

Amendments Nov 26 Exam

CUSTOMS ACT, 1962 & FTP

IMPORTATION & EXPORTATION PROCEDURE

Sec 47:- Clearance of goods for home consumption

Deferred payment:

CG notified the following class of importers permitting them to make deferred payment of import duty & other charges payable:-

- i. Importers certified under Authorized Economic Operator programme as AEO (Tier Two) and AEO (Tier-Three)
- ii. Authorised Public Undertaking
- iii. Eligible manufacturer Importer

However, the class of Eligible Manufacturer Importer shall be permitted to make deferred payment of import duty up to 31st March 2028.

Note: Eligible manufacturer Importer means Manufacturer Importer approved by Directorate of International Customs under the Central Board of Indirect Taxes and Customs.

S.No.	Goods corresponding to Bill of Entry returned for payment from:	Due date of payment of duty, including period (excluding holidays) as per sec 47(2):	
		Prior to amendment	Post amendment
1	1st day to 15th day of any month other than March	16th day of that Month	1st day of the following month
2	16th day till the last day of any month other than March	1st day of the following month	1st day of the following month
	1st day to 15th day of March	16th March	31st March
	16th day till the 31st day of March	31st March	31st March

Baggage [Sections 77 to 81]

➤ **Baggage [Sec 2(3)]** includes **unaccompanied baggage** but **excludes motor vehicles**.

In plain words: the trunks, bags and personal belongings a passenger carries.

Section-wise Framework

Section	Provision
77 Declaration	The owner of baggage shall have to make a declaration of its contents to the proper officer. This is known as Baggage Declaration form [or Entry for baggage]
78 – Relevant date	Rate of duty & tariff valuation = those in force on the date the baggage declaration is presented u/s 77 for removal of the baggage.
79 – Duty exemption	The officer MAY pass free of duty : (a) any article in USE of a passenger or crew member for the minimum period specified in rules; (b) any article for the use of the passenger or his family or a bona fide gift or souvenir , within the value limits in the rules.
80 Temporary detention	– Passenger carries a dutiable or prohibited article, truly declared u/s 77 , but does not want to take it into India, at his request the officer DETAINS the article



Section	Provision
	and returns it when he leaves India – or through another authorised departing passenger, or as cargo consigned in his name.
81 Regulations	Board may regulate: manner of declaration; custody, examination, assessment & clearance of baggage; transit/transshipment of baggage between customs stations or abroad (essential for unaccompanied baggage).

Rate of Duty on Baggage – How the 35% Works

- Baggage is classified under **Heading 9803** of the Tariff as a **single composite entry** – individual items are not classified separately.
- Effective rate = **BCD 35%** on the value **IN EXCESS of the duty-free allowances**; baggage is **exempt from IGST, GST Compensation Cess AND Social Welfare Surcharge**.
- **Exceptions to the 35% rate [N/N 26/2016]:**
 - **Firearms & cartridges of firearms exceeding 50** → charged @ **70%** under Heading 9803.
 - **Cigarettes/cigars/tobacco beyond the free quantity** → charged at their own tariff-heading rates (not the baggage rate).
 - Heading 9803 itself does **NOT** apply to **motor vehicles, alcoholic beverages & tobacco products** – beyond the free quantity (liquor 2 litres, cigarettes 100 sticks etc.) they attract their respective tariff rates.
- The **Valuation rules apply** to baggage valuation as well.

BAGGAGE RULES, 2026 – REPLACE the Baggage Rules, 2016 (w.e.f. 02.02.2026)

Rule 2 – Key Definitions under the 2026 Rules

Term	Meaning
Personal effects	WIDENED: ALL articles (new or used) a passenger may reasonably require for personal use during the journey, considering all circumstances – but excluding any goods imported or exported for commercial purposes. Analysis: under new definition personal effect broadly categorized in 2 parts Part 1 — Used personal effects satisfying daily necessities of life <i>Used + needed for day-to-day living</i> Examples: worn clothing and footwear, toiletries and shaving kit, spectacles, hearing aid, personal medicines, one used mobile phone and charger, used everyday wristwatch, used personal jewellery ordinarily worn (Mangalsutra, bangles etc), baby food, diapers, used pram, travel souvenirs. Part 2 — Other personal effects reasonably required during the journey—Either new, or used but not a daily necessity — occasional, professional or luxury articles Examples: any newly bought item (new perfume, new shoes with tags), professional camera kit and drones, musical instruments, golf/ski/diving gear, luxury watches, bridal or heavy jewellery, medical or technical equipment, second laptop, antiques and art.
Jewellery	Articles of adornment ordinarily worn, made of gold, silver, platinum or other precious metals , whether studded or not.
Resident	Person ordinarily residing in India holding a valid Indian passport.

Term	Meaning
Tourist	Person NOT ordinarily resident in India entering for a stay of ≤ 6 months in any 12-month period for legitimate non-immigrant purposes.
Foreigner with valid visa (non-tourist)	NEW category: a foreigner with a valid visa other than a tourist visa , staying in India > 6 months (now eligible for transfer-of-residence benefits (Appendix-II)).
Infant	Child not more than 2 years of age .

Rules 3 – Personal Effects

Rule 3: EVERY passenger – **including an infant** arriving in India – may bring **used personal effects** for satisfying daily necessity of life and travel souvenirs duty-free, *except Annexure-I items*.

Note: No value limit on personal effects.

Rule 4 – Re-import & Temporary Import

(a) Re-import of own items by resident or tourist of Indian origin or foreigner with a valid visa, other than tourist visa, or member of his family,

- Any article of personal effects (other than used personal effects required for satisfying daily necessities of life) **taken OUT of India earlier**
- bring back** such personal effect **duty-free** – provided a declaration was made **at the time of departure** (electronically or otherwise) and AC/DC is satisfied.

(Example: own camera and smart-watch carried abroad and brought back.)

As per Customs Baggage (Declaration and Processing) Regulations, 2026,

- The passenger shall **be issued export certificate (CBD- III)** on declaration made at the time of Departure.
- validity of such export certificate will be the passenger's first return to India or 6 months whichever is earlier.**

Note: - After 6 months the duty-free benefit is not available & it will be pooled in GFA.

(b) Temporary import by tourists: a tourist's personal-effect articles (other than used daily-necessity items) needed for the stay in India may be imported **temporarily duty-free** on declaration, **subject to take them back (re-export) when leaving India.**

As per Customs Baggage (Declaration and Processing) Regulations, 2026,

- The Tourist shall **be issued Temporary Baggage Import Certificate (CBD- IV)** on declaration made at the time of Departure.
- Validity of such certificate will be the Tourist first departure from India or within 6 months whichever is earlier.**

Passengers using Rule 4 may face **risk-based verification**.



Rule 5 – General Free Allowance (GFA)

Passenger (arriving OTHER than by land)	General Free Allowance- GFA (any article other than those mentioned in Annexure-I)
Indian Resident / Tourist of Indian origin / Foreigner with non-tourist visa	₹ 75,000
Tourist of FOREIGN origin	₹ 25,000
Infant (≤ 2 years)	NIL – only personal effects under Rule 3

➤ Provisos & explanation:

- (i) passengers arriving **by LAND** → only used personal effects required for satisfying daily necessities of life **allowed duty-free (no GFA)**.
- (ii) a passenger ≥ **18 years** (non-crew) may bring **ONE NEW LAPTOP (including notepad)** duty-free in bona fide baggage.
- (iii) **NO POOLING** – one passenger's allowance cannot be combined with another's

Rule 6 – Jewellery Allowance

Eligible passenger	Duty-free jewellery
Resident / Tourist of Indian origin, residing abroad > 1 YEAR	Female passenger: up to 40 grams ; Other than female: up to 20 grams

Change: the 2016 value caps (₹ 1,00,000 / ₹ 50,000) are **GONE** – the 2026 Rules prescribe **pure WEIGHT** limits.

Treatment of Jewellery and Valuables: Analysis

Used personal jewellery/valuables: Personal jewellery and valuables needed for daily necessities of life and carried as baggage/person are duty-free, subject to risk-based verification.

Other jewellery/valuables: Jewellery and valuable, other than those required for daily necessities of life, brought by a passenger in bona fide baggage, shall not be allowed duty free, however, the same may be allowed subject to GFA on payment of applicable duty.

Re-import of jewellery: Residents, Indian-origin tourists and eligible foreigners can bring jewellery duty-free on re-import if they had earlier taken it out of India and have an Export Certificate.

Tourists: Tourists can bring jewellery for use during their stay, subject to declaration, Temporary Baggage Import Certificate and compulsory re-export when leaving India.

Non-bona fide/undeclared jewellery: Undeclared or non-compliant jewellery/valuables will attract customs duty and may face action under the Customs Act, 1962.

Special jewellery allowance: Residents and Indian-origin tourists living abroad for more than 1 year get a special duty-free jewellery allowance. Jewellery within the limit is duty free; excess is taxable.

Rule 7	Transfer of Residence (TR): A person, who is engaged in a profession abroad, or is transferring his residence to India, will be allowed duty free clearance of articles on his return in the manner given in the Appendix below. a) A resident or tourist of Indian origin, engaged in a profession abroad or transfers his residence to India - Appendix-I
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b) A foreigner with a valid visa, other than tourist visa, engaged in any profession in India or transferring his residence to India - Appendix- II ➤ This allowance would be in addition to the general duty-free baggage allowance u/r 3 or 5. ➤ If the prescribed stay falls short → inform the Pr. Commissioner/Commissioner without delay & pay duty + interest.		
APPENDIX-I – Resident / Tourist of Indian origin (returning to India):		
Stay abroad	Duty-free value (Annexure-II items, excl. Annexure-I)	Conditions & relaxations
3 to 12 months	₹ 1,50,000	No further conditions.
Min. 1 year during preceding 2 years	₹ 3,00,000	Not availed this concession in the preceding 3 years.
Min. 2 years or more	₹ 7,50,000	(i) Minimum stay 2 yrs abroad immediately preceding arrival – shortfall up to 2 months condonable by DC/AC (terminal leave/vacation or special circumstances); (ii) short visits to India in those 2 yrs ≤ 6 months – excess condonable by Pr. Comm./Comm. in special circumstances, reasons in writing; (iii) not availed this concession in preceding 3 years – no relaxation.
APPENDIX-II – For Foreigners with Valid Visa Other than Tourist Visa: (taking up profession in / transferring residence to India):		
Stay in India	Duty-free value	Conditions & relaxations
6 to 12 months in India	₹ 1,50,000	1) Min. 6 months stay in India after arrival 2) not availed this concession in the preceding 1 year. 3) shortfall up to 3 months in stay in India condonable by Pr. Commissioner/Commissioner of Customs (terminal leave /vacation or special circumstances).

	Min. 1 year during the succeeding 2 years from arrival	₹ 3,00,000	1) Min. 2 year stay in India during the succeeding 2 years after arrival. 2) not availed this concession in the preceding 3 years . 3) shortfall up to 3 months in stay in India condonable by Pr. Commissioner/Commissioner of Customs (terminal leave or special circumstances).
	Minimum stay of 2 years or more in India	₹ 7,50,000	1) Min. 2 years stay in India during the succeeding the date after arrival. 2) not availed this concession in the preceding 3 year . 3) shortfall up to 2 months in stay in India condonable by DC/AC (terminal of professional contract or special circumstances). 4) Pr. Comm./Comm. may condone short visits up to 6 months in special circumstances, reasons in writing.
	Returning after stay abroad of 2 years or more	₹ 7,50,000	(i) Minimum stay 2 yrs abroad immediately preceding arrival – shortfall up to 2 months condonable by DC/AC (terminal leave/vacation or special circumstances); (ii) short visits to India in those 2 yrs ≤ 6 months – excess condonable by Pr. Comm./Comm. in special circumstances, reasons in writing; (iii) not availed this concession in preceding 3 years – no relaxation .
Rule 8	Currency: Import & Export of Currency governed in accordance with Provision of FEMA. CDF (Currency Declaration Form) required when: foreign exchange (currency notes/bank notes/travellers cheques) > US \$ 10,000 or equivalent (aggregate), and/or foreign currency notes alone > US \$ 5,000 or equivalent. Indian currency: Resident may take out of India Indian currency notes up to ₹ 25,000.		
Rule 9	Pets: Imports of Pets shall be regulated by Rules notified by any Ministry/Department/Authority of CG.		
Rule 10	Provisions regarding unaccompanied baggage: ➤ These rules apply to all unaccompanied baggage, unless specifically exempted. ➤ Deputy /Assistant Commissioner of Customs may allow duty-free clearance if the baggage: - was owned by the passenger abroad, and - is dispatched within 1 month after the passenger arrives in India (or a longer period allowed by Customs). ➤ Unaccompanied baggage may also arrive up to 2 months before the passenger's arrival. If the passenger could not arrive within 2 months due to reasons beyond their control (e.g., illness, natural calamity, disturbed conditions, or travel disruption), DC/AC may allow the		

	baggage to arrive up to 1 year before the passenger's arrival, after recording the reasons in writing.
Rule 11	Application of these rules to crew members: ➤ These rules shall also apply to the crew members engaged in a foreign going conveyance for importation of their baggage at the time of final pay off on termination of their engagement. ➤ Crew member of a vessel or an aircraft other than specified in sub-rule (1), shall be allowed to bring articles like chocolates, cheese, cosmetics and other gift items for their personal or family use which shall not exceed ₹ 2,500.

Following has also been clarified by the master circular:

- **Commercial quantity:** Goods brought in commercial quantity or prohibited goods cannot be treated as bona fide baggage. They may attract duty, redemption fine, penalty and even prosecution, where applicable.
- **Marginal excess:** If a passenger has a small excess of otherwise freely importable goods, the excess may be allowed on payment of customs duty. The entire baggage does not become non-bona fide merely because some commercial goods are present.
- **Detention of goods:** Dutiable, restricted or prohibited goods may be temporarily detained by Customs on the passenger's request, especially when the passenger cannot pay duty or the goods cannot be immediately cleared. A Detention Receipt is issued.
- **Release/Re-export:** Detained goods can later be released or returned for re-export, subject to Customs verification and prescribed conditions.
- **Temporary Baggage Import Certificate:** Tourists may get this certificate for temporarily importing personal effects for bona fide use, subject to re-export on first departure or within 6 months, whichever is earlier.
- **Purpose:** Both the Temporary Baggage Import Certificate and Detention Receipt are facilitation measures to help passengers while ensuring revenue collection and compliance with Customs rules.

ANNEXURE-I (See Rules 3, 5 and 7)

1.	Fire arms.	3.	Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125gms.	5.	Gold or silver in any form other than ornaments.
2.	Cartridges of fire arms exceeding 50.	4.	Alcoholic liquor or wines in excess of two litres.	6.	Television.

ANNEXURE-II (See Rule 7)

1	Home Theatre System.	2	Air-Conditioner	3	Microwave Oven.
4	Washing Machine.	5	Gas Cooking Range	6	Personal Computer (Desktop Computer).
7	Laptop or Notepad.	8	Domestic Refrigerator.	9	Television.
10	Dish Washer	11	Deep Freezer.		
12	Video camera or the combination of any such Video camera with one or more of the following goods, namely: - (a) television receiver;(b) sound recording or reproducing apparatus;(c) video reproducing apparatus.				
13	Vacuum Cleaner	14	Air Fryer.	15	Dryer machine.



16	Air cooler.	17	Play station or any other gaming console.	18	Water Dispenser.
19	Oil heater.	20	Electric Oven.	21	Musical Instrument (Piano or Guitar, etc.).
22	Tablet (e.g. iPad).	23	Small Bluetooth Speakers.	24	Air Purifier.
25	Dehumidifier.	26	Multifunction Printer.	27	Robotic Vacuum Cleaner.
28	Massage Chair.	29	Projector.	30	Amplifier.

Customs Baggage (Declaration and Processing) Regulations, 2026 [N/n 14 & 15/2026]

- **New Regulations:** Customs Baggage Declaration Regulations, 2013 have been replaced by Customs Baggage (Declaration and Processing) Regulations, 2026.
- **Green Channel:** Passengers who have nothing dutiable to declare and do not need to declare currency or pets can directly use the Green Channel for exit.
- **Declaration required:** Passengers carrying dutiable or prohibited goods must electronically declare their accompanied baggage before entering the Green Channel.
- **When to declare:** The declaration can be made on arrival or up to **3 days before arrival** through the designated automated system.
- **Atithi App:** Customs has developed the “Atithi” web/mobile application for filing baggage declarations electronically.

Unaccompanied baggage: Unaccompanied baggage containing dutiable personal effects must also be declared electronically and processed as per the prescribed Regulations.

Foreign Trade Policy

Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) extended till 31.03.2026

- Notification No. 35/2025 has extended the applicability of RoDTEP Scheme for eligible exports from DTA, by Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and SEZ units up to 31.03.2026.
- Thereafter, **Notification No. 74/2025-26** has extended the applicability of RoDTEP Scheme for eligible exports up to **30.09.2026**.

