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

Public Notice No. 59 /2015-20
New Delhi, Dated the 12 December, 2018

Subject:- Inclusion of Paragraph 2.79 E in the Handbook of Procedures of the Foreign Trade Policy (FTP) 2015-20 to lay down the procedure for re-export/return of imported 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 to the Handbook of Procedures (HBP) of FTP 2015-20 for inclusion of a new entry at Paragraph 2.79E, with immediate effect.

2. A new entry inserted under sub-para 2.79 D of HPB relating to re-export/return of imported SCOMET item(s) will read as under:

“Para 2.79 E- Issue of export authorizations for re-export/return of imported SCOMET items to the same foreign entity or to its OEM (including agencies authorized by OEM)

Application for grant of authorization for re-export/return of imported SCOMET items to the foreign entity from which it has been originally imported or to its OEM (including agency authorized by OEM), for reasons such as obsolescence of technology of imported items; cancellation of order by the Indian buyer /end user; dead on arrival etc., 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/ies authorized by OEM);
- (b) No details on ‘End Use’ and ‘End Use Certificate’ would be required;
- (c) 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;
- (d) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):
 - i. **Proof of import of the item(s):**
 - a. Documentary proof that the item(s) originally imported, match with intended item(s) of re-export/return;
 - b. Bill of entry containing details of the items to be returned;

- c. Export License (if applicable) or any other documents showing that export regulation of the country of export does not have any restriction on re-export/return from India;
- d. In case of any such restriction, the exporter will provide a letter of explanation detailing the list of countries/entities, to which re-export/return is restricted / regulated;

ii. **Proof of obsolescence/cancellation of order for intended items:**

Any of the applicable document(s):

- a. Proof of obsolescence of technology of imported items;
- b. Cancellation of order by Indian importer;
- c. Inspection report in case of dead on arrival etc;
- d. Any other document in support of the claim for return

iii. **Proof of obligation for re-export/return for intended items:**

Any of the applicable document(s):

- a. Contract agreement between exporter and the supplier/OEM (including agency authorized by OEM) for re-export/return;
- b. Purchase order containing terms of import with specific mention of re-export/return due to any of the reasons explained above;
- c. Warranty policy/conditions on replacement of damaged /dead on arrival items;

iv. **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 re-exported/returned alongwith their SCOMET Category /Sub-category number(s);
 - b. That item (s) are being exported to the same foreign entity from which it was originally imported or to the OEM [including agency(ies) authorized by OEM] (whichever is applicable);
 - c. That there has been no change in the specifications of the item(s) after import in India;
 - d. That the re-export/return of items due to reasons such as obsolescence of technology of imported items; cancellation of order by Indian buyer/end user; dead on arrival etc. (whichever is applicable) is allowed under the conditions of import or contractual agreement.
- (e) Applications for grant of authorizations for export to the entity from which it was originally 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 re-export/return to an entity other than the OEM (including agencies 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.
- (f) 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 E has been inserted in the Handbook of Procedures of FTP 2015- 2020 to lay down the procedure for re-export/return of imported SCOMET item(s) due to reasons of obsolescence of technology of imported item(s); cancellation of order by the Indian buyer/end user; dead on arrival, etc.



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