Global Security Conference

The Customs Paradigm in Combating Weapons of Mass Destruction

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India and Strategic Trade Control Regimes

- Already Member of
  - Missile Technology Control Regime (MTCR) since June 2016
  - Wassenaar Arrangement since December 2017
  - Australia Group since January 2018
- Application for membership pending in NSG

Legal Framework in India for Strategic Trade Control

- Customs Act, 1962
  - Basic law checking cross border movement of goods
- Foreign Trade (Development and Regulation) Act, 1992
  - SCOMET list and licensing regime
- Chemical Weapons Convention Act, 2000
  - Trade control in listed chemicals
- Weapons of Mass Destruction and the Delivery Systems (Prohibition of unlawful activities) Act, 2005
  - Prohibition on WMD and penal action in accordance with UN Resolution
- Arms Act, 1959
- Explosives Act, 1884
- Explosive Substances Act, 1908

Indian Customs and Global Security

- Border Control
  - 15 Major Ports, 22 International Airports and other 113 Land Customs Stations
  - Enforcement Agencies
- Strategic Trade Control
  - Licensing
  - Empowerment of Customs under allied Acts to enforce licensing
  - Risk management
- Participation in Global Operations
  - Operation Global Shield
  - Operation Chimara-I
  - Operation Cosmo 2
- Industry Awareness Programs
- Capacity Building

Customs Control Paradigm

- Distinction between licit and illicit trade
- Distinction between intentional and innocent players
- Putting systems and processes in place - to monitor both domestic manufacturing and cross border trade
- Complementing Customs controls on cross border trade with domestic licensing
- Fine tuning risk assessment, targeting, inspection and audit mechanisms
- Coordination between Customs and other agencies / Ministries
- International Cooperation on common control lists
- Capacity building to build competencies amongst officers

Case Study-1: Penal Action

- **Information:**
  - **Indian manufacturer exporter helping a foreign entity in developing UAV, a dual use item**
- **Investigation**
  - **Export items under SCOMET list**
  - **Technical evaluation and expert opinion revealed dual use possibility**
  - **Export Procedure not followed**
- **Action under Customs Act**
  - **Interrogation**
  - **Violation of Customs Act**
  - **Penal Proceedings initiated**

Case Study -2: Sensitization

- Information
  - Indian firm supplying bioreactors, dual use item to a foreign entity
  - Procedure not followed; high risk of diversion to a listed entity in a country under sanction
- Enquiry and Action
  - Exporter had exported various items including bioreactors for production of biopharmaceuticals
  - Items not covered by SCOMET at the time of export.
  - Items subsequently covered under SCOMET list
  - Exporter adequately sensitized about changed legal position

Case Study -3: MTCR item

- Information
  - Aluminium powder being shipped as sample
  - Potential for diversion
  - A dual use item figuring in SCOMET and MTCR list
  - Potential to be used as solid propellant in ballistic missiles
- Investigation
  - Consignment detained, sample tested
  - Government lab and designated authority confirmed that the item can be used as solid propellant material in ballistic missiles
- Action
  - Goods confiscated
  - Fine and penalty imposed

Case Study-4: Surveillance

- Information
  - A Ship listed by Libya Sanction Committee reached India for breaking (Feb 2018)
  - Prohibited to enter ports of committee member States
- Investigation/Action
  - Name of the Ship changed
  - Flag mis-declared
  - Vessel Seized by DRI
  - Other agencies alerted
  - Updated list of Sanctions committee (April 2018) omitted the vessel in question

Challenges

- Inspector liability and indemnification
- Property Storage and disposition
- Competing Priorities and Finite resources
- Limitations on information sharing
- Technological constraints
- Commodity Identification

thank you
danke
謝謝
gracias
merci
obrigado
bedankt
dziękuję
teşekkür ederim
go raibh maith agat
ngiyabonga
спасибо
рахмат
Баярлалаа
tapadh leat
sukriya
kop khun krap
terima kasih
arigatô
dakujem
takk
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sagolun
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