Exporting to India is Getting Easier

August 8, 2018

A set of changes to the U.S. dual use export control rules makes exporting sensitive goods, software, and technology to India less burdensome.

Over the last several years, India has joined three of the four major multilateral export control regimes – the Missile Technology Control Regime (MTCR), the Wassenaar Arrangement, and the Australia Group. In response to India's ascension to these agreements, the United States has amended the Export Administration Regulations (EAR) to ease export control license requirements for exports and reexports of qualifying items to India.

Earlier this year, the Bureau of Industry and Security (BIS) lifted license requirements for exports and reexports of "CB2" controlled items to India, including fluid handling equipment controlled under Export Control Classification Number 2B350 and chemicals controlled under ECCN 1C350, as a result of India's ascension to the Australia Group. This move eased restrictions on many fluid handling companies that produce controlled equipment, as they may more easily transfer products and share data between operations in India and the United States.

Last week, BIS lifted licensing requirements for transfers of items controlled for "NS2" reasons to India, including a broad array of optical equipment, lasers, sensors, electronic components, and materials, reflecting India's status as a participant in the Wassenaar Arrangement. The amendment also allows exporters to more broadly use License Exception Strategic Trade Authorization (STA) to export more sensitive items controlled for national security purposes to India without a license. Although license exception STA involves a number of administrative steps, once an STA program is set up, it can be far more efficient to use than obtaining individual licenses from BIS for each export.