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January 17, 2023

Shri K Rajaraman, IAS
Chairman, DCC & Secretary (T)
Department of Telecommunications

Subject: Ease of importing samples for R&D, Testing, Pre-launch devices

Reference:

1. GSR 768 (E) dated 26 September 2022
2. DoT Office Memorandum 5-2/2018/UDS -SOP Version 1.1 dated 4 July 2022
3. DoT Letter 5-2/2018/UDS dated 26 July 2021

Respected Sir,

Greetings from MAIT!

The Government of India is addressing industry concerns on Ease of Doing Business in the country and enabling India to emerge as a global manufacturing hub. The country is making rapid progress in manufacturing in the Electronics sector. We are grateful for these policy directions as these steps enable India to move ahead and bring benefits to the economy and its citizens.

We draw your kind attention to the recent DoT Gazette notification-GSR 728 € dated 26 September 2022, Clause 2(2) as well as the SOP Version 1.1 dated 4 July 2022 containing the requirement of registering IMEIs for testing, research, or any other purpose. This requirement runs counter to the initiatives of the government, some of which are highlighted for your kind perusal:

Existing exemptions on the import of samples for R&D, manufacturing and testing.

- a. BIS Circular No W-47/4/2020-IPHW dated 26 April 2020 which clarifies that the Compulsory Registration Order (CRO) for product categories do not apply to goods manufactured or imported for the purpose of demonstration, research and development or testing.
- b. WPC-ETA Office Memorandum No WPC-ETA/Policy/2018-2019 dated 26 February 2019 which states that ETA requirement is exempted for test/prototype/sample/pre-launch devices. A self-declaration from importer/authorized Indian representative may be treated as sufficient evidence to process such clearances by the Customs and Central Excise authorities.
- c. The Manufacturing and Other Operations in a Customs Bonded Warehouse (MOOWR) scheme from CBIC, Ministry of Finance is aimed at transforming India into a competitive manufacturing location and an attractive investment destination. CBIC launched the MOOWR scheme to defer the Customs duties on imported goods that are used for the intended purposes of manufacture or carrying out other activities.

Similarly, WPC has recently issued an office memorandum: P-11014/02/2022-PP allowing DPL holders to apply for import permission and allowing DPL holders to import wireless equipment for the purpose of stocking (Licensed spectrum related products).

The flow of samples to the country subject to heavy compliances will hamper the following:

- a) **Make in India initiative:** To enable India to be an Innovation hub to cater to local and export markets
- b) **Maintain Trade secrets** in a hyper-competitive world
- c) Existing provision of registering prototype samples in the DoT-CEIR portal with only TAC/IMEI starting with "00" (Kindly refer DoT Letter 5-2/2018/UDS dated 26 July 2021) is not feasible since there is a high chance of the leakage about new products/models before launching commercially. Such new product or model may be sniffed by competitors or hackers as the Indian TAC registration portal is synced with the global GSMA database.
- d) **Ease of Doing Business:** Import of samples for manufacturing and testing without any additional restrictions will help smoothen the development of products and necessary testing required before such products/models are brought out in the market.

We would like to highlight that the import of test samples/prototypes are strictly for internal consumption, development and testing by the OEMs and are not meant to be sold or made available in the open market.

Suggested Solution:

OEM can submit a self-declaration to DoT/Customs containing the list of models with IMEI numbers. OEMs will also undertake to take full responsibility for such models for safekeeping and prevent misuse.

As multiple Government Ministries and Departments are taking steps to enhance India as a competitive manufacturing destination, the current notification from DoT-GSR 728 (E) dated 26 September 2022 containing the requirement of registering IMEIs for manufacturing and testing will create a huge bottleneck in development, manufacturing and testing of new products. We would request your kind intervention in this matter and request DoT to rescind the requirement of registering IMEIs for test samples. This will go a long way in strengthening the Indian ICT manufacturing sector in the country.

Warm regards,



Col. AA Jafri, Retd.
Director General

CC: Dr Mahesh Shukla, Member (Services), Department of Telecommunications

CC: Shri P K Singh, DDG (Security Assurance), Department of Telecommunications