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CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS

# CAROTAR: how to claim a trade agreement rate at Indian customs

CAROTAR, the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020, sets how you claim a trade agreement rate under section 28DA of the Customs Act. You declare that the goods originate, hold enough origin information and take reasonable care. A certificate of origin alone isn't enough.

CAROTAR IS THE SET OF customs rules that runs every claim for a trade agreement rate in India. The rules came into force on September 21, 2020, under section 28DA of the Customs Act, 1962, and apply to any import where you claim a preferential rate. Where they conflict with an agreement's own rules of origin, the agreement's rules win.

KEY FACTS

LAW
Customs Act, 1962

TARIFF
Customs Tariff Act, 1975

VALUATION
Customs Valuation Rules, 2007

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## What is CAROTAR?

CAROTAR is the set of customs rules that runs every claim for a trade agreement rate in India. The rules came into force on September 21, 2020, under section 28DA of the Customs Act, 1962, and apply to any import where you claim a preferential rate. Where they conflict with an agreement's own rules of origin, the agreement's rules win.

A preferential rate is the lower duty a trade agreement sets for goods that originate in a partner country. CAROTAR is the procedure: how you claim, what you keep and how customs checks (CAROTAR rule 1(2) and (3)).

The Central Board of Indirect Taxes and Customs (CBIC) says section 28DA and CAROTAR must keep each agreement's intent. Where they conflict, the agreement's rules of origin prevail (Circular No. 43/2026-Customs of September 24, 2026, para 1, citing CAROTAR rule 8(3)).

This guide covers the claim and its proof. For duty, valuation and disputes, start with customs in India. The agreements themselves are on India's free trade agreements and origin rules.

## What must you do to claim the rate?

To claim a trade agreement rate, you declare in the bill of entry that the goods originate, name the tariff notification for each item and give the proof of origin details. You also hold information showing how the goods meet the origin rules, take reasonable care that it's accurate, and keep the records for five years.

1. Declare that the goods originate.

Declare that the goods qualify as originating goods under the agreement (section 28DA(1)(i); CAROTAR rule 3(1)(a)).

2. Name the tariff notification for each item.

Give it against each item on which you claim the rate (rule 3(1)(b)). The 2026 ones are in the table below.

3. Enter the proof of origin details.

Give its reference number and date, the origin criterion, and whether cumulation applies, a third country issued it or the goods came directly (rule 3(1)(d)).

4. Hold the origin information.

Hold enough information on how the goods meet the origin criteria, including regional value content and product specific rules, and take reasonable care that it is accurate (section 28DA(1)(ii) and (iv)). Form-I lists what that covers (rule 4(a)).

5. Keep the records for five years.

Keep every document related to Form-I for at least five years from the date you file the bill of entry (CAROTAR rule 4(b)).

## Is a certificate of origin enough?

A certificate of origin isn't enough on its own. Section 28DA(2) of the Customs Act says a certificate from the issuing authority doesn't absolve you of the duty to take reasonable care. The certificate backs your claim, but customs can still ask how the goods meet the value content and product rules, and you need that answer on hand.

The Act puts the duty of reasonable care on the importer (section 28DA(1)(iv)). The rate turns on whether the goods meet the agreement's origin criteria (section 28DA(1)(ii)), and a certificate doesn't settle that by itself (section 28DA(2)). An officer who has reason to believe they aren't met can ask for your information (CAROTAR rule 5(1)).

For certainty before you import, the Customs Authority for Advance Rulings can rule on origin (section 28H(2)(e)). See customs advance rulings in India.

## What changed from certificate to proof of origin?

Notification No. 14/2025-Customs (N.T.) of March 18, 2025 changed the word "certificate" to "proof" in CAROTAR's claim and verification rules. The new word fits agreements such as India-UK, where the exporter's own Origin Declaration is the proof of origin. CBIC's consolidated rule 3 still prints "certificate of origin", so cite the notification.

The amendment took effect on its publication in the Gazette and changed rules 2, 3 and 6 and Form I (paras 1 to 3). Under the India-UK agreement, the UK exporter's or producer's own Origin Declaration takes the place of a certificate from a designated authority (Circular No. 33/2026-Customs, paras 2 and 3).

## Do you file Form-I with each bill of entry?

Form-I isn't filed with the bill of entry and isn't a precondition for the rate, CBIC said on September 24, 2026, repeating its letter of November 13, 2020. An officer may ask for the Form-I information only when the risk system stops the entry for origin checks and the officer has reason to believe the rules are not met.

The source is Circular No. 43/2026-Customs, paras 2.1.2 and 2.1.3. You still hold the information (section 28DA(1)(ii)). The risk system is the National Risk Management System, and the request comes under rule 5. The circular prints these paragraphs under its India-UK heading, but paras 2.1.2 and 2.1.3 name no agreement, and para 2.1.2 repeats the 2020 letter.

For the India-UK agreement only, the circular adds two points. A claim backed by a valid Origin Declaration is processed without Form-I (para 2.1.1). And you aren't required to obtain confidential information from the UK exporter or producer. Not giving it isn't, by itself, a ground to deny the claim (para 2.1.4).

More in Form I not a precondition for India-UK CETA origin claims.

## What happens when customs asks for origin information?

When a customs officer asks for origin information under CAROTAR rule 5, you have ten working days to give it. If satisfied, the officer accepts the claim and tells you in writing within fifteen working days of receiving it. If you don't reply in time, or the answer falls short, the officer proposes verification with the exporting country.

- **Ten working days** to give the information and documents asked for, during clearance or after it (CAROTAR rule 5(1) and (2)).
- **Fifteen working days** for the officer to accept the claim in writing (rule 5(3)). That's the rule's time norm, not a promise of a decision.
- **If it falls short,** the officer sends a verification proposal (rule 5(4)) and customs can ask the exporting country's verification authority (rule 6(1), proviso).

If you don't reply in time, or you're found not to have taken reasonable care, the officer verifies the assessment of all your later preferential bills of entry. That lasts until you show adequate record-based controls (CAROTAR rule 8(1)).

## Can the rate be suspended while origin is checked?

Customs can suspend the trade agreement rate while it verifies origin, if you don't give the information asked for or a verification starts during clearance. On your request, the goods can still be released against security equal to the duty difference. A verification request must go within five years of your claim, unless the agreement says otherwise.

Section 28DA(4)(ii) lets the officer suspend the rate where you fail to give the information asked for, and CAROTAR rule 6(4) where a verification of the proof or of origin starts during clearance. Release against security equal to the difference between the provisionally assessed duty and the preferential duty claimed is section 28DA(5). Its proviso lets the Principal Commissioner or Commissioner ask for a deposit of that difference instead. The five-year limit is section 28DA(9).

CAROTAR gives the exporting country the agreement's own reply time, or sixty days where it sets none (rule 6(3)). If the reply comes in time, the officer has forty-five days from receiving it to

finish, unless the Principal Commissioner or Commissioner allows longer or the rules of origin set their own time (rule 6(6)). Those are the rules' norms, not a promise.

Customs can refuse the rate without verification in four cases under section 28DA(10). The tariff item is not eligible, the certificate lacks a complete description, a change in it isn't authenticated, or it's produced after it expired.

If a denied rate turns into a demand for duty, see customs show cause notices and appeals.

How much security customs takes, and how you get it back, is in our provisional assessment guide.

## Will one denial apply to later shipments?

One denial can reach later shipments only of identical goods from the same producer or exporter, under section 28DA(11), and you can still show the later goods qualify. CBIC's Circular No. 43/2026-Customs says goods aren't identical just because they share a description, tariff classification, exporter, producer or technical features.

- **Identical** means the same in all respects with reference to the origin criteria (section 28DA, Explanation (b)).
- **You are heard first.** Before an earlier finding is applied, you can give more information on the later consignments. If they qualify, it is not applied (Circular No. 43/2026-Customs, para 2.2.2).
- **Different goods, fresh review.** Goods that differ in any material fact relevant to origin are examined on their own merits (para 2.2.3).

## How do you claim under the India-UK agreement?

Under the India-UK agreement, in force from July 15, 2026, a UK exporter's or producer's Origin Declaration is the proof of origin. Customs authenticates it and emails a Unique Reference

Number (URN), which you quote in the bill of entry. Authentication shows a genuine exporter sent it. It doesn't prove the goods qualify.

1. Give the UK exporter or producer your ICEGATE-registered email address (Circular No. 33/2026-Customs, para 5.2).

2. The exporter sends the Origin Declaration to CBIC's nodal email address and to you at the same time (para 5.1).

3. On authentication, CBIC emails the URN to the exporter, with a copy to you (para 5.1).

4. Quote the URN in the bill of entry to claim the rate (para 5.1).

An Origin Declaration is valid for twelve months from the date it's completed and covers one shipment. Quote the URN in a warehousing bill of entry and you may use it for the ex-bond clearances that follow, within its validity (paras 7 to 8.1). Goods warehoused before July 15, 2026 can claim on a declaration authenticated from that date (para 9.2). More in India-UK CETA origin declarations get a URN after authentication and India-UK CETA origin rules apply from July 15.

If you're the foreign exporter, the claim and the duty of care sit with your importer in India (section 46(4A); section 28DA(1)(iv)). See Indian customs for foreign companies.

## Which origin rules took effect in 2026?

The India-Oman, India-UK and India-New Zealand origin rules took effect at Indian customs in 2026, on June 1, July 15 and October 20. Each agreement also has its own tariff notification with its rates, and some goods face quotas. Since October 20, 2026, customs accepts New Zealand's electronic certificates of origin, uploaded on e-Sanchit.

2026 trade agreement origin rules at Indian customs

| Agreement | Origin rules | Tariff notification | In force | Source |
|---|---|---|---|---|
| India-Oman Comprehensive Economic Partnership Agreement (CEPA) | No. 48/2026-Customs (N.T.), May 29, 2026 | No. 20/2026-Customs, May 31, 2026 | June 1, 2026 | Rule 1(2) of the origin rules |
| India-UK Comprehensive Economic and Trade Agreement (CETA) | No. 62/2026-Customs (N.T.), July 3, 2026 | No. 29/2026-Customs, July 14, 2026 | July 15, 2026 | Rule 1(2) of the origin rules; Circular No. 33/2026-Customs |

| | | | | |
|---|---|---|---|---|
| India-New Zealand Free Trade Agreement (FTA) | No. 82/2026-Customs (N.T.), October 12, 2026 | No. 32/2026-Customs, October 16, 2026 | October 20, 2026 | Rule 1(2) of the origin rules |

For New Zealand, Instruction No. 21/2026-Customs of October 19, 2026 says you upload the electronic certificate on e-Sanchit and enter its details in the bill of entry (paras 1 and 3). Our summaries: electronic certificates from New Zealand, the India-Oman origin rules and the India-New Zealand origin rules.

For every other agreement in force, see India's free trade agreements.

## How IndusDesk helps with a trade agreement claim

We work with you and your supplier to build the origin file before you claim. We help you answer a rule 5 request, respond when a rate is suspended or denied, and make representations on origin procedure.

Government affairs →

Public policy & advocacy →

Regulatory & trade advisory →

Talk to our desk about claiming a trade agreement rate Message us on WhatsApp

## Latest notices and insights

- CBIC tells Customs to accept New Zealand e-certificates of origin (Notice, October 19, 2026)
- Customs accepts electronic certificates of origin from New Zealand (Insight, October 19, 2026)

- Concessional customs duty rates for goods from New Zealand from October 20, 2026 (Notice, October 16, 2026)
- FTA duty rates for New Zealand goods take effect on October 20 (Insight, October 16, 2026)
- India-New Zealand free trade agreement origin rules take effect October 20, 2026 (Notice, October 12, 2026)

## Frequently asked questions

### Do I need Form-I for every FTA claim?

No. Form-I isn't filed with the bill of entry and isn't a precondition for the rate (Circular No. 43/2026-Customs, para 2.1.2). You still hold the information it lists.

### How long must I keep origin records?

At least five years from the date you file the bill of entry, under CAROTAR rule 4(b).

### Does India accept electronic certificates of origin from New Zealand?

Yes, under the India-New Zealand agreement, in force from October 20, 2026. Customs checks them against specimen seals and signatures, and may also check their QR code or link (Instruction No. 21/2026-Customs, para 2).

### Our supplier won't share its cost data. Can we still claim the rate?

Under the India-UK agreement, you aren't required to obtain confidential information from the exporter or producer (Circular No. 43/2026-Customs, para 2.1.4). Under any agreement, if your information isn't enough, customs can ask the exporting country's verification authority (CAROTAR rule 6(1), proviso).

## Sources

- Customs Act, 1962, section 28DA: procedure regarding claim of preferential rate of duty, sub-sections (1), (2), (4), (5), (9), (10) and (11) and the Explanation (CBIC consolidated text, read November 7, 2026)
- Customs Act, 1962, section 28H: application for advance ruling, sub-sections (2)(e) and (5) (CBIC consolidated text)
- Customs Act, 1962, section 46: entry of goods on importation, sub-section (4A) (CBIC consolidated text)
- CAROTAR, 2020, rule 1: short title, commencement and application (CBIC consolidated text)
- CAROTAR, 2020, rule 3: preferential tariff claim (CBIC consolidated text; it still prints "certificate of origin", changed by Notification No. 14/2025-Customs (N.T.))
- CAROTAR, 2020, rule 4: origin related information to be possessed by importer (CBIC consolidated text)
- CAROTAR, 2020, rule 5: requisition of information from the importer (CBIC consolidated text)
- CAROTAR, 2020, rule 6: verification request, sub-rules (1), (3), (4) and (6) (CBIC consolidated text)
- CAROTAR, 2020, rule 8: miscellaneous, sub-rules (1) and (3) (CBIC consolidated text)
- Notification No. 14/2025-Customs (N.T.), G.S.R. 178(E), March 18, 2025: Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules, 2025, paras 1 to 3
- Circular No. 43/2026-Customs, September 24, 2026: application of section 28DA and CAROTAR, 2020 consistent with the rules of origin under trade agreements, paras 1, 2.1.1 to 2.1.5 and 2.2.1 to 2.2.3 (PDF, 685 KB)
- Circular No. 33/2026-Customs, July 13, 2026: self-certification of Origin Declarations under the India-UK CETA, paras 2, 4, 5.1, 5.2, 7 to 8.1 and 9 to 9.2 (PDF, 1.4 MB)
- Notification No. 62/2026-Customs (N.T.), July 3, 2026: rules of origin under the India-UK CETA, rule 1 (PDF, 1.7 MB)
- Notification No. 29/2026-Customs, July 14, 2026: tariff concessions under the India-UK CETA (PDF, 8.4 MB)
- Notification No. 48/2026-Customs (N.T.), May 29, 2026: rules of origin under the India-Oman CEPA, rule 1 (PDF, 1.9 MB)

- Notification No. 20/2026-Customs, May 31, 2026: tariff concessions under the India-Oman CEPA (PDF, 5.3 MB)
- Notification No. 82/2026-Customs (N.T.), October 12, 2026: rules of origin under the India-New Zealand FTA, rule 1 (PDF, 1010 KB)
- Notification No. 32/2026-Customs, October 16, 2026: tariff concessions under the India-New Zealand FTA (PDF, 2.1 MB)
- Instruction No. 21/2026-Customs, October 19, 2026: acceptance of electronic certificates of origin under the India-New Zealand FTA, paras 1 to 3 (PDF, 307 KB)

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