DID YOU KNOW?

COMMON ITEMS REGULATED UNDER SCOMET





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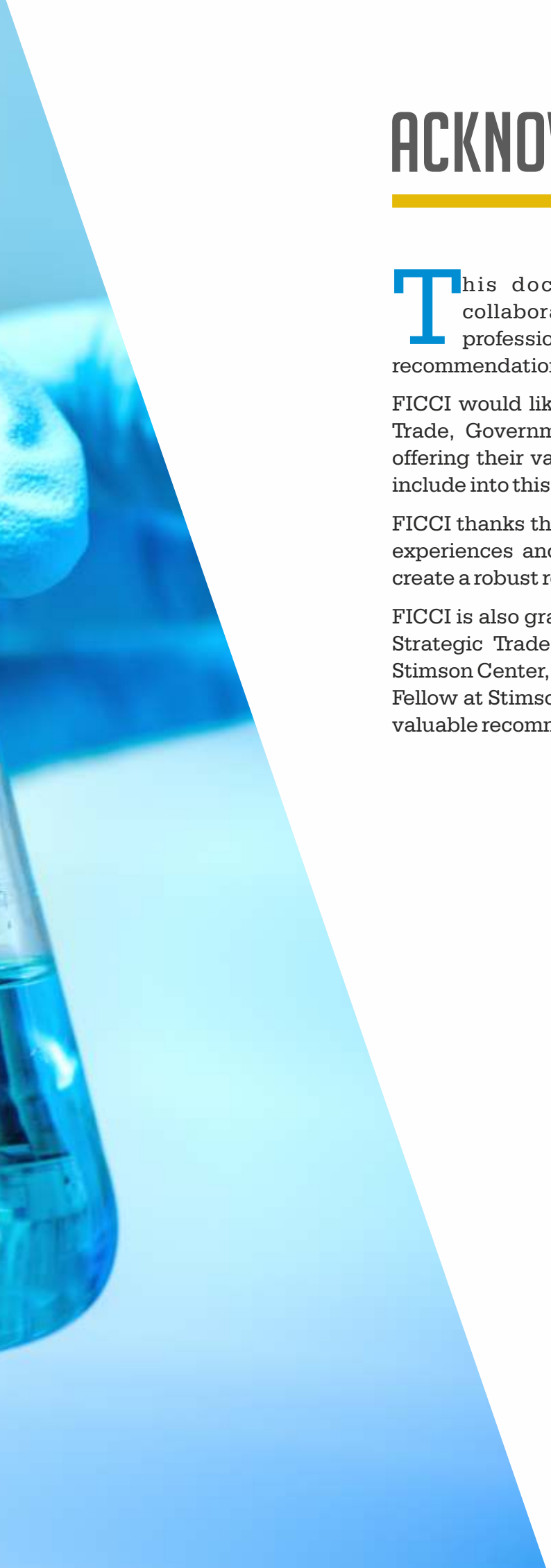
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DID YOU KNOW?

COMMON ITEMS REGULATED UNDER SCOMET

PREFACE



India's membership into three of the four Multilateral Export Control Regimes, i.e. Wassenaar Arrangement, Missile Technology Control Regime and the Australia Group, is a testament to its commitment towards the peaceful and responsible use of Dual Use Technologies. Now, as India moves forward in its path towards Atmanirbhar Bharat, export compliance will play an increasingly critical role in developing new opportunities in high technology sectors such as Defence, Nuclear Energy, Software, Pharmaceuticals, and Bio-Chemical sector as more countries look towards India for greater collaboration in manufacturing and development of technology in these sectors.

Since 2007, FICCI has been playing a defining role in enhancing industry awareness by helping industry understand the strategic trade control policies that India put in place to fulfil its obligations while engaging with its major trading partners, so that India's technology-embedded imports, exports and partnerships with these countries may be increased.

Towards this, FICCI released its ***Export Control Compliance Manual*** in 2018 to combine best practices in internal compliance policies and procedures to safeguard organisations from exporting unauthorized items.

The ***Did You Know: Common Items Regulated Under SCOMET*** is our latest effort in sensitising Indian industry on the fine line between the common and Dual Use application of an item. It is FICCI's belief that an aware, informed, and compliant Industry is the first line of Defence against proliferation.



Dilip Chenoy
Secretary General
FICCI

INTRODUCTION

Did You Know:

- *Alloys, composite materials like carbon fibre, ceramics, etc*
- *Storage Tanks, Valves, Pipes*
- *High precision Machining Tools like Cutters, Grinding tools, Honers*
- *Video Calls, Meetings, etc with foreign partners related to controlled items*

May fall under SCOMET regulations?

Under India's Foreign Trade Policy, a list of items (sensitive goods and technologies) which are identified due to their dual-use character (i.e., have military applications, or use in nuclear / chemical / biological Weapons of Mass Destruction (WMD), along with their civilian applications) and whose export is to be controlled, is maintained. It is called the Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) List, which is notified under Appendix 3 to Schedule 2 (Export Policy). Export of these items require prior export authorization from Directorate General of Foreign Trade (DGFT) unless specifically exempted from license or permitted under post reporting to specific group of countries or states party to CWC.

Licensing Agencies for various categories of SCOMET items

Category	SCOMET Items	Licensing Jurisdiction
0	Nuclear materials, nuclear-related other materials, equipment, and technology	DAE
1	Toxic chemical agents and other chemicals	DGFT
2	Micro-organisms, Toxins	DGFT
3	Materials, Materials Processing Equipment, and related Technologies	DGFT
4	Nuclear-related other equipment and technology, not controlled under Category 0	DGFT
5	Aerospace systems, equipment, including production and test equipment, and related technology	DGFT
6	Munitions List	DDP
7	Reserved	DGFT
8	Special Materials And Related Equipment, Material Processing, Electronics, Computers, Telecommunications, Information Security, Sensors And Lasers, Navigation And Avionics, Marine, Aerospace And Propulsion.	DGFT

While most items regulated under SCOMET are high technology items with apparent risk related for proliferation, it also includes several items and technologies that at first glance appear benign.

The items identified within this document are illustrative and are controlled for export (when it fulfils certain conditions like characteristics, specifications, etc. indicated at SCOMET entries specified therein).

Items discussed:

- Heavy Water
- Beryllium Metal
- Phosgene
- Phosphorus Trichloride
- Storage Tanks, Containers or Receivers
- Valves
- Reaction Vessels, Reactors, Agitators
- Refrigeration Units and Equipment
- Heat Exchanges or Condensers
- Fermenters
- Vibration test systems, equipment, and components
- Filament winding machines and related equipment
- Unmanned Aerial Vehicles
- Microlight aircraft and powered 'hang-gliders'
- Navigation and Avionics, Marine, Aerospace and Propulsion

Full list of items may be found at www.dgft.gov.in and we encourage you to view the same. You may also follow the weblink: https://tinyurl.com/4rmwvdcf

CATEGORY 0

NUCLEAR MATERIALS, NUCLEAR-RELATED OTHER MATERIALS, EQUIPMENT AND TECHNOLOGY

Deuterium (Hydrogen-2) and Heavy Water

SCOMET Entry: 0A301

Common Application:

Deuterium-containing drugs may have significantly lower rates of metabolism, and hence a longer half-life.



Reason for Control:

The deuterium atom is widely used in prototype fusion reactors. The deuterium atoms also have their application in military, industrial, and scientific fields.

They are used as a tracer in nuclear fusion reactors to slow down the neutrons in heavy water moderated fission reactors.



Beryllium Metal

SCOMET Entry: 0A304

Common Application:

Beryllium is alloyed with copper or nickel to make springs, gyroscopes, electrical contacts, spot-welding electrodes and non-sparking tools. Beryllium is also used for manufacture of high-frequency speaker drivers.



Reason for Control:

Other beryllium alloys are used as structural materials for high-speed aircraft, missiles, spacecraft and communication satellites. Beryllium also has various Nuclear applications like neutron sources, reflectors, fuel fabrication



CATEGORY 1

TOXIC CHEMICAL AGENTS AND OTHER CHEMICALS

Phosgene (Carbonyl Dichloride)

SCOMET Entry: 1C001

Common Application:

Phosgene is a major industrial chemical used to make plastics and pesticides.



Reason for Control:

Phosgene was used extensively during World War I as a choking (pulmonary) agent. Among the chemicals used in the war, phosgene was responsible for several deaths



Phosphorus Trichloride

SCOMET Entry: 1C006

Common Application:

As intermediate making pesticides, surfactants, gasoline additives, plasticizers, dyestuffs, textile finishing agents, germicides, medicinal products, and other chemicals.



Reason for Control:

Can be used in chemical Warfare as it is Very toxic by inhalation, ingestion, and skin absorption. Reacts with water to evolve hydrochloric acid, an irritating and corrosive gas apparent as white fumes.



CATEGORY 3

MATERIALS, MATERIALS PROCESSING EQUIPMENT, AND RELATED TECHNOLOGIES

Natural Boron, Boron Carbide or metal borides

SCOMET Entry: 3A115

Common Application:

Due to its high hardness, boron carbide powder is used as an abrasive in polishing and lapping applications, nozzles for slurry pumping, grit blasting or as locking mechanisms system



Reason for Control:

These materials also find use as ballistic armour (including body or personal armour), absorbent for neutron radiation arising in nuclear power plants



Carbon - Carbon composites

SCOMET Entry: 3A117

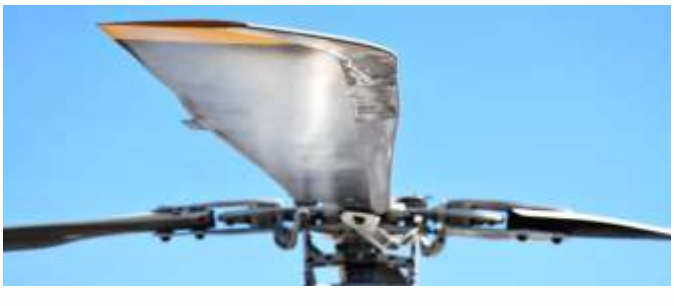
Common Application:

Carbon fibres are used where low weight, high stiffness or high conductivity is desired. These include uses such as material for mobile phone cover, sporting goods such as tennis racquets, wind turbine blades, automotive disk breaks, etc



Reason for Control:

Carbon fibre is used for armouring, bullet-proofing, and Fire retardation for Aerospace, defence and nuclear Interior or exterior parts.



CATEGORY 3

MATERIALS, MATERIALS PROCESSING EQUIPMENT, AND RELATED TECHNOLOGIES

Storage Tanks, Containers or Receivers

SCOMET Entry: 3D001(2)

Common Application:

These specialised Tanks and contained are used to contain highly volatile and reactive reagents.



Reason for Control:

Can be used to store and contain dangerous, highly reactive chemicals for use in chemical warfare



Valves

SCOMET Entry: 3D001(6)

Common Application:

Specialised pumps with high corrosion resistance, temperature range and low conductivity used in industrial processes.



Reason for Control:

Can be used in manufacture of dangerous, highly reactive chemicals for use in chemical warfare



CATEGORY 3

MATERIALS, MATERIALS PROCESSING EQUIPMENT, AND RELATED TECHNOLOGIES

Reaction Vessels, Reactors, Agitators

SCOMET Entry: 3D001(1)

Common Application:

As a capital equipment in industries including pharmaceuticals, fine chemicals, chlor-alkali, and those involving handling acids.



Reason for Control:

Can be used in production of Chemical Warfare agent



Refrigeration Units and Equipment

SCOMET Entry: 3B008

Common Application:

Used to create temperature controlled environments for manufacture of variety of Chemicals, food stuff, gas containment, etc



Reason for Control:

Can be used as storage bunkers, freezers, or large quantities of gases/ chemicals/live or freeze-dried pathogens. However, since significant quantities of biological agents can be grown relatively quickly, long-term stockpiling of agents in refrigerated bunkers is unnecessary



CATEGORY 3

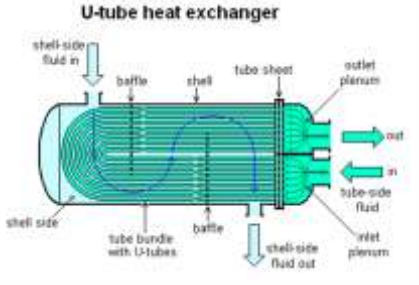
MATERIALS, MATERIALS PROCESSING EQUIPMENT, AND RELATED TECHNOLOGIES

Heat Exchanges or Condensers

SCOMET Entry: 3D001 (3)

Common Application:

Production of chlorine products of hydrochloric acid, heating or cooling of fluids, manufacture of Uranium Oxide Powder that goes to organized storage and hydrochoric acid etc.



Reason for Control:

Used to manufacture hazardous chemicals



Fermenters

SCOMET Entry: 3D006

Common Application:

Production of microorganisms for industrial use and other consumer products, medications and vaccines; for example, insulin and interferon, production of beer, wine, yogurt, and substances such as Vegemite and Marmite, metabolic products (e.g., ethanol, citric acid, and vitamins), biopesticides and feed additives for agriculture, and enzymes for industrial use, bioremediation and municipal and industrial wastewater treatment.



Reason for Control:

Can be used for biological weapons



CATEGORY 4

NUCLEAR-RELATED OTHER EQUIPMENT, ASSEMBLIES AND COMPONENTS; TEST AND PRODUCTION EQUIPMENT; AND RELATED TECHNOLOGY NOT CONTROLLED UNDER CATEGORY 0

Vibration test systems, equipment, and components

SCOMET Entry: 4A006

Common Application:

In vibration testing is used across sectors for product design improvements. Consumer goods manufacturers employ vibration testing to ensure products withstand everyday rigors in household use. Electronic manufacturers test complex parts for potential breaking by running prototypes through vibration testing.



Reason for Control:

Vibration testing is used to ensures the survivability of components, electronics, systems and assemblies, munitions and aerostructures. Power plants, including nuclear power generation stations also use vibration testing to make sure high-voltage equipment operates safely and dependably.



Filament winding machines and related equipment

SCOMET Entry: 4A022
(Also under 5A206 and 8B101)

Common Application:

Filament winding is an automated method for creating composite structures by winding filaments under tension.

Filament winding a used to manufacture a range of products such as pipes, pipe joints, drive shafts, masts, pressure vessels, storage tanks etc.



Reason for Control:

Composites are used in a wide variety of applications for manufacture of parts and components in military, aerospace, and nuclear sector.



CATEGORY 5

AEROSPACE SYSTEMS, EQUIPMENT INCLUDING PRODUCTION AND TEST EQUIPMENT, RELATED TECHNOLOGY, AND SPECIALLY DESIGNED COMPONENTS AND ACCESSORIES THEREFORE

Unmanned Aerial Vehicles

SCOMET Entry: 5B (a), (d), (g) (Also under 6A010 and 8A912)

Common Application:

UAVs services are now ubiquitous across sectors. Photography and videography in Meetings, incentives, conferencing, exhibitions, wildlife conservation, agriculture mapping, mining, and construction, and even leisure flying



Reason for Control:

Even simple drones can pose security and privacy risk to critical infrastructure, military bases, security agencies. Drones can be equipped with powerful cameras or made to carry explosive payloads in a swarm style kamikaze attack.



Microlight Aircraft and Powered 'Hang-Gliders'

SCOMET Entry: 5E

Common Application:

Uses include event videography, crop dusting, Aerial Surveillance, transportation



Common Application:

Reason for Control lightweight and easy to use, Microlight aircrafts can be used for spying and reconnaissance, flight training, or infiltration



CATEGORY 8

SPECIAL MATERIALS AND RELATED EQUIPMENT, MATERIAL PROCESSING, ELECTRONICS, COMPUTERS, TELECOMMUNICATIONS, INFORMATION SECURITY, SENSORS AND LASERS, NAVIGATION AND AVIONICS, MARINE, AEROSPACE AND PROPULSION

"Microprocessor microcircuits", "microcomputer microcircuits" and microcontroller microcircuits

SCOMET Entry: 8A301.a.3

Common Application:

Microprocessors are ubiquitous in their applications across commercial and and civilian spheres. Today, the computational power of a processor in the average phone is several times more advanced than the systems used to launch the first rockets to the moon.



Reason for Control:

Microprocessors meeting specific standards are regulated under export control as they may be used to variety of military, aerospace, space or nuclear applications



Analogue-to-Digital Converter (ADC) and Digital-to- Analogue Converter (DAC) integrated circuits

SCOMET Entry: 8A301 a. 5. A

Common Application:

ADC-DAC systems are used in a wide variety of products that require conversion of digital data streams into analog audio signals and vice versa, such as mobile phones, music instruments, recording devices



Reason for Control:

ADC—DAC devices meeting specific standards are regulated under export control as they may be used in military communication devices, software defined radios, Radars, or even missile guidance system



CATEGORY 8

SPECIAL MATERIALS AND RELATED EQUIPMENT, MATERIAL PROCESSING, ELECTRONICS, COMPUTERS, TELECOMMUNICATIONS, INFORMATION SECURITY, SENSORS AND LASERS, NAVIGATION AND AVIONICS, MARINE, AEROSPACE AND PROPULSION

Solar cells, solar panels, and solar arrays

SCOMET Entry: 8A301.e.4

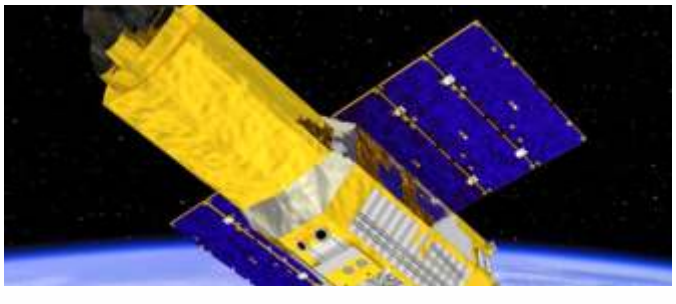
Common Application:

Alternative energy solutions for housing, water treatment, power storage, remote lighting systems etc



Reason for Control:

"space-qualified" arrays are critical components for space systems. The material and equipment used to make solar cells may also require export license. Solar arrays are also increasing being utilised for military ruggedized products.



Machine tools for grinding

SCOMET Entry: 8B201 (c)

Common Application:

Griding tools are used to parts and components with high degree of precision



Reason for Control:

Aerospace and defence parts and components require extremely high degree of precision during manufacturing process



CATEGORY 8

SPECIAL MATERIALS AND RELATED EQUIPMENT, MATERIAL PROCESSING, ELECTRONICS, COMPUTERS, TELECOMMUNICATIONS, INFORMATION SECURITY, SENSORS AND LASERS, NAVIGATION AND AVIONICS, MARINE, AEROSPACE AND PROPULSION

Fluids and lubricating materials

SCOMET Entry: 8C106 (b)

Common Application:

Fluids have a variety of uses in commercial and civil spheres including auto gear oil, hydraulic machines, machine lubrication, etc



Reason for Control:

Fluids and lubricating materials meeting certain prescribed standards are used in military and aviation platforms for hydraulic systems, cleaning, insulation, anticorrosion requirements



Software

SCOMET Entry: 8D
(Also under 0C, 3A120, 6A021)

Common Application:

Software products find use across sectors and technologies including commercial, leisure, medicinal, industrial, audio-video, communication, etc



Reason for Control:

Software especially designed or modified for the development or operation of military or Dual use equipment or technology may be controlled.



Notwithstanding the provision under "Introduction", the items which are not in SCOMET list and are freely exportable, may also be covered under Catch all controls if the exporter has been notified in writing by DGFT or any other Government agency (ies) or he knows or has reason to believe that an item not covered in the SCOMET list has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in missile system or military use (including by terrorists and non-state actors), he shall apply for a SCOMET authorization. The export of such an item(s) may be denied or permitted as per the procedure provided for SCOMET items in terms of HBP/FTP 2015-2020.

Note: "Military use" shall mean incorporation into items listed in SCOMET Categories 6 or for the use, development, or production of military items listed in these categories.

In order to facilitate trade and 'Ease of Doing Business', the DGFT has simplified the policy /procedure in consultation with the industry and laid down policy for Repeat Order, Repair/Replacement/Return of imported goods, temporary exports and liberalised the bulk export of goods under Stock and Sale on post reporting basis. Export of certain categories of dual use chemicals (Cat. 1C, 1D and 1E) are permitted under post reporting to specified group of countries or States party to CWC. The DGFT has also laid policy for Global Authorisation for Intra-Company Transfer (GAICT) for export of SCOMET Items/Software/Technology between Indian subsidiary to its foreign parent company and/or to subsidiaries of the foreign parent company. To facilitate the industry, the SCOMET Cell in DGFT(Hqrs) is now focal point for all purposes of implementation of SCOMET policy, procedures and licensing. The powers to revalidate the SCOMET authorisation have now been vested with the DGFT(Hqrs).

DGFT Public Notice (PN) No. & date	**Relevance of document**
PN No. 20 dated 12.07.2018	Repeat Order for export of i) Same SCOMET item and ii) Same country/entities
PN No. 46 dated 15.11.2018	For Bulk Export from Indian exporter to 'stockist' abroad for subsequent transfer within the country of stockist or to ultimate end users in 'pre-approved' countries.
PN No. 59 dated 12.12.2018	Re-export/return of imported SCOMET items due to obsolescence of technology; cancellation of order by the Indian buyer/end user; dead on arrival etc.
PN No. 20 dated 24.07.2019	Global Authorisation for Intra-company transfer (GAICT) policy from an Indian subsidiary (applicant exporter) to its foreign parent company and/or to subsidiaries of the foreign parent company (Refer to PN 65 dated 17.03.2020 for proformae of GAICT application and EUC)
PN No. 36 dated 27.09.2019	Export of SCOMET items for Repair-replacement purposes i. Export of imported SCOMET items for replacement/repair (Export allowed to the same entity or to authorized OEM) ii. Export of replacement/repair of indigenous exported SCOMET items (Export allowed to the same entity only) iii. Export after repair of imported SCOMET items from third Party

PN No. 50 dated 27.12.2019	Temporary exports for demo/display/exhibition/tender/RFP/RFQ/ NIT of indigenous and imported SCOMET items
PN No. 63 dated 18.02.2020	Undertaking in the form of Legal Agreement for grant of permission for export/re-export of items under SCOMET Control List for repair/replacement and display/exhibition/tender purposes.
PN No. 10 dated 08.06.2020	Revalidation of export authorization for SCOMET items
Trade Notice No. 26 dated 31.08.2020	Policy on revalidation to export authorisations for technology/software under SCOMET policy
PN No. 04 dated 12.04.2019	**Proforma and Applicability of End Use Certificate (EUC)** **Appendix- 2S (i)** • For SCOMET Category(ies) 2,3,4,5 & 8 • For re-export in case of stocked items other than Category 1 (From Stockist to ultimate end user) **Appendix- 2S (ii)** • For SCOMET Category 1(Chemicals, related software and technologies). • For re-export in case of stocked items under SCOMET Category 1 **Appendix- 2S (iii)** • For Stock and Sale (from Exporter to stockiest) **Appendix- 2S (iv)** • For SCOMET authorisaiton under GAICT policy.

Apart from regular interactions with industry at all levels in DGFT (Hqrs), sector-specific industry outreach / awareness programmes are also conducted in collaboration with various Government agencies and industry associations.

This approach by the Government of India, while laudable, also means that companies and entities that deal in dual-use sectors, must establish, and maintain adequate standards of compliance, to ensure that their item - whether product, technology or software - is not inadvertently transferred without prior authorisation from DGFT or to a prohibited end-use or end-user. All the companies dealing in dual use manufacturing or exports are encouraged to establish an Internal Compliance Program.

FICCI's Export Control Compliance Manual 2018, brought out in consultation with the GOI agencies, could be used as a reference manual for guidance. The ICP could be further customised by the industry as per their requirements.

I**n case of any query / clarification on SCOMET policy / procedure / licensing, the industry may contact SCOMET Cell , DGFT(Hq) at**: Tele No. 011-23061562/Ext-271, 011 -23063918, Email id: scomet-dgft@nic.in and sanjay.kt@nic.in

Disclaimer: The items identified within this document are illustrative and are controlled for export (when it fulfils certain conditions like characteristics, specifications, etc. indicated at SCOMET entries specified therein).

The entire SCOMET List is available at the website of DGFT at www.dgft.gov.in

Scan Code for Updated SCOMET List



About FICCI

Established in 1927, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organization, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry, reaching out to over 2,50,000 companies. FICCI serves its members from large (domestic and global companies) and MSME sectors as well as the public sector, drawing its strength from diverse regional chambers of commerce and industry.

The Chamber with its presence in 14 states and 10 countries provides a platform for networking and consensus-building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

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