

To: Art.4.1.b (TRADE); Art.4.1.b (TRADE); Art.4.1.
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 Art.4.1.b (GROW); Art.4.1.b (GROW); Art.4.1.b (CNECT);
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Subject: Meeting with ESIA on India’s new Chip Import Monitoring System (CHIMS) - 20 October

Attachments: Noti 5 Eng Date 10-05-2021 (1).pdf; Notifi 15 dt 09-08-21 Eng.pdf; 211020 India CHIMS_ESIA.pptx

On 20 October 2021, the European Commission met by Webex with the European Semiconductor Industry Association (ESIA) to discuss India’s new Chip Import Monitoring System (CHIMS). Participants from industry included : Art.4.1.b (ESIA), Art.4.1.b (STMicroelectronics), Art.4.1.b (Infineon Technologies), Art.4.1.b (Infineon Technologies), Art.4.1.b (NXP Semiconductors) and Art.4.1.b (Renesas Electronics). The Commission participants were: Art.4.1.b (DG TRADE C2), Art.4.1.b Art.4.1. (DG TRADE C2), Art.4.1.b (DG TRADE E3), Art.4.1.b (DG TRADE E3), Art.4.1.b (DG TRADE E4), Art.4.1.b (DG TRADE F1), Art.4.1.b (DG TRADE F1), Art.4.1.b (DG GROW), Art.4.1.b (DG GROW), Art.4.1.b (DG CNECT). The EU Delegation in India was also present with : Art.4.1.b and Art.4.1.b .

After recalling the global and complex aspects of semiconductor value chains (a product typically crosses international borders 70 times during the manufacturing process), ESIA presented India’s new Chip Import Monitoring System (CHIMS), its modalities of application and expressed its concerns as follows:

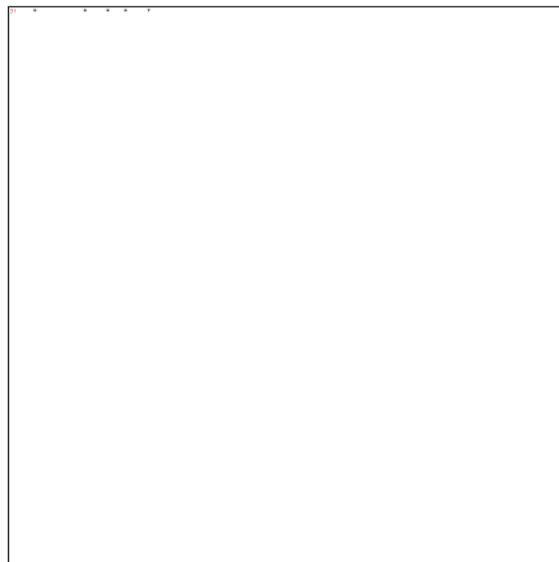
- India’s new *Chip Import Monitoring System (CHIMS)*, a compulsory import registration for a range of Integrated Circuits (IC), entered into effect on 1 October 2021 (originally foreseen 1 August, then postponed) and which concerns all imports regardless of value and quantity;
- The relevant notification issued by the Directorate General of Foreign Trade (DGFT) states that under CHIMS, importers have to submit information in an online system for inbound shipments of specified products (registration until the day of import) and obtain an automatic registration number by paying a fee (minimum of 1.15, maximum of 5.50 euros) ;
- Importers of chips are required to register imports online by submitting info going beyond logistical info on shipping papers for inbound shipments, e.g. purpose of import, ports of export/import, IC type, IC Nr, Technical Details incl. Data-Sheets etc.) ;

- The stated objective of CHIMS is to enable the Indian government to maintain accurate, comprehensive & updated databases ;
- Industry is concerned as: (1) CHIMS creates additional administrative burdens and can be considered as a non-tariff barrier; (2) it remains unknown whether the confidentiality of submitted information (e.g. “technical details”) will be guaranteed; (3) current ‘voluntary’ requirements to fill up more - sometimes sensitive - data could become mandatory in the future; (4) CHIMS may affect industry’s R&D activities in India; and (5) the scheme’s real aims are to promote the emergence of a domestic semiconductor industry and curb semiconductor imports from China.
- A complaint on the CHIMS issue was formulated through the Single Entry Point (SEP) and will be introduced in the EU Market Access database if the assessment concludes that it indeed constitutes a trade barrier ;
- Drawing on the WTO database, it seems that India has not notified the measure to WTO (Import Licensing Committee).

The EU Delegation in India signaled that it has already started to engage with relevant European companies together with some EU embassies. The Commission explained that, depending on contacts in Delhi, the issue could possibly be raised in a future meeting of the EU-India Trade Sub-Commission.

Art.4.1.b

Art.4.1.



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