

## **FAQs on Export of Munitions List Items notified under Category 6 of SCOMET**

**Q.1 Whether export of Munitions List Items is permitted? If yes, what is the procedure?**

**A.1** Export of Munitions List Items is permitted under a “Authorization” issued by the Department of Defence Production, Ministry of Defence as notified by DGFT vide Policy Circular No. 5/2015-2020 dated 24.05.2017, as reflected in the Export Policy in Table “A” S. No. 5(d) of Schedule 2 of ITC (HS) Classification of Export & Import items.

Applications are to be filed online at <http://defenceexim.gov.in> . The SOP for issue of Export Authorisation is available at <http://ddpmod.gov.in>.

Issue of the Export Authorisation is subject to submission of original End User Certificate (EUC) as per format available at the website mentioned above. The EUC is to be signed/stamped by government of end user/ultimate end user country/State or the designated officer of the importing company, as the case may be.

**Q.2 What is the reason for revision of SOP?**

**A.2** SCOMET Category 6 titled ‘Munitions List’ that was hitherto ‘Reserved’ has been populated. The Military Stores list notified Vide Notification No. (115(RE-2013/2009-2014) dated 13th March 2015 stands rescinded. Therefore, to synchronise SOP with the SCOMET list, SOP has been revised.

**Q.3 What are the items that were earlier included in Category 6 of SCOMET?**

**A.3** The Category 6 of SCOMET was reserved for munitions list and hence, there were no items earlier included in Category 6 of SCOMET.

**Q.4 Are there any exception in Category 6 of SCOMET where DDP is not the licensing authority?**

**A.4** Yes, for items in category 6A007 (Chemicals or Biological Toxic Agents) and Category 6A008 (Energetic Materials and related substances), DGFT will be the licensing authority apart from certain exemptions mentioned under Commodity by Identification Note (CIN).

**Q.5 What are exceptions related to MoD's jurisdiction in CIN?**

**A.5** The exceptions under CIN related to MoD's jurisdiction are as follows :

- If items are prima facie, classifiable under two or more headings, the heading which provides the most specific description shall be preferred to heading providing a more general description. The end-use of the item would be a relevant criteria in determining the classification and
- Nuclear Power Generating Equipments or Propulsion Equipments including "Nuclear Reactors" and specially designed for military use & components, therefore, specially designed or modified for military use AND Simulators specially designed for military "Nuclear Reactors covered under Category 6A017 will be classified under the relevant description in Category 0.

**Q.6 Is there any difference between No Objection Certificate and Authorization/ Export Licence for export of Munitions list items?**

**A.6** No, 'authorization' & Export Licence for export of Munitions list items is same as NOC for export of military stores. Procedure for issue of authorization is also similar to issue of NOC.

**Q.7 Is there any requirement to maintain records of export of Munitions List items?**

**A.7** The Exporter is required to maintain records (manual or electronics form) for a period of five years from the date of export. Para 3 of Public Notice No. 4/2015-20 dated 24/05/2016 is relevant in this regard.

**Q.8 What are the documents which are required to be kept in record for 05 years?**

**A.8** All documents submitted while making an application, correspondence with the buyer/consignee/end user or MoD, relevant contract documents, relevant book of accounts, relevant financial records, shipping documents including shipping bills, bill of entry and bill of lading etc.

**Q.9 Can I appeal against the denial of authorization and if yes, who is the competent authority to examine the appeal?**

**A.9** In case an Authorization for Munitions list items is denied/refused by the Ministry of Defence, the applicant company can make an appeal against the denial within 30 days to MoD. Such requests shall be examined as per the provisions of SOP.

**Q.10 Can an Exporter hire the services of broker/brokering firm to facilitate the export of Munitions list items?**

**A.10** Brokering is prohibited in terms of provisions of the Foreign Trade Development and Regulation Act 1992 as amended and the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act 2005.

**Q.11 What are the penal provisions for violation of conditions mentioned in an Authorization for export of munitions list items?**

**A.11** The relevant penal provisions shall be attracted for any wrongdoing, submission of incorrect information & forged/fraudulent documents, which may warrant cancellation of IE Code, financial penalties as well as criminal prosecution as per the extant provisions of FTDR Act, 1992 as amended, Customs Act, 1962 and any other Act as may be applicable.

**Q.12 What are ITC(HS) Codes?**

**A.12** ITC(HS) Code or better known as Indian Trade Classification (Harmonized System) Code was adopted in India for import-export purposes. Indian Customs uses an eight digit ITC(HS) Code to suit the national trade requirement.

**Q.13 How do I find ITC(HS) Code for my product?**

**A.13** The ITC(HS) Codes are available on the DGFT's website ([www.dgft.gov.in](http://www.dgft.gov.in)).

**Q.14 Is there any fees for obtaining Authorization for export of Munitions List Items under SCOMET?**

**A.14** No, there is no fee for obtaining Authorization for export of Munitions List Items, under SCOMET CAT.6.

**Q.15 Is there any fee for obtaining Export licence for parts of small arms under Arms Rules.**

**A.15** Yes – Rs.5000/- for each purchase order for the purpose of export of arms and ammunition and parts thereof.

**Q16:- The authority to which the fee against Export licence under Arms Rules is payable.**

**A 16:** The fee may be paid through Demand Draft in favour of AO(DAD), MoD(Civil).

**Q.17 Is Importer-Exporter Code (IEC) mandatory for export of Munitions List Items?**

**A.17** Yes, IEC is mandatory. Without IEC, company cannot be registered with the DDP.

**Q.18 Where can I get the format of application form for Authorization and the EUC?**

**A.18** The format of application form and the EUC are prescribed in the Appendix III and Appendix IV(a), IV(b) or IV (c) of SOP available on the web site of Department of Defence Production.

**Q.19 What are the conditions for issue of Authorization in cases of exhibition, testing & evaluation and participation in tender abroad?**

**A.19** Please refer to Parts C, D & E of SOP available on the website of the department (<http://ddpmod.gov.in>).

**Q.20 Whether there is any provision for Transfer of Technology/Software specially designed for military end use for issue of authorization from Ministry of Defence?**

**A.20** The provisions notified under SOP at Para 6.5 i.e., Part (F) is relevant in this regard.

**Q.21 Is there any provision for Repeat Order for issue of export authorisation?**

**A.21.** The provisions of Para 7 of SOP available on the website of the Deptt. (<http://ddpmod.gov.in>) are relevant in this regard.

**Q.22 Why the requirement of End User Certificate (EUC), from the Government concerned, is mandatory?**

**A.22** EUC is mandatory only in case of items which fall under Part (A), Part (B) & Part (F) of the SOP. The purpose of obtaining End User Certificate is to establish the complete chain of transmission of exported product until it reaches the ultimate end user with a view to ensure that the item exported has been used for the specific purpose for which Export Authorization is requested and that

the item has not been diverted, sold or transferred to any third party whatsoever.

**Q.23 What is the validity period of Authorization?**

**A.23** The provisions in Para 9 of SOP available on (<http://ddpmod.gov.in>) may be referred to for validity period in respect of each PART.

**Q.24 What if the original EUC is not in English Language?**

**A.24** In case the EUC is not in English Language, its translated version, duly certified by notary public/Embassy/Mission of India abroad, should be provided.

**Q.25 What is the time period for issue of Authorization?**

**A.25** An application for Authorization will be approved/rejected normally by the Department within 04 weeks for Appendix-II items from the date of receipt of the complete on-line application along with uploaded copy of EUC/requisite documents. For export of items other than Appendix II of SOP, the time period is two weeks (another two weeks if consultation with any of the stakeholders required. However, Authorization will be issued only after receiving the original EUC.

**Q26 What are the documents required for issue of export authorisation to export an item after undertaking repair or rework or a replacement on being rejected by the Foreign Original Equipment Manufacturers?**

**A.26** The following documents are required to be submitted alongwith the application for issue of export authorisation:

- (i) Undertaking as in Appendix V
- (ii) Copy of export authorization issued originally to the exporter
- (iii) Bill of Entry containing items imported for replacement or repair or
- (iv) Destruction certificate stating reasons why the original items cannot be imported; or
- (v) Any document stating that the items have been brought/imported back.
- (vi) Letter from foreign buyer on his letter head duly signed and stamped that the items need to be repaired/replaced along with Purchase order/warranty policy/conditions.
- (vii) Declaration that there has been no change in the specifications of the item.

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