

National Conference on Strategic Trade Controls (NCSTC)

Venue : Plenary Hall, Vigyan Bhawan

30th January, 2024

Introduction:

Under the FTDR Act, DGFT regulates the export of dual-use goods and technologies through the SCOMET list. The list is maintained under FTP as Appendix 3 of Schedule 2 of the ITCHS Export and Import Policy. The list of dual use goods and technologies is annually updated to reflect the changes in the various export control regimes.

2. Foreign Trade Policy 2023 mandates Directorate General of Foreign Trade under Para 10.10 of the FTP to conduct outreach programs in partnership with other Government departments and related stakeholders on a regular basis for effective awareness among the exporters dealing with trade and manufacturing, in particular, of SCOMET items/technology/software. DGFT has been conducting these events in various regions across the country to make the Industry aware of the compliance requirements related to the export of SCOMET items.

3. India is committed to international disarmament and non-proliferation agreements like the Chemical Weapons Convention (CWC) and Biological and Toxin Weapons Convention (BWC). It also follows United Nations Security Council Resolution 1540 to prevent weapons of mass destruction from falling into the wrong hands. India is a member of key export control regimes, such as the Missile Technology Control Regime (MTCR), Wassenaar Arrangement (WA), and Australia Group, aligning its guidelines with the Nuclear Suppliers Group (NSG). India regulates the export of dual-use items and nuclear-related technology, following the Weapons of Mass Destruction and their Delivery Systems Act, 2005. These regulations are integrated into the Foreign Trade (Development & Regulation) Act, 1992, as amended in 2010

4. Items and technologies/software falling under SCOMET is licensed and can only be exported against a SCOMET license. The SCOMET (Special Chemicals, Organisms, Materials, Equipment, and Technologies) licensing process involves the Inter-Ministerial Working Group (IMWG) within the DGFT (Directorate General of Foreign Trade). This group considers applications for exporting items listed in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items. The purpose of SCOMET may be summarized as:

1. **National Security:** SCOMET regulations are primarily geared towards protecting national security interests. By controlling the export, import, and transfer of strategic items, nations aim to prevent the proliferation of technologies and materials that could contribute to the development of weapons of mass destruction.
2. **Non-Proliferation Commitments:** India, in adherence to international non-proliferation agreements, has adopted SCOMET regulations to fulfill its commitments to prevent the spread

of technologies and materials that could contribute to the development of weapons of mass destruction.

3. **Dual-Use Concerns:** SCOMET is particularly attentive to the dual-use nature of certain items, recognizing their potential for application in both civilian and military contexts. This necessitates a delicate balance between facilitating technological progress and preventing its misuse.

In the contemporary global landscape, where technology and knowledge transfer play pivotal roles in shaping economies and security scenarios especially in the emerging geopolitical scenario, SCOMET/Strategic Trade Controls stands as a critical instrument. It reflects the commitment of nations to balance the imperatives of technological progress with the imperative to safeguard national and global security interests ensuring the dual use goods and technologies are not diverted for manufacturing weapons of mass destruction. The effective implementation and continued evolution of SCOMET regulations remain essential in navigating the complex terrain of international trade and security and help India is showcasing its credentials as the country with robust export control system and a safe partner to do business with.

5. In response to the evolving landscape of strategic trade, national security concerns, and the rapid advancement of technology and considering that the Industry in India is gradually moving towards exporting high end technologies and goods, The National Conference on Strategic Trade Controls (NCSTC), a national level export control outreach event is being organized by DGFT in association with Ministry of External Affairs(MEA) and other government departments as a pan India conference focusing on India's Export controls/SCOMET related matters. The conference aims to bring together key stakeholders, including government officials, industry leaders, academics, representatives from neighboring countries and experts in the field to showcase India's export control system and also to exchange views on export

Objectives:

- i. Showcase India's Export Control System.
- ii. Facilitate dialogue between government authorities and industry stakeholders.
- iii. Assess and mitigate emerging risks associated with the export of sensitive technologies.
- iv. Increase awareness and understanding of export controls.
- v. Gather feedback from the industry.
- vi. Foster international collaboration and showcase enforcement efforts.

Reference of International Events:

The conference draws parallels with international events such as the Asian Export Control Seminar, Malaysia Strategic Trade Summit, US-BIS Export Control Summit/Update, and Germany Export Control Outreaches to underscore the global significance of the Export Controls.

Themes:

The tentative themes for the conference include India's Export Control System, Global Trends in Export Controls, Innovations in Technology and Export Control Challenges, Industry Perspectives and Best Practices, International Cooperation in combating Illicit Trade, and Policy Implementation and Enforcement Strategies, Intangible Technology Transfers (ITT), Compliance in Academia and Emerging Technologies, AEO and Supply Chain Compliance, Panel Discussion on Industry Experience in SCOMET

Industry and Government Participation:

Key industry associations and government departments, such as CII, SIDM, ICC, FICCI, NASSCOM, ASSOCHAM, IN-SPACE, DDP, DAE, Ministry of Defence, Department of Space, DCPC, DBT, Customs/DRI, MeITY, DFI and other members of IMWG, are invited to participate in the conference.

Tentative Speakers:

1. Ambassador José Javier De La Gasca(Chair, 1540 Committee, UN Security Council); Chair, Missile Technology Control Regime (MTCR) [TBC], Senior Representatives from CISTEC, Japan, Representatives from the US Government.
2. Senior officials from the Government of India
3. Speakers from Government Departments like DGFT, MEA, Department of Defence Production (DDP) ,Central Board of Indirect Taxes and Customs(CBIC), Directorate of Revenue Intelligence, Authorized Economic Operator etc.
3. Industry speakers
4. Participants from the neighboring countries etc.

Conclusion:

The National Conference on Strategic Trade Controls aspires to create a forum where the intricacies of strategic trade control converge with the imperatives of technological progress. This event seeks to showcase India's prowess in export control systems, facilitate a nuanced dialogue between government authorities and industry magnates, and address emerging risks associated with the export of sensitive technologies.