

Trade Update

Change in procedure to obtain Export Control Authorizations for Munitions List (Category 6, SCOMET List) items

The Department of Defence Production, Ministry of Defence (hereinafter referred to as ‘**DDP**’), responsible for the issue of export control licenses for items in the Munitions List (Category 6 of Special Chemicals, Organism, Materials, Equipment and Technologies List), amended its Standard Operating Procedure on January 9, 2020, with a view to bring its procedure in line with that of the Directorate General for Foreign Trade.

The following is a brief of the amendments introduced.

- The Ministry of Home Affairs, vide Notification dated November 1, 2018, has delegated its powers and functions under section 10 of the Arms Act to the DDP, for export of Arms and Ammunition specified in Schedule I of the Arms Rules, 2016. The export of the following parts of the firearms shall be permitted by the DDP in Form X-A under the Arms Rules, 2016:
 - a. Barrel
 - b. Cylinder
 - c. Bolt
 - d. Breech Block
 - e. Slide
 - f. Firing Pin
 - g. Frame or Receiver
 - h. Extractor
 - i. Hammer/ Striker
- The format of EUC for parts and components is now provided for in Appendix IV(c).
- New declarations in Appendix V(b) for export of Munitions List items for participation in Tender/ Exhibition/ In-principal approval and Appendix V(c) for Testing/ Evaluation, have been introduced.
- In case of re-export of an item after undertaking repair or rework or replacement on being rejected by the Foreign Original Equipment Manufacturers or export of an item which was imported for repair or replacement, an import license may be provided instead of an export authorization among the documents required to be provided to DDP.
- In cases of inter-company transfers where there is export of engineering services to any of the WA countries and where the technology is neither developed or owned by any Indian firm or the Government, an EUC from the entity who owns the technology will also be acceptable for issue of the authorization.



- Following this amendment, authorization for exports of items other than in Appendix II of the Standard Operating Procedure can now be issued without waiting for the original copy of the EUC. However, the original hard copy of the EUC should reach Defence Export Promotion Council within 30 days of online submission of the application, failing which the firm shall be ineligible to file further applications.
- On approval, the authorizations will only be digitally signed and there is no requirement for it to be stamped by 2 officers in DDP. The Authorization will be communicated through the defenceexim.gov.in portal to the exporters, instead of by post and email.
- Penal action prescribed under Chapter IIIA and Chapter IVA of the Foreign Trade (Development and Regulation) Amendment Act, 2010 and sections 14 to 20 of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 is now included, along with Chapter III and IV of Foreign Trade (Development and Regulation) Act, 1992 and Customs Act, 1962 provided for in the earlier Standard Operating Procedures.
- The earlier Standard Operating Procedures issued by DDP dated June 26, 2018 and November 1, 2018, now stands rescinded.

Copyright © 2020 DGS Associates, All rights reserved.

Our mailing address is:

DGS Associates,
C-485 (GF), Defence Colony, New Delhi-110024.
Ph: 011 4174 9277/ 011 4174 9278.
Email: dgs@dgsassociates.in.