

Draft Policy on (GAER) - Industry Consultation

**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan, New Delhi**

Dated: 7th June, 2022

Subject:- Circulation of General Authorisation for Export after Repair in India (GAER) for public/Industry comments.

With the aim of liberalizing the existing policy of repair and return and to make India a repair hub of such items, **a draft policy on General Authorisation for Export after Repair in India (GAER) is proposed.** The salient features of revised bulk licensing policy for repair and return are:

- i. General license for 1 year will be given to the exporter to export the imported SCOMET item after repair in India subject to the condition that the entity, item, location etc. remains the same as per the original license and there is no change.
- ii. The license is granted subject to post reporting within 30 days of every subsequent export. It will include submission of relevant bill of entry, export license etc.
- iii. In cases where the re-export is to the third party not specified in the original license, the existing policy for return and repair under Para 2.79(c) C shall be applicable.

The draft policy is being circulated for the public/Industry comments and feedback. **The comments on the draft Policy are invited and may be sent to scomet-dgft@nic.in by 22.07.2022**



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Draft Public Notice - Seeking Comments from the Industry/Public

**GENERAL AUTHORISATION FOR EXPORT AFTER REPAIR IN
INDIA (GAER)**

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan

Public Notice No. /2015-20

New Delhi, Dated 2022

Subject:- Inclusion of Paragraph 2.79C (D) in the Handbook of Procedures of the Foreign Trade Policy (FTP) 2015-20 to notify the procedure for General Authorisation for Export after Repair in India (GAER)

In exercise of the powers conferred under Paragraph 1.03 of the Foreign Trade Policy (FTP) 2015-20, the Director General of Foreign Trade (DGFT) hereby makes amendment to Handbook of Procedures (HBP) of FTP 2015-20 for inclusion of new entry at Paragraph 2.79C (D) with immediate effect.

2. **After Sub Para 2.79C (D) of the HBP of [FTP 2015-2020](#)**, a new entry shall be inserted as under:

“D. General Authorization for Export after Repair in India (GAER)”

A. Export of imported SCOMET items to the same entity abroad after repair in India will be allowed on the basis of a onetime General authorization for Export after Repair in India (GAER) subject to post reporting on quarterly basis issued by DGFT, subject to the following conditions:

- a. The SCOMET items were imported to a designated/authorized repair facility in India for the purpose of repair under a contract agreement/Master Service agreement (MSA); *or* Imported under a contract agreement between Indian exporter, entities of repair facility (if different from exporter) and entity abroad defining ‘Statement of Work (SOW)’/ ‘Scope of Work’ including conditions for undertaking repair in India;
- b. The items are to be exported to the same entity and location abroad from which the item(s) has/have been imported;
- c. The exporter is required to register and obtain General authorization for export after repair only once during the validity period. Subsequent export/re-export is subject to post reporting;
- d. The exporter is required to provide Bill of Entry for the imported item while applying for GAER for the first shipment.

- e. General authorization for export after repair shall be valid for a period of one year from the date of issue of General authorization subject to subsequent post reporting(s) within 30 days from the date of such export;
- f. Subsequent export would be allowed to the same entity and location to which the license has originally been issued. Note: *Same entity would imply that (a) foreign buyer (b) consignee or intermediaries, if any (c) the end user are exactly the same for which authorisation has been issued to the applicant exporter.*
- g. There has been no change to the original characteristics/specifications of the SCOMET item(s) after repair;
- h. No Export Authorisation would be granted when the initial export authorisation has been suspended, modified or revoked by country of import;
- i. No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;
- j. No details of 'End Use' and 'End Use Certificate' would be required;

B. Documents Required for GAER

1. Proof of import of the item(s):

- a. Export License (if applicable) issued by the foreign country for original import of the items to India;
- b. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.
- c. Bill of Entry (first time)

2. Proof of obligation for repair of defective/damaged items:

Contract agreement and/or 'Statement of Work (SOW)'/ Master Service agreement (MSA) between Indian exporter and with the entity abroad (from which the goods were imported initially) defining conditions for undertaking repair in India.

3. An Undertaking from the Indian exporter:

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:

- a. Details of imported items to be exported after repair alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;
- b. That item(s) are being exported to the same entity from which it was originally imported for repair and return purpose.
- c. That there has been no change to the original characteristics/specifications of the item(s) after import;

- d. That the repair of defective/damaged items is allowed under the conditions of import or contractual agreement between Indian exporters and entities from which goods were imported.
- e. That Bill of Entry of subsequent re-exports and any other information as sought by DGFT shall be submitted to DGFT on quarterly basis.

C. **Post reporting for re-export of items/software/technology under GAER**

- i. The Indian exporter shall submit post-shipment details of each transfer/consignment of exports of SCOMET items/software/technology under GAER to the SCOMET Division of DGFT (Hqrs), New Delhi, via E-mail (scomet-dgft@nic.in) or a procedure as prescribed by DGFT, within 30 days of such export;
- ii. The post-shipment details shall include submission of Bill of Entry, valid export license copy within the timelines mentioned above
- iii. Failure to do so may entail imposition of penalty and / or suspension/revocation of GAER and action as per FTDR Act.

D. **Validity**

- a) GAER issued for export of imported SCOMET items after repair shall be valid for a period of **1 year** from the date of issue of GAER subject to subsequent post reporting(s) within 30 days from such export;
- b) GAER cannot be re-validated in terms of Paragraph 2.80 of HBP of [FTP 2015-20](#).

E. **Suspension / Revocation**

GAER issued shall be liable to be suspended / revoked by the DGFT on receipt of an adverse report on proliferation concern or for non-submission of mandatory reports /documents within the prescribed timelines or for non-compliance with the conditions of this Public Notice.

F. **General conditions**

- i. GAER would not be issued in case of items to be used to design, develop, acquire, manufacture, possess, transport, transfer and / or used for chemical, biological, nuclear weapons or for missiles capable of delivering weapons of mass destruction and their delivery system;
- ii. GAER would not be issued for countries or entities covered under UNSC embargo or sanctions list or on assessment of proliferation concerns, or national security and foreign policy considerations, etc.;
- iii. DGFT shall reserve the right to deny issuance of GAER or recall GAER without assigning any reason(s).

G. Applications for grant of General authorizations for export to the same entity from goods were imported shall be approved by Chairman IMWG, without any consultation with IMWG members. In exceptional cases, consultation with IMWG may be done prior to issuance of GAER, in case required.

- H. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

Effect of this Public Notice:

Paragraph 2.79C (D) has been added in the Handbook of Procedures (HBP) of FTP Foreign Trade Policy (FTP) 2015-20 to lay down the policy and procedure for General Authorisation for export after Repair (GAER)

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Note 1: One General Authorisation for Export after Repair (GAER) will be applicable for export of items to the same entity multiple times

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