Notification No. 20/2026-27 S.O. 2827(E) June 2, 2026

FOREIGN TRADE POLICY

DGFT widens the QCO exemption for SEZ imports to all permissible goods for SEZ operations

SEZ units and developers are now exempt from QCOs on all permissible imports for use in the SEZ, while clearance into the DTA stays subject to QCOs.

THE CENTRAL Government amends Para 2.03(A)(iii) of the Foreign Trade Policy (FTP), 2023, on the applicability of Quality Control Orders (QCOs) issued under the BIS Act, 2016 to imports by Special Economic Zone (SEZ) Units and Developers, with immediate effect.

THE CHANGE

The QCO exemption applies to SEZ Units or SEZ Developers for import of all permissible goods, including raw materials, components, consumables, spares and capital goods, required for authorized operations within SEZs, for use within the SEZ; removal, transfer or clearance into the DTA is subject to the applicable QCOs, BIS requirements and other laws in force at the time of clearance.

KEY FACTS

TYPE
Foreign Trade Policy

NOTIFICATION
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with immediate effect

REFERENCES

S.O. 2827(E)

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DGFT widens the QCO exemption for SEZ imports to all permissible goods for SEZ operations

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The Central Government amends Para 2.03(A)(iii) of the Foreign Trade Policy (FTP), 2023, on the applicability of Quality Control Orders (QCOs) issued under the BIS Act, 2016 to imports by Special Economic Zone (SEZ) Units and Developers, with immediate effect.

Before the amendment, the exemption from mandatory QCOs covered SEZ imports of inputs required for export production, was available for physical exports only, barred DTA clearance of such inputs or goods made from them, and was subject to para 2.03 (c) of FTP. The SEZ Unit submitted an undertaking to the Development Commissioner at the time of importation.

The revised para extends the exemption to SEZ Units or SEZ Developers for import of all permissible goods, including raw materials, components, consumables, spares and capital goods, required for authorized operations within SEZs, in accordance with the SEZ Act, 2005 and Rule 27 of the SEZ Rules, 2006. It applies only to use within the SEZ. Removal, transfer or clearance of such goods, or goods manufactured or processed from them, into the Domestic Tariff Area is subject to the applicable QCOs, BIS requirements and other laws in force at the time of clearance. The SEZ Unit or Developer submits an undertaking at the time of importation.

Notification No. 20/2026-27 (S.O. 2827(E)) is dated June 2, 2026 and is issued with the approval of the Minister of Commerce & Industry.

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Gazette ID	CG-DL-E-06062026-273230
Type	Foreign Trade Policy
Products	Raw materials, components, consumables, spares, and capital goods required for authorised operations within Special Economic Zones (SEZs)
Before	The QCO exemption applies to SEZ imports of inputs required for export production, available for physical exports only; no DTA

	clearance of such inputs or goods made from them is allowed; the exemption is further subject to para 2.03 (c) of FTP.
After	The QCO exemption applies to SEZ Units or SEZ Developers for import of all permissible goods, including raw materials, components, consumables, spares and capital goods, required for authorized operations within SEZs, for use within the SEZ; removal, transfer or clearance into the DTA is subject to the applicable QCOs, BIS requirements and other laws in force at the time of clearance.
Applies from	with immediate effect
Conditions	• The exemption is provided in accordance with the provisions of the SEZ Act, 2005 and Rule 27 of the SEZ Rules, 2006. • The exemption applies only for the use of the imported goods within the SEZ for authorized operations. • Any removal, transfer or clearance of such goods, or goods manufactured or processed therefrom, from the SEZ into the Domestic Tariff Area (DTA) is subject to compliance with the applicable QCOs, BIS requirements and any other applicable laws, rules or regulations in force at the time of such clearance. • An undertaking to this effect is to be submitted to the concerned Development Commissioner of the SEZ by the SEZ Unit or SEZ Developer at the time of importation.
Applies to	SEZ Units and SEZ Developers importing goods subject to Quality Control Orders issued under the BIS Act, 2016.
Issued under	Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (22 of 1992), read with Paragraph 1.02 of the Foreign Trade Policy (FTP), 2023
Signed by	LAV AGARWAL, Director General of Foreign Trade & Ex-officio Addl. Secy.

The table in the notification

Description	Before	After

Para 2.03A(iii) of FTP, 2023: exemption from Quality Control Orders (QCOs) for SEZ imports	Exemption from applicability of mandatory QCOs issued under the BIS Act, 2016, shall be provided to SEZ on import of inputs which are required for export production. No DTA clearance of such inputs or goods manufactured made out of such inputs, are allowed. An undertaking to that effect will be submitted to the concerned Development Commissioner of the SEZ by the SEZ Unit at the time of importation. The exemption from QCO will be available for physical exports only. This exemption is further subject to para 2.03 (c) of FTP.	Exemption from applicability of Quality Control Orders (QCOs) issued under the BIS Act, 2016, shall be provided to SEZ Units or SEZ Developers for import of all permissible goods, including raw materials, components, consumables, spares, and capital goods, required for authorised operations within Special Economic Zones (SEZs), in accordance with the provisions of the SEZ Act, 2005 and Rule 27 of the SEZ Rules, 2006 made thereunder. Such exemption shall apply only for the use of the imported goods within the SEZ for authorised operations. However, any removal, transfer or clearance of such goods, or goods manufactured or processed therefrom, from the SEZ into the Domestic Tariff Area (DTA) shall be subject to compliance with the applicable Quality Control Orders (QCOs), Bureau of Indian Standards (BIS) requirements and any other applicable laws, rules or regulations in force at the time of such clearance. An undertaking to the above effect shall be submitted to the concerned Development Commissioner of the SEZ by the SEZ Unit or SEZ Developer at the time of importation.

The notification (PDF, 561 KB)

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Read online: indusdesk.com/dgft/tracker/widens-qco-exemption-for-sez-imports-to-all-273230/