



SCOMET Update: Amendment to General Authorization for Export of Chemicals and related Equipments (GAEC)

INSIGHTS

June 23, 2023

Dear Reader,

We are writing to you with an important update concerning the GAEC.

Background	<p>The Government of India maintains a list of SCOMET items i.e., dual-use items having the potential for both civil/industrial application as well as weapons of mass destruction. Currently, the said list organizes the SCOMET items under eight (8) categories. Certain toxic chemical agents and other chemicals are particularly categorized under category 1, whereby the export of these items is prohibited or permitted under an authorization unless specifically exempted.</p> <p>In furtherance to liberalizing the SCOMET licensing policy, the Government of India introduced bulk licensing and general authorization provisions including the GAEC. The GAEC allows exporters to seek a general authorization/license, which is applicable for five (5) years for exporting/re-exporting certain chemicals.</p>
Scope of Public Notice	<p>On 19 June 2023, the Government of India, vide Notification No. 12/2023 and vide Public Notice No. 15/2023 amended the policy and procedure respectively concerning the GAEC.</p> <p>Prior to amendment, an application for GAEC to export/re-export SCOMET items falling under categories/sub-categories 1C, 1D, 1E, 3D001, and 3D004 (excluding software and technology) could be made. Additional conditions <i>inter alia</i> including “declaring that the items intended to be exported under the GAEC shall not be for any purpose other than the purpose stated in the end user certificate” were also required to be met.</p> <p>Post amendment, in addition to SCOMET items falling under categories/sub-categories 1C, 1D, 1E, 3D001, and 3D004 (excluding software and technology), certain chemicals specified in Appendix 10(N) to certain specified countries mentioned under aforesaid Appendix 10(N) can also be exported/re-exported under the GAEC. In other words, the Indian Government expanded the scope of chemicals that can be exported/re-exported under the GAEC. Additionally, while the condition i.e., “declaring that the items 1C, 1D, 1E, 3D001, and 3D004 (excluding software and technology) intended to be exported under the GAEC shall not be for any purpose other than the purpose stated in the end user certificate” has been retained, a new condition for export/re-export to specified countries has been introduced. It requires that the export/re-export to specified countries should be for civilian use only.</p> <p>The relevant Notification and the Public Notice are available here and here respectively.</p>
Next Steps	<p>To obtain authorization to export the SCOMET items, the exporters would need to submit an application in the prescribed format of Appendices and ANF (as applicable) to the Directorate General of Foreign Trade (DGFT). The procedure to file the said application is laid down under the Foreign Trade Procedure, which is available here.</p>

For any queries or comments on this update, please feel free to contact us at insights@elp-in.com.

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