

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

Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhawan

Public Notice No. 07/2015-20
New Delhi, the 17 May, 2017

Subject:- SCOMET Export permission for 'Stock & Sale' purposes

In exercise of the powers conferred under Paragraph 1.03 of the Foreign Trade Policy, 2015-20, the Director General of Foreign Trade, hereby makes the following amendments in Para 2.79A of the Handbook of Procedures, 2015-2020 with immediate effect:

2. The revised Para 2.79A would read as follows:

2.79A. Export permission for "Stock and Sale"

i) 'Stockist' refers to the entity abroad to whom the SCOMET items are originally exported by Indian principal/wholly owned subsidiary. The Stockist entity should be a subsidiary/principal company abroad of the Indian exporter.

ii) Applications for grant of authorization for export of SCOMET items for 'Stock & Sale' purpose shall be evaluated/considered by IMWG subject to the conditions prescribed as under.

a) Application for Authorization for Export of SCOMET items for 'Stock & Sale' purpose to the Stockist

- i. Export shall be permitted only from the principal company/the wholly owned subsidiary in India to their subsidiaries/principal company abroad on the basis of an End Use cum End User certificate (EUC) from the latter for 'stock & sale' purposes (as per Appendix 2S(iii)), when considered appropriate from the point of view of security and other critical considerations. The exhaustive list of countries to which exports would be done by the stockist needs to be indicated in the EUC for 'stock & sale' purposes. Documentary proof regarding relationship between exporter and stockist entity needs to be submitted at the time of application.
- ii. The Stock & Sale Authorization holder would submit a statement of exports made from India, inventory with the stockist and transfers made to final end-users as on December 31st of each calendar year by 31st January of the following year. A consolidated statement would be required to be submitted within a period of 3 months from the expiry of the Stock & Sale Authorization.
- iii. The items exported to the stockist entity under this authorization should be transferred to the final end-user within the validity period of the authorization. The authorization may be revalidated as per the procedure mentioned in para 2.80 of HBP.
- iv. No applications for Authorization for Export of SCOMET items for 'Stock & Sale' purpose would be considered for items falling in Category 0, 1C and 6 of the SCOMET list.
- v. No export Authorisation for 'Stock & Sale' purpose shall be issued for 'Technology' in any category.

(b) Application for permission for re-export/re-transfer from 'Stockist' to Ultimate end-user(s)

(i) Applications for re-export/re-transfer of items from the stockist entity to the end-user to be submitted to DGFT(Hq) as per ANF 2O(a) along with the following documents (hereinafter referred to as required documents):-

- a) End-use/End-user certificate from each link in the supply chain as per Appendix-2S (i)/2S(ii), as applicable
- b) Purchase orders/Invoices
- c) Technical specifications of the product to be transferred (only if there is any value addition in the product by the stockist)

(ii) Re-transfer within the same country by the stockist:-

- a) For any further transfer of these items by the stockist entity (to whom the items are originally exported by Indian principal/wholly owned subsidiary) to entity (ies), including end users, in the same country, the former shall obtain the required documents from each link in the supply chain and forward the same to the Indian applicant/licensee for the purpose of submission to DGFT(Hq) for seeking prior permission for such transfer. The IMWG may, however, relax this requirement of prior permission based on a Risk Assessment for such within same country sale/transfer.
- b) In case of same country sale/transfer by the stockist entity, where IMWG has agreed to relax the requirement of prior permission, the required documents shall be submitted by the Indian applicant/licensee within 3 months of any such transfer. In such case, no link in the supply chain should be an entity outside the country and items should remain within the country.
- c) Country would denote an independent sovereign entity which is a distinct national entity in political geography. Hence, transfers within an economic union or a customs union would not qualify as "same country transfers".

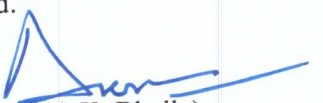
(iii) Re-export outside the country by the stockist:- Application for re-export by the stockist entity to entity(ies) outside its country, shall be forwarded by the stockist entity to the Indian applicant/licensee, with the required documents from all links in chain of supply for the purpose of submission to DGFT(Hq) for seeking prior permission for such transfer.

(iv) Applications for re-export/re-transfer of SCOMET items from the stockist entity to the end-user for repeat orders shall be considered by IMWG on automatic basis, subject to the condition that the product along with the technical specifications; the foreign buyer; the consignee or the intermediaries, if any; the end user; the end use and the country of destination, shall be the same as the earlier permission.

3. ANF 2O(a), required for application for re-export/re-transfer of items from the stockist entity to the ultimate end-user, is being annexed with this Public Notice.

4. Appendix- 2S (iii), the format for the End use cum End User Certificate (EUC) in case of export of SCOMET items for stock and sale purpose, is being annexed with this Public Notice.

5. **Effect of this Public Notice:** The provision of SCOMET export authorization for "Stock and Sale" has been clarified and the procedure to be followed when seeking permission for re-export/re-transfer of SCOMET items by the stockist entity to the ultimate end-user has been framed.



(A.K. Bhalla)

Director General of Foreign Trade
E-mail: dgft@nic.in

(Issued from F.No.01/91/162/40/AM12/EC(S))

3. Details of exports of stocked items made previously

Sl. No.	Approval No. & Date	Details of items exported		Qty exported	Country to which exported	DGFT's (HQ's) File Number
		Category	Description			

4. Shipment Details:

i. Port of Lading/Shipment	
ii. Port of Discharge	
iii. Country to which item to be exported	
iv. Ultimate Destination Country	

5. Purpose of Export

i. Re-export of Stocked Items	
-------------------------------	--

6A. Foreign Buyer Details:

i. Name																													
ii. Address	Flat/Plot /Block No.																												
	Street/Area/Locality																												
	City																												
	Country											Postal Code																	
iii. Telephone No.	(1)	Country Code										Area Code							Tel.No.										
		(2)																											
iv. Fax No.		Country Code										Area Code							Fax No.										
v. E-mail																													
vi. Export Order No. and date																													

6B. Consignee Details:

i. Name															
ii. Addresses	Flat/Plot/Block No.														
	Street/Area/Localit y														
	City														
	Country					Postal Code									
iii. Telephone No.		Country Code			Area Code				Tel.No.						
		(1)													
		Country Code			Area Code				Fax No.						
		(2)													
iv. Fax No.															
v. E-mail															

6C. End User Details:

i. Name															
ii. Address	Flat/Plot /Block No.														
	Street/Area/Localit y														
	City														
	Country					Postal Code									
iii Tele No.		Country Code			Area Code				Tel.No.						
		(1)													
		Country Code			Area Code				Fax No.						
		(2)													
iv. Fax No.															
v. E-mail															

vi. End product for which the item of export will be used by the end user			
vii. Purpose for which the end product will be utilized			
viii. Is end user an entity of Government of destination country?			
ix. Manufacturing/Business/ other activity of the end user			

7. If applied for re-export on repeat basis under the same 'Stock & Sale' authorization for same product , same end use and to the same end user, please furnish:

i. Reference Number and date vide which earlier permission was granted			
iii. Quantity allowed for export			
iv. Quantity exported on the date of this application			

8. Details of 'Stock & Sale' authorization under which item was exported:

i. Authorization Number			
ii. Authorization Date			
iii. DGFT(Hq) file number			
iv. DGFT(Hq) approval meeting number			
v. DGFT(Hq) approval meeting date			

For Use in DGFT office only (To be filled by the applicant).

9A. Application Submission Details (if submitted electronically):

i. ECOM Reference Number			
ii. Date of Submission on Server			
iii. Submitted to which Regional Authority			
iv. File Number & Date of Issue			
v. Application Fee submission details viz. Amount in Rupees, Demand Draft No./Electronic Fund Transfer No. and Date and the name & branch of the bank on which drawn			
9B. Jurisdictional Regional Authority of original 'Stock & Sale' authorization:			

DECLARATION/UNDERTAKING

1. I / We hereby certify that:

- (i) I/We hereby declare that the particulars and the statements made in this application are true and correct to the best of my / our knowledge and belief and nothing has been concealed or held there from.
- (ii) I/We fully understand that any information furnished in the application if found incorrect or false will render me / us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.
- (iii) I/We undertake to abide by the provisions of the FT (D & R) Act, 1992, as amended, the Rules and Orders framed there under, FTP, HBP, Appendices and Aayat Niryat Forms and ITC (HS).
- (iv) I/We hereby certify that:
 - A. The entity for whom the application has been made have not been penalized under any of the following Acts (as amended from time to time):
 - (i) The Customs Act, 1962,
 - (ii) The Central Excise Act 1944,
 - (iii) Foreign Trade (Development & Regulation) Act 1992, as amended, and
 - (iv) The Foreign Exchange Management Act, 1999
 - (v) The Conservation of Foreign Exchange, Prevention of Smuggling Activities Act, 1974
 - (vi) Weapons of Mass Destruction & their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005
 - B. None of the Directors / Partners / Proprietor / Karta / Trustees of the company / firm / HUF/Trust, (as the case may be), is/are a Director(s) / Partner(s) / Proprietor / Karta / Trustee in any other Company/ firm / entity which is on the Denied Entity List (DEL) of DGFT or is in the caution list of RBI;
 - C. Neither the Registered Office of the company / Head Office of the firm / nor any of its Branch Office(s)/ Unit(s)/ Division(s) has been declared a defaulter and has otherwise been made ineligible for undertaking import / export under any of the provisions of the Policy;
 - D. We have neither obtained nor applied for issuance of an Importer Exporter Code Number in the name of our Registered / Head Office to any other Licensing Authority.
- (v) I / We hereby declare that I / We have neither obtained nor applied for such benefits (including issuance of an Importer Exporter Code Number) in the name of our Registered / Head Office or any of our Branch(s) / Unit(s) / Division(s) to any other Regional Authority.
- (vi) We have complied with the conditions of all previous licences / authorisations issued to us for export of SCOMET items and wherever required have duly intimated the o/o DGFT, New Delhi along with documentary evidence regarding receipt of the items of export by the end-user within the stipulated time.
- (vii) I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, as amended, the Rules and Orders framed there under, FTP, HBP and ITC (HS) and submit all requisite documents to the o/o DGFT (SCOMET Section), failing which I/We shall be liable to action under FT (D & R) Act, 1992 as amended or rules and orders made there under, and the Customs Act, 1962.

(viii) I hereby certify that I am authorised to verify and sign this declaration as per Paragraph 9.6 of the Policy.

Signature of the Applicant											
Name											
Designation											
Official Address	Flat/Plot/Block No.										
	Street/Area/Locality										
	City										
	State				PIN Code						
Telephone		Country Code		Area Code			Tele No.				
Place:											
Date:											

APPENDIX- 2 S(iii)
END USE CUM END USER CERTIFICATE
IN CASE OF EXPORT OF SCOMET ITEMS FOR STOCK AND SALE PURPOSE

PART 1: PARTIES CONCERNED

- (a) Name of Exporter in India _____
- (b) Name of Stockist entity _____
- (c) Address of the Stockist entity _____
- (d) Details of relationship between exporter and stockist _____
- (e) Specific Location where the items will be held in stock/assembled (if different from (c)) _____
- (f) Exhaustive list of countries to which goods are to be transferred on receipt of orders: _____

PART 2: ITEMS (goods, software, technology)

(a) Description of the item(s) (e.g. Name of Model, Class, Type, Serial Number)	(b) Quantity/Weight

- (c) Purchase order Number & Date of signature of contract _____

PART 3: DECLARATION

- a) The item(s) indicated in PART 2 will be used as capital equipment/ component / raw material / other use (select one) for _____
- b) I/we certify that the above-mentioned items (as detailed in the referenced purchase order) shall not be used for any purpose other than the purpose(s) stated above and that such use shall not be changed nor the items modified or replicated without the prior consent of the Government of India. Post shipment verification shall be allowed if required by the Government of India, as may be applicable.
- c) The stockist shall not himself, or through another, cause the items, or replicas, or derivatives thereof to be re-transferred / sold without the consent of the Government of India, to any party within (country of the stockiest entity) _____ or outside it.
- d) We further certify that the goods are intended for stock to be held against future orders and that the consent of the Government of India will be obtained for any transfer to end-users in the countries mentioned in Part 1(f) above. We undertake that we shall follow the conditions laid down in the export authorization granted to entity at 1(a) above by the Government of India.
- e) I/We also certify that the above items imported by us shall not be used to develop, acquire, manufacture, possess, transport, transfer or use, chemical, biological, nuclear weapons or for missiles capable of delivering such weapons.
- f) I/we also certify that all the facts contained in this certificate are true and correct to the best of my knowledge and belief and that I/we do not know of any additional facts that are inconsistent with this certificate.

Sign here: _____
 (Signature of authorised signatory of the stockist)

Date: _____

Name: _____
 (add name of signatory in capitals)

Designation: _____

Address: _____

Telephone number: _____

Email: _____

[To be submitted on the letterhead of the stockist entity. Any additional sheets must be signed by the same person who signs this form.]