

DGFT Updates the SCOMET List

SCOMET is India's control list, which stands for Special Chemicals, Organisms, Materials, Equipment, and Technologies. Exports of items and technologies under SCOMET are regulated. They are either prohibited or permitted under an authorisation from the Licensing authority.

The Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry, has issued a significant update to the SCOMET list for the year 2024. This update, which incorporates recent changes in the control lists of the multilateral export control regimes and certain policy amendments, is a crucial development in our national system. It is based on inputs from relevant government organizations and stakeholders, underlining its importance.

As part of the recent update, the DGFT has designated the Department of Defence Production (DDP), MoD, as the new licensing authority for the export of all items falling under Category 6 of SCOMET for military end-use. This change, which streamlines certain exclusions that existed earlier, is a significant step in the evolution of our export control system.

India boasts a robust legal and regulatory framework on strategic trade and related non-proliferation matters. This framework includes the inter-ministerial SCOMET licensing process, effective enforcement and risk assessment mechanisms, and regular outreach to industry and other stakeholders. India's membership in major multilateral export control regimes, such as the Missile Technology Control Regime, Wassenaar Arrangement, and Australia Group, further strengthens this framework.

Accordingly, India regulates the exports of dual-use items, nuclear-related items, and military items, including software and technology, under the SCOMET (Special Chemicals Organisms Materials Equipment and Technologies) list, which is notified by DGFT under the Foreign Trade Policy.

The emergence of strategic trade controls as an important area has been acknowledged in the Foreign Trade Policy 2023, where the SCOMET processes and procedures have been consolidated in one place to provide a better understanding of the industry for effective compliance. As the exports under the SCOMET have increased substantially during the last three years, DGFT has taken several initiatives, based on regular interactions with the industry to facilitate authorized and responsible export of these high-end goods and technologies, which includes strengthening DGFT's e-platform for licensing, laying down a liberalized General Authorization policy for items such as drones, dual-use chemicals, telecommunication equipment, information security systems, and for Repairs in India, Repeat Order for Stock & Sale Policy, Intra Company Transfers (GAICT), among many others.

DGFT has notified the SCOMET List under Appendix 3 to Schedule 2 of ITC (HS) Classification of Export and Import Items. The policy and procedures under SCOMET are outlined in Chapter 10 of FTP and HBP 2023, and the list is regulated under Chapter IVA of Foreign Trade (Development & Regulation) Act, 1992, as amended in 2010.
