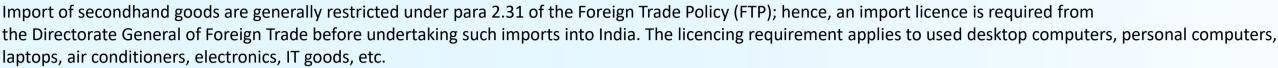


# Import of Secondhand IT assets (laptops, computers, monitors, and printers) from SEZ to DTA

January 2024

### Background on the import policy for secondhand goods



The FTP was silent on the applicability of the licence in the case of the transfer of used assets from Special Economic Zone (SEZ) to Domestic Tariff Area (DTA) in the event of business transfer, de-bonding, hive-off, de-merger, closure, etc.



### Amendment in para 2.31 of the Foreign Trade Policy for the import of used IT assets



Category of secondhand goods

Used IT assets (laptops, desktops, monitors, printers) - import from SEZ to DTA.

#### **Import policy**

- Normally restricted, licence needs to be obtained from DGFT; however, there are certain exemptions.
- Import shall be free, subject to the fulfilment of the following conditions:
  - 1. Transferring previously utilised IT assets from a SEZ to a DTA is permissible for importation and subsequent use in DTA operations. This is allowed without the requirement of a licence, provided that the assets have a minimum usage age of 2 years within the SEZ and are not more than 5 years old from the manufacturing date.
  - 2. In the event of the closure of the SEZ unit and relocation to DTA, the transfer of imported used IT assets is permitted without a licence, as long as the assets are not more than 5 years old from their manufacturing date. However, IT assets that entered the SEZ area in second-hand, used, or old conditions and were utilised for less than 2 years in the SEZ are not eligible for this provision.
  - 3. No exemption should have been originally availed (such as CRO, WPC, or RoHS) at the time of the import of the IT assets into the SEZ.

## Effect of the amendment

In case the aforementioned criteria are not met, there is a requirement to obtain a licence from the DGFT for the transfer of used IT assets from SEZ to DTA from 1 January 2024 onwards.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

© 2024 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited

