



Tax alert: Exemption from BIS certification on certain categories of imports for exports, including advance authorisation holders and export-oriented units

8 March 2024

The Directorate General of Foreign Trade (DGFT) has notified that mandatory quality control orders (QCOs), issued by certain ministry/ department, will not apply on inputs used in manufacture of export products. Such exemption also applicable on imports of goods by AA Holders and EOUs subject to certain import conditions.

In a nutshell



Normally, when goods are imported into India, they may be subjected to relevant QCOs and environmental/safety and health norms as applicable on goods produced in India. However, the DGFT may exempt such imported goods, utilised for manufacture and exports, from compliance standards/ quality specifications.



DGFT has issued a Notification no. 69/2023 dated 7 March 2024, to enable imports of inputs/ goods without BIS Certification for advance authorisation holders, subject to certain conditions.



The notification exempts BIS certification requirement on imports by EOUs provided such inputs are utilised for export production.



Mandatory QCOs issued by the Ministry of Steel and Department for Promotion of Industry and Internal Trade (DPIIT) will not apply on goods/ inputs used in manufacture of exported products.



Exemption would provide ease to importers, from BIS certification, who are importing inputs and raw materials for manufacturing goods for purpose of exports.



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The DGFT has now notified that mandatory QCOs issued by Ministry of Steel and DPIIT will not apply on goods/ inputs used in manufacture of export products.

Aside from above, AA Holders and EOUs are also exempt from BIS certification requirement on import of inputs used in manufacture of export products. The conditions for such differentiation are discussed below:

BIS exemption on imports by AA Holders is subject to following conditions:

- Exemption from BIS to be specifically endorsed in Advance Authorisation License itself.
- Inputs to be utilised in the manufacturing and export of product under same authorisation
- Any unutilised imports or products manufactured not to be transferred to domestic market
- Provisions introduced for treatment of unutilised inputs imported without BIS certification
- Available for physical exports only

BIS Exemption on imports by EOUs is subject to following conditions:

- Inputs required for export production. An undertaking to be submitted by EOUs to Customs authorities at time of import and a copy of the same to be submitted to Development Commissioner
- Available for physical exports only

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