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CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS

Deferred payment of customs duty: who qualifies under AEO and EMI

Deferred payment of customs duty lets some importers pay later. Since March 1, 2026, duty on bills of entry returned in a month is due by the 1st of the next month, and March's by March 31. AEO T2 and T3 holders (Authorized Economic Operators) can defer. So can Eligible Manufacturer Importers, from April 1, 2026 to March 31, 2028.

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KEY FACTS

LAW
Customs Act, 1962

TARIFF
Customs Tariff Act, 1975

VALUATION
Customs Valuation Rules, 2007

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When is customs duty normally due?

Customs duty is normally due on the day you present a self-assessed bill of entry. If an officer assesses the entry, you have one day from its return to you, not counting holidays (Customs Act, 1962, section 47(2)). Pay late and you owe interest at a rate the government fixes, between 10% and 36% a year.

A proviso to section 47(1) lets the central government permit certain classes of importers to pay later, in the way rules set out. Those rules are the Deferred Payment of Import Duty Rules, 2016.

For what makes up the duty itself, from basic customs duty to IGST, see our guide to customs in India.

Who can pay customs duty later, and by when?

Three classes of importer can pay customs duty later: AEO T2 and T3 holders, Authorized Public Undertakings, and, from April 1, 2026, Eligible Manufacturer Importers. Since March 1, 2026, each pays the duty on bills of entry returned in a month by the 1st of the next month. Duty on March's bills of entry is due by March 31.

Deferred payment in 2026: who can defer customs duty, from when, and when it is due

Who	Allowed from	Due date	Source
AEO T2 and AEO T3 holders	November 2, 2016	By the 1st of the next month; for March, by March 31 (since March 1, 2026)	Notification No. 135/2016-Customs (N.T.), class (i)

Authorized Public Undertakings approved by the Directorate of International Customs of the Central Board of Indirect Taxes and Customs (CBIC)	August 19, 2020	By the 1st of the next month; for March, by March 31 (since March 1, 2026)	Notification No. 78/2020-Customs (N.T.), class (ii)
Eligible Manufacturer Importers	April 1, 2026, until March 31, 2028	By the 1st of the next month; for March, by March 31 (since March 1, 2026)	Notification No. 12/2026-Customs (N.T.), class (iii); Circular No. 08/2026-Customs, paragraph 1

The due dates come from rule 4 as Notification No. 13/2026-Customs (N.T.) rewrote it from March 1, 2026. Circular No. 03/2026-Customs says the change raises the deferral period from 15 days to 30 days.

CBIC's consolidated text of rule 4 still prints the old dates, with payment by the 16th of the month for the first half of a month. Cite Notification No. 13/2026-Customs (N.T.) instead. The instrument is the Deferred Payment of Import Duty Rules, 2016: CBIC's notification list calls the 2026 amendment a change to "Regulations", but the notification and the circular say Rules.

A bonded warehouse moves the duty date another way. Under the Manufacture and Other Operations in Warehouse Regulations (MOOWR), import duty on inputs is paid when the finished goods are cleared into India, and inputs in exported goods pay none: see MOOWR, manufacturing in a customs bonded warehouse. New deferral notifications and circulars appear on our Customs tracker.

What is an Eligible Manufacturer Importer?

An Eligible Manufacturer Importer is a class of importer the government added to deferred payment on February 1, 2026, by Notification No. 12/2026-Customs (N.T.). It covers manufacturers, and importers that send inputs to a job worker, that pass tests on trade volume, turnover and years in business. The class can defer duty from April 1, 2026 to March 31, 2028.

The main Eligible Manufacturer Importer tests in Circular No. 08/2026-Customs, paragraph 3

Test	What it asks
Manufacturer or job work	An importer that is a manufacturer under section 2(72) of the CGST Act, or that sends inputs or capital goods to a job worker under section 143 of the CGST Act (3(a))
Importer Exporter Code	A valid IEC issued by the Directorate General of Foreign Trade, DGFT (3(b))
Years in business	Business activity for at least 2 financial years before you apply (3(g))

Trade volume	At least 25 bills of entry or shipping bills in the financial year before you apply, or 10 for an MSME (3(c))
Turnover	Aggregate turnover of all GST registrations under your PAN above ₹5 crore in the last financial year (3(f))

Paragraph 3 of Circular No. 08/2026-Customs lists 15 conditions in all. The others include an active GST registration, GST returns filed, no tax collected and not paid to the government, solvency, and no arrest, conviction or pending prosecution under the tax laws. Read it before you apply.

CBIC expects an Eligible Manufacturer Importer to move to AEO T2 or T3 status within the facility's term (paragraph 2). The class ends on March 31, 2028, so plan for AEO T2 or T3 by then if you want to keep deferring.

Where do you apply for EMI status?

Eligible Manufacturer Importer applications go online, on aeoindia.gov.in, and CBIC's Directorate of International Customs approves them (Circular No. 08/2026-Customs, paragraph 4). Since September 15, 2026, an application needs three uploaded documents instead of ten (Circular No. 39/2026-Customs, paragraphs 3.3 and 5). Check the tests in the table above before you start.

Our insight on Circular No. 39/2026-Customs lists the three documents and what the form no longer asks for. The circular is on our files server.

What is the AEO program?

The Authorized Economic Operator (AEO) program is CBIC's certification for traders and logistics operators. It has three tiers for importers and exporters, T1, T2 and T3, and one for logistics operators, AEO-LO (Circular No. 33/2016-Customs, paragraph 1.2). To apply for AEO status, the business must be established in India (paragraph 3.1.5).

A foreign-owned company incorporated in India can apply. It shows it is established in India with evidence such as a certificate of registration from the Registrar of Companies (Circular No.

33/2016-Customs, paragraph 3.1.5).

For what a foreign parent controls when its Indian company imports, see Indian customs for foreign companies.

What does AEO status give?

AEO status cuts the bank guarantee customs asks for: to half for T1, a quarter for T2 and none for T3 (Circular No. 33/2016-Customs). AEO T2 and T3 holders can also defer duty. Under Circular No. 06/2026-Customs of February 1, 2026, the customs system registers their goods automatically on arrival.

Bank guarantees by AEO tier, against what an importer or exporter without AEO status gives

Tier	Bank guarantee	Source
AEO T1	50% of the usual amount	Circular No. 33/2016-Customs, benefits of T1
AEO T2	25% of the usual amount	Circular No. 33/2016-Customs, benefits of T2
AEO T3	None (0%)	Circular No. 33/2016-Customs, benefits of T3

The cut doesn't apply when the authority orders a bank guarantee for the provisional release of seized goods. Nor does it lower the security on a trade agreement claim: section 28DA and its origin rules prevail over it (Circular No. 02/2022-Customs, paragraph 2).

Circular No. 06/2026-Customs also gives automatic goods registration to approved Eligible Manufacturer Importers, importers with a longstanding supply chain and importers using direct port delivery (paragraph 2A). Automatic out of charge is granted on risk, and officers can override it with a hold based on intelligence (paragraph 3).

How IndusDesk helps with deferred payment of customs duty

We watch the authorities, tell you what each change means for your products and plans, represent you while a decision is still open, and carry the work through, with every step on record in your workspace.

Here, that means weighing Eligible Manufacturer Importer status against AEO for your import pattern, and preparing the compliance record each program looks for.

Regulatory & trade advisory →

Data & analytics →

Talk to our desk about deferred payment or AEO Message us on WhatsApp

Latest notices and insights

- EMI scheme application cut to three documents, open from September 15, 2026 (Notice, September 3, 2026)
- EMI deferred duty application now needs three documents, not ten (Insight, September 3, 2026)
- Eligible Manufacturer Importers can defer customs duty payment from April 1, 2026 (Notice, February 28, 2026)
- Eligible Manufacturer Importers added to the duty deferral scheme until March 31, 2028 (Notice, February 1, 2026)
- Duty deferral period raised from 15 to 30 days; new class of manufacturer importers (Notice, February 1, 2026)

Frequently asked questions

Is customs duty deferral 15 days or 30 days now?

30 days, in CBIC's words. Since March 1, 2026, deferred duty on bills of entry returned in a month is due by the 1st of the next month (Notification No. 13/2026-Customs (N.T.)). Pages that say 15 days, or print the 16th of the month, describe the rule before that date.

Can an MSME qualify as an Eligible Manufacturer Importer?

Yes, if it passes the other tests. Circular No. 08/2026-Customs asks an MSME for 10 bills of entry or shipping bills in the last financial year, against 25 for others. Turnover above ₹5 crore and two years in business still apply.

Can a foreign-owned Indian company get AEO status?

Yes. A foreign-owned company incorporated in India can apply, because the test is that the applicant is established in India (Circular No. 33/2016-Customs, paragraph 3.1.5). A foreign company with no Indian establishment can't apply for itself.

Sources

- Customs Act, 1962, section 47: clearance of goods for home consumption (CBIC's consolidated text), the proviso to sub-section (1) and sub-section (2)
- Notification No. 135/2016-Customs (N.T.), November 2, 2016: the classes of importers permitted deferred payment, class (i)
- Notification No. 78/2020-Customs (N.T.), August 19, 2020: Authorized Public Undertakings added, class (ii)
- Notification No. 12/2026-Customs (N.T.), February 1, 2026: Eligible Manufacturer Importers added, class (iii), up to March 31, 2028 (PDF, 407 KB)
- Notification No. 13/2026-Customs (N.T.), February 1, 2026: Deferred Payment of Import Duty (Amendment) Rules, 2026, new rule 4, in force March 1, 2026 (PDF, 455 KB)
- Deferred Payment of Import Duty Rules, 2016, rule 4 (CBIC's consolidated text, which still prints the date before March 1, 2026)
- Circular No. 03/2026-Customs, February 1, 2026: deferral period extended from 15 to 30 days (paragraph 3.1), and Eligible Manufacturer Importers added (paragraph 4) (PDF, 534 KB)
- Circular No. 06/2026-Customs, February 1, 2026: automation of customs processes in import and export, paragraphs 2A and 3 (PDF, 2.4 MB)
- Circular No. 08/2026-Customs, February 28, 2026: deferred payment for Eligible Manufacturer Importers, paragraphs 1 to 4 (PDF, 155 KB)
- Circular No. 39/2026-Customs, September 3, 2026: fewer documents for the Eligible Manufacturer Importer application, paragraphs 3.3 and 5 (PDF, 2.8 MB)
- Circular No. 33/2016-Customs, July 22, 2016: revised guidelines for the Authorized Economic Operator program, paragraphs 1.2 and 3.1.5 and the benefits of each tier

- Circular No. 02/2022-Customs, January 19, 2022: section 28DA and CAROTAR prevail over the AEO bank guarantee relaxations of Circular No. 33/2016-Customs, paragraph 2

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