

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade

Public Notice No. 04 /2025-2026

6th May 2025

Subject :- Amendments to Para 10.10 of the Handbook of Procedures (HBP) 2023 – Revised Framework for Stock & Sale Authorization of SCOMET Items -reg

S.O(E) : In exercise of the powers conferred under Paragraphs 1.03 and 2.04 of the Foreign Trade Policy 2023, as amended from time to time, the Director General of Foreign Trade hereby amends Paragraph 10.10(Issue of export authorisation for "Stock and Sale" of SCOMET items) of the Handbook of Procedures(HBP) 2023 with immediate effect.

2. Para 10.10 of the HBP 2023 is amended as under:

Issue of export authorization for 'Stock and Sale' of SCOMET items

Application for grant of authorization for bulk export of SCOMET items (excluding Category 0, Category 3A401, Category 6 and transfer of technology under any category) from an Indian exporter to an entity abroad (hereinafter referred to as 'Stockist') for subsequent transfer to the ultimate end users shall be considered by IMWG, on the following conditions:

Applicability and scope of policy

a. 'Stockist' refers to an entity abroad to whom the SCOMET items are originally exported by Indian Exporter. The stockist entity should be a subsidiary/principal (parent) company abroad of the Indian exporter. **The stockist entity could also be an affiliate of the Indian Exporter, Indian or Foreign Original Equipment manufacturer(OEM)/ Electronic Manufacturing Services (EMS)¹/Contract Manufacturer(CM)².**

¹ For the purpose of this policy, EMS is defined "as a business service provided by companies that specialize in the manufacturing, assembly, testing, return, repair and sometimes design of electronic products for OEMs. These providers are responsible for assembling electronic components and devices based on the customer's specifications, and the services are often provided at a cost-effective price compared to setting up internal manufacturing facilities."

² This could be considered based on additional documents submitted by the Indian company, such as AEO certification, contract/agreement between the Indian company and its Original Equipment Manufacturer, etc.

b. Export shall be permitted from the Indian company (applicant exporter) to 'Stockist' on the basis of an End Use declaration from the Stockist, through the specified End User Certificate (EUC) for 'Stock & Sale' purposes;

Note: IMWG may relax the provisions of (a) and (b) above in certain cases, considering the description/end use/end user of the item.

Application for export to stockists abroad and transfer to end users in specific countries

- c. The exporter shall submit application in prescribed proforma (ANF-10B) along with the following documents from the stockist:
 - i. Documentary proof regarding the corporate relationship between the Indian exporter and stockist;
 - ii. End-use/End-user Certificate from stockist entity abroad in Appendix-10j (iii);
 - iii. List of countries (in the EUC) to which the items imported from India would be exported by the stockist;
 - iv. Purchase Order(s)/Invoice(s) or a document in lieu thereof;
 - v. Technical specifications of the product(s);
 - vi. Copy of Internal Compliance Program (if applicant exporter/ stockist entity has one)
 - vii. **Copy of AEO certificate (in case of OEM/CMS/CM).**
 - viii. **Undertaking on the letterhead of the firm duly signed and stamped by the authorized signatory stating that, "The applicant exporter declares that subsequent to the issuance of export authorization, if the licensee has been notified in writing by DGFT or if they know or has reason to believe that an item may be intended for military end use or has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in delivery of their missile system, the exporter would not be eligible for Stock & Sale policy for export of that/those item(s) and would apply separately to DGFT for a fresh authorization in terms of regular policy". Action shall be taken against the exporter under the FT (D & R) Act, 1992, for any mis-declaration.**
 - ix. **Copy of corporate registration/business registration or certificate of incorporation of stockist entities in the destination countries.**

In-principle approval for export to the stockist, for sale by the stockist within the country of the stockist, and for re-export by the stockist to end users in other countries

- d. The application would be assessed for the grant of authorization for export to the stockist and for grant of in-principle approval for re-export to specified countries of ultimate end use approved by the IMWG;
- e. No authorization would be required for transfer from the stockist to the ultimate end user(s) within the country of the stockist and for re-export to end users in such approved countries;
- f. Re-export to such approved countries would be subject to the export control regulations of the country of the stockist;
- g. 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";

Post-reporting for same country transfer and re-export to pre-approved countries by the stockiest

- h. In case of sale/transfer by the stockist within the same country and for re-export/re-transfer to the end users in countries, for which, in-principle approval has been granted, the Indian exporter/licensee shall submit details of all such transfers to SCOMET Division of DGFT(HQ) in ANF-10B, including EUCs[Appendix-10J(i), 10J(ii) as applicable] from all ultimate end users and Bill of Entry into the ultimate destination countries(for export outside the country of stockist), within 3 months of every such transfer;

Application for re-export to other countries (other than pre-approved)

- i. In respect of re-export/re-transfer of items from the stockist entity to the end users outside the country of the stockist, for which, in-principle approval has not been granted at the initial stage, the Indian exporter (stock and sale authorization holder) shall submit application for re-export/re-transfer to SCOMET Division in

DGFT (HQ), in ANF 10B, through email (scomet-dgft@nic.in), after obtaining following documents from the stockist entity:

- i. End-use/End-user Certificate from each link in the supply chain as per Appendix-10J(i) /10J(ii), as applicable;
 - ii. Purchase Order(s)/Invoice(s) or a document in lieu thereof ;
 - iii. Technical specifications of the product to be transferred (only if there is any value addition in the product by the stockist)
- j. IMWG shall consider export authorizations for allowing such re-export/re-transfer based on end-use/end-user verification;

Repeat Order cases

- k. Applications for export of same SCOMET items to same stockist entity, and re-export/re-transfer of same SCOMET items from the stockist entity to the end-users (within the country of stockist entity and only the countries of ultimate end use where in-principle approval has been granted), i.e. repeat orders, shall be considered by Chairman IMWG, without any consultation with IMWG members;

Annual reporting on inventory of the stockist and transfers/re-exports

- i. The Indian exporter (Stock & Sale Authorization holder) shall submit a statement of exports made from India to the stockist, transfers made by the stockist to the final end-users and inventory with the stockist, as on 31st December of each calendar year, by 31st January of the following year. A failure to do so may entail imposition of penalty and /or cancellation of authorization under the stock and sale policy;
- m. The items exported to the stockist entity under the stock and sale authorization should be transferred to the final end-user(s) within the validity period of the authorization as in paragraph 10.17 of HBP;
- n. The authorization may be revalidated as per the procedure mentioned in paragraph 10.20 of HBP;

Effect of this Public Notice: Paragraph 10.10 of the HBP has been amended to revise the provisions for the Stock & Sale Authorization of SCOMET Items, broadening the definition of 'Stockist' to include Indian or Foreign Original Equipment manufacturer(OEM)/Electronic Manufacturing Services (EMS)/Contract Manufacturer(CM).



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