



## WEEKLY TRADE UPDATE

### PART 1

#### Update regarding Export Controls for the past 6 months

Measures taken by the licensing authority, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry.

#### **A. Introduction of Global Authorisation for Intra-Company Transfer (GAICT) vide Public Notice 20/2015-2020 dated July 24, 2019.**

The GAICT will be granted for SCOMET items/software/technology, excluding items falling under Category 0, 1B, 1C, 3A401, 5 and 6, in respect of intra-company re-export of items imported against license exception granted by the export control licensing authority of the country of parent company.

The following conditions must be satisfied to be eligible for this application.

- a. The re-export is an intra company transfer in the same group of companies (parent company/ subsidiaries of parent company) based on a Master Service Agreement/ Contract.
- b. The items to be re-exported has been imported into India against a License Exception which has been granted by the export control licensing authority of the country of parent company.
- c. The Indian Exporter makes a declaration of end- use of the re-export, agrees to allow on-site inspection and furnishes an ICP or demonstrates compliance to the parent company's ICP.
- d. Post-shipment details of each transfer/ consignment of exports under GAICT must be made to the SCOMET division, DGFT by the end of subsequent month of each quarter, in respect of exports made in the previous quarter.

Subsequent re-export by parent company will be subject to export control regulation of that country.

The license will be valid for 3 years from issue of license, unless there exists a validity of license exception for the parent company or its subsidiaries or the validity of the Master Service Agreement/ Contract expires first.

#### **B. Procedure has been notified for export of SCOMET items imported for the following repair / replacement in the repair facilities set up in the country vide Public Notice 36/2015-2020 dated September 27, 2019.**

The following Authorization for repair/ replacement of SCOMET items will be granted.

- a. An Authorization for export of imported SCOMET items for repair/ replacement.

- b. An Authorization for re-export of indigenous SCOMET items after repair/ replacement.
- c. An Authorization for export of imported SCOMET items to same entity abroad or an authorized entity after repair in India under a Master Service Agreement/ Statement of Work/ Scope of Work contract agreement.

For the purpose of obtaining the aforementioned Authorizations, the following documents are mandatory.

- a. Proof of import (Bill of Entry or Export License issued by Foreign Country)/ proof of original export (Shipping Bills, SCOMET License and Bill of Entry details).
- b. Proof of repair/ replacement obligation (Contract or Purchase Order or Warranty/ Policy Condition).
- c. An Undertaking in the prescribed form from the Applicant.

**C. Procedure for export of SCOMET items for demo/display/exhibition/tenders/ RFP/RFQ/NIT purposes has been laid down vide Public Notice 50/2015-2020 dated December 27, 2019.**

An Authorization will be granted directly by Chairman, Inter Ministerial Working Group, DGFT only for demo/ display/ exhibition/ tenders/ Request for Proposal/ Request for Quotation/ Notice Inviting Tender purposes, subject to the following conditions.

- a. In case of Authorization for demo/ display/ exhibition/ tenders/ Request for Proposal/ Request for Quotation/ Notice Inviting Tender abroad, the Authorization will be on temporary export basis for a specific period.
- b. No Authorization will be granted for sanctioned countries.
- c. There shall not be any commercial transaction (selling/ renting/ buying/ leasing) and the number of items should commensurate with the nature of export items and the purpose of export.
- d. There is no exchange of information amounting to transfer of technology.
- e. The Application must be with necessary documentation including proof of event, proof of participation and an Undertaking by the Applicant firm.

No details of end- use/ end user certificate will be required in these cases. The Authorizations granted in these cases will be brought before the IMWG in its subsequent meeting for confirmation of approval on ex-post facto basis.



## PART II

### Update on Trade Remedy Measures

#### A. Investigation Initiations.

Directorate General of Trade Remedies (**DGTR**), Ministry of Commerce and Industry has recently initiated the following trade remedy investigations.

- December 27, 2019 - Initiation of Sunset review of Anti- dumping duty imposed on imports of “Phenol” originating in or exported from South Africa.
- December 27, 2019 - Initiation of Sunset review of Anti- dumping duty imposed on import of “Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)” originating in or exported from Korea RP.
- January 10, 2020 - Initiation of Anti- dumping investigation concerning imports of “Ciprofloxacin Hydrochloride” from China PR.
- January 14, 2020 - Initiation of Anti- dumping investigation concerning imports of “Viscose Spun Yarn” originating in or exported from China PR, Indonesia and Vietnam.
- January 14, 2020 - Initiation of Anti- dumping investigation concerning imports of “Dimethyl Formamide (DMF)” from China PR & Saudi Arabia.
- January 20, 2020 - Initiation of Anti- dumping investigation concerning imports of “Newsprint in rolls or sheets, excluding glazed newsprint” originating in or exported from Australia, Canada, European Union, Hong Kong, Russia, Singapore and United Arab Emirates.

#### B. Duty Impositions.

The Department of Revenue, Ministry of Finance has recently imposed the following trade remedy duties, pursuant to recommendations by the DGTR.

- A countervailing duty has been imposed for a period of five years vide Customs (CVD) Notification No. 1/2020 on “Continuous Cast Copper Wire Rods” falling under heading 7408, originating in or exported from Indonesia, Malaysia, Thailand and Vietnam.

*Copyright © 2020 DGS Associates, All rights reserved.*

**Our mailing address is:**

DGS Associates,  
C-485 (GF), Defence Colony, New Delhi-110024.