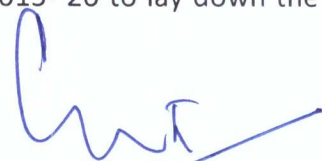
iii. An Undertaking from the applicant firm;

An Undertaking 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 along with their SCOMET Category /Sub-category number(s);
 - b. That there has been no change in the 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 (if applicable);
 - f. That, in case the defective/damaged item(s) cannot be imported due to any reason, evidence of destruction in the importing country shall be submitted to DGFT within 90 days of export of replacement.
- (d) 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.
- (e) All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

3. Effect of this Public Notice:

Paragraph 2.79 C has been included in the Handbook of Procedures of FTP 2015- 20 to lay down the procedure for export of SCOMET items for repair/replacement purposes.



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(Issued from F.No.01/91/180/18/AM-17/EC)