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DIRECTORATE GENERAL OF FOREIGN TRADE

Advance Authorization scheme: duty-free inputs for exporters

The Advance Authorization scheme lets you import inputs duty free when they're physically built into a product you export. Manufacturer exporters, and merchant exporters tied to a supporting manufacturer, can apply. It waives basic customs duty and, for physical and deemed exports, IGST; the usual minimum value addition is 15%. DGFT's own documents spell it "Advance Authorisation".

THE ADVANCE Authorization scheme is a DGFT duty exemption for inputs physically built into your export product, plus normal wastage (FTP 4.03(a)). Fuel, oil and catalysts used up in production can qualify too. It covers physical exports, SEZs included, intermediate supplies, specified deemed exports, and stores for foreign-going ships and aircraft that a Standard Input Output Norm covers (4.05(c)).

KEY FACTS

POLICY

Foreign Trade Policy 2023

PROCEDURES

Handbook of Procedures 2023

LAW

Foreign Trade (Development and Regulation) Act, 1992

UPDATED

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What is the Advance Authorization scheme?

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Paragraph numbers are from the Foreign Trade Policy 2023 (FTP, Chapter 4) and DGFT's Handbook of Procedures (HBP, Chapter 4). For DGFT's other schemes, see our guide to DGFT and India's foreign trade rules, or DGFT's own page on the scheme.

Who can apply for an Advance Authorization?

Manufacturer exporters can apply for an Advance Authorization, and so can merchant exporters tied to a supporting manufacturer (FTP 4.05(a)). Pharmaceutical products made through a non-infringing process are the exception: only a manufacturer exporter gets an authorization for them (4.05(b)). Exporters with exports in both preceding financial years can also get one for a whole year (4.07(iii)).

Which duties does an Advance Authorization waive?

An Advance Authorization waives basic customs duty, additional customs duty, education cess, and anti-dumping, countervailing and safeguard duties on the inputs (FTP 4.14). For physical and deemed exports, it also waives IGST and compensation cess. Inputs for supplies of capital goods against EPCG, or to the UN or an international organization, still pay anti-dumping, countervailing and safeguard duties.

What an Advance Authorization waives (FTP 4.14)

Duty or tax	Waived	Condition
Basic customs duty	Yes	None
Additional customs duty and education cess	Yes	None
Anti-dumping, countervailing, safeguard and transition product-specific safeguard duty	Yes, wherever they apply	Not for supplies of capital goods against EPCG, or to the UN or an international organization (FTP 7.02(c) and (f))
IGST and compensation cess	Yes	For physical and deemed exports

How are the allowed inputs fixed: SIONs and ad hoc norms?

The inputs you may import come from a Standard Input Output Norm (SION), DGFT's notified inputs and quantities for one export product. Where no SION fits, the authorization rests on your self-declaration, a Norms Committee's prior fixing of norms, or the self-ratification scheme (FTP 4.03(b)). Seven Norms Committees at DGFT headquarters fix norms by ITC (HS) chapter (HBP 4.06(i)).

Ad hoc norms are the norms a Norms Committee fixes or ratifies for one applicant. Under Public Notice 07/2026-27 of May 5, 2026, norms ratified since April 1, 2015 for self-declared authorizations stay valid up to March 31, 2028, and other applicants may reuse them (amended HBP 4.12(vi)). Norms fixed before you apply serve one authorization, unless the committee allows up to two years from fixing (HBP 4.06(iii)).

The 2028 rule doesn't cover items in Appendix 4P, or norms the committee expressly limited to the applicant. DGFT's compiled Handbook of July 30, 2026 still prints the old date, March 31, 2026.

On September 7, 2026, DGFT proposed suspending 544 SIONs left unused under Advance Authorization and DFIA in the last three financial years (Trade Notice 26/2026-27, paras 1 to 3). Comments were due within 15 days, and our register holds no final decision as of October 28, 2026.

Ad hoc norms ratified since April 2015 valid until March 31, 2028 →

DGFT proposes to suspend 544 SIONs unused for three years →

What value addition does an Advance Authorization need?

An Advance Authorization usually needs at least 15% value addition (FTP 4.09). Products in Appendix 4D may need less. Tea needs 50% and spices 25%. Value addition is the FOB value you realize minus the CIF value of your inputs, divided by that CIF value and multiplied by 100 (FTP 4.08).

For a deemed export supply, the FOR value received replaces the FOB value. The input side also counts any other input on which you claim drawback (FTP 4.08). At the 15% minimum, ₹1 crore of inputs (CIF), with no drawback inputs, needs ₹1.15 crore of realized FOB exports.

How long can you import, and when must you export?

You can import for 12 months from the date the Advance Authorization is issued, and one revalidation adds 12 more (HBP 4.39). You must meet the export obligation within 18 months of issue. For defense, military stores, aerospace and nuclear energy items, it's 24 months or the contract term, whichever is longer (HBP 4.40(a) and (c)).

Exports made from the date DGFT's system generates your application's file number can count toward the obligation, at your own risk (HBP 4.27(a) and 4.28). For extensions, closing and shortfalls, see the export obligation discharge certificate and extensions.

Can you sell the inputs or the finished goods in India?

The imported inputs can't be transferred, even after you meet the export obligation, because an Advance Authorization and its inputs carry an actual user condition (FTP 4.16(i)). Once the obligation is met, you may sell products made from the duty-free inputs. Allowed waste and scrap from manufacturing can be disposed of earlier, on payment of duty (4.16(iii)).

You can also buy inputs in India, against an Advance Release Order (ARO) or an invalidation letter (FTP 4.20(i)). The Regional Authority issues an invalidation letter when your supplier will get its own inputs duty free under an Advance Authorization. It issues an ARO when the supplier will claim a deemed export refund (4.20(ii) and (iii)).

Can you import inputs under a quality control order without BIS certification?

Yes, if your Advance Authorization carries an exemption from the quality control order (QCO), endorsed at your request (FTP 2.03(A)(i)(b)). Without it, the QCO applies. The inputs must arrive before you export, count only for physical exports, and can't be clubbed with other authorizations. Unused inputs, and any goods made with these inputs, can never enter the domestic market.

Unused inputs must be destroyed before GST or Customs officers, or re-exported. You also pay duty at the MFN rate with interest, whatever their origin, plus a composition fee of 10% of their CIF value (2.03(A)(i)(d)). The export obligation period follows HBP 4.40, not the 180 days some news reports gave (2.03(A)(i)(g)).

The exemption covers QCOs of the ministries listed in Appendix 2Y (FTP 2.03(c)). See our guide to Quality Control Orders in India.

What are the Advance Authorization rules for gold?

Since May 14, 2026, an Advance Authorization for importing gold is capped at 100 kg (Public Notice 11/2026-27, note 1). A later one is considered only after at least 50% of the obligation on earlier gold authorizations is met. First-time applicants get a physical inspection, and holders file a fortnightly report certified by an independent Chartered Accountant.

The notes sit under SIONs M-1 to M-8, the gems and jewelry norms, and took effect immediately (Public Notice 11/2026-27, notes 1 to 4).

DGFT caps gold Advance Authorizations at 100 kg each →

Can you get one Advance Authorization for a whole year?

Yes, if you've exported in the two preceding financial years. An Advance Authorization for Annual Requirement is worth up to 300% of the previous year's exports or ₹1 crore, whichever is higher (FTP 4.07(iii) and (v)). It's issued only for notified SION items, never on self-declared norms or where an input is in Appendix 4-J (4.07(i) and (ii)).

You may export any product in the export product group, and get up to five per port of registration for one product group in a licensing year (HBP 4.44(a)(i) and (ii)). The Handbook also allows valid ad hoc norms (4.44(a)(iv)), so the two texts differ.

How is a DFIA different from an Advance Authorization?

A Duty Free Import Authorization (DFIA) is issued after you export, only for products with a notified SION, and exempts basic customs duty alone (FTP 4.25(i) and 4.26(i)). It needs 20% value addition (FTP 4.27), against an Advance Authorization's usual 15%. And it's transferable: once issued, it's valid for 12 months with no revalidation (FTP 4.28(viii)).

Advance Authorization and DFIA compared

	Advance Authorization	DFIA
Issued	Before export, with an obligation to follow (HBP 4.40(a))	After the exports, on an application filed before them (FTP 4.26(i), 4.28(i))
Duties exempted	Basic customs, anti-dumping and other duties, plus IGST for physical and deemed exports (FTP 4.14)	Basic customs duty only (FTP 4.25(i))
Minimum value addition	15% for most products (FTP 4.09)	20% (FTP 4.27)
Transferable	No, not even after the obligation is met (FTP 4.16(i))	Yes, once issued (FTP 4.28(viii))
Validity	Imports within 12 months of issue, plus one 12-month revalidation (HBP 4.39)	12 months from issue, no revalidation (FTP 4.28(viii))
QCO inputs without BIS certification	Allowed if endorsed (FTP 2.03(A)(i))	Not allowed (FTP 2.03(A)(i)(h))

Exports under a DFIA must be completed within 12 months of filing (FTP 4.28(ii)). A DFIA isn't available for inputs with a pre-import or actual user condition, for tire imports, or in the gems and jewelry sector (FTP 4.26(iv), 4.24(c) and 4.39).

How do deemed exports work with Advance Authorization?

Deemed exports are supplies of goods made in India that don't leave the country, paid in rupees or foreign exchange (FTP 7.01(i)). A supply against an Advance Authorization is one. The benefits can be an Advance Authorization or DFIA for the supplier's inputs, deemed export drawback, and refund of terminal excise duty (FTP 7.02 and 7.03).

For GST, only supplies notified under section 147 of the CGST Act count as deemed exports (FTP 7.01(ii)). The supplier claims drawback or the duty refund within 12 months of receiving full payment (HBP 7.05(a)). A claim not settled within 30 days of the final approval letter earns 6% simple interest a year (FTP 7.09).

What does it cost, and how long does DGFT take?

An MSME pays a ₹100 application fee when the CIF value or duty saved is up to ₹1 crore, and ₹5,000 above it. Others pay ₹1 per ₹1,000, at least ₹500 and at most ₹1 lakh (Appendix 2K, item 3). DGFT's own norm for deciding one on notified or self-declared norms is 3 working days (HBP 11.10).

The fees are from the copy of Appendix 2K on DGFT's site, last changed May 14, 2025. DGFT's older FAQs give one fee for everyone; the current schedule charges MSMEs less.

HBP 11.10 counts the days from a complete application, and sets 1 working day on the automatic route. These are DGFT's norms for its own offices, not a guarantee. If a case is delayed, you may write to the head of the regional office.

How IndusDesk helps with Advance Authorizations

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.

Regulatory & trade advisory →

Talk to our desk about Advance Authorizations Message us on WhatsApp

Frequently asked questions

Can you claim RoDTEP on exports made under an Advance Authorization?

Yes, until December 31, 2026, under Notification 41/2026-27. Exports of products made by Advance Authorization holders, other than deemed exports, get the rates in Appendix 4RE (FTP 4.54(vii) and 4.59A). See the RoDTEP scheme and its 2026 changes.

Does a minimum import price apply to Advance Authorization imports?

Not always. Four of the five 2026 notifications that set a floor exempt Advance Authorization imports if the goods aren't sold domestically; float glass is one (Notification 29/2026-27, para 2). Glufosinate's two notifications (10/2026-27 and 43/2026-27) have none; see minimum import prices in India.

Can you get more time to meet the export obligation?

Yes. The Regional Authority may allow two six-month extensions for composition fees, never beyond 12 months from the period's expiry (HBP 4.40(e) and (f)). You declare that unused inputs are on hand, and no share of the obligation has to be met first; see export obligation extensions and their fees.

Sources

- Foreign Trade Policy 2023, Chapter 4 (compiled August 17, 2026), paras 4.03, 4.05, 4.07 to 4.09, 4.14, 4.16, 4.20, 4.24 to 4.28, 4.39, 4.54(vii) and 4.59A
- Handbook of Procedures 2023, Chapter 4 (compiled July 30, 2026), paras 4.06(i) and (iii), 4.12(vi) (as printed, before Public Notice 07/2026-27), 4.27, 4.28, 4.39, 4.40 and 4.44(a)
- Foreign Trade Policy 2023, Chapter 2 (compiled July 30, 2026), paras 2.03 and 2.03(A)(i) (PDF, 873 KB)
- Foreign Trade Policy 2023, Chapter 7 (compiled July 30, 2026), paras 7.01 to 7.03 and 7.09
- Handbook of Procedures 2023, Chapter 7 (compiled July 30, 2026), para 7.05(a)

- Handbook of Procedures 2023, Chapter 11 (compiled April 3, 2023), para 11.10
- Appendix 2K: Scale of Application Fee/User Charges (last changed May 14, 2025), item 3
- Public Notice 07/2026-27, dated May 5, 2026: ad hoc norms valid up to March 31, 2028 (amended HBP 4.12(vi)) (PDF, 602 KB)
- Public Notice 11/2026-27, dated May 14, 2026: notes on Advance Authorizations for gold under SIONs M-1 to M-8 (PDF, 584 KB)
- Trade Notice 26/2026-27, dated September 7, 2026: proposed suspension of 544 SIONs, paras 1 to 3 and annexure (PDF, 969 KB)
- Notification 41/2026-27, dated September 30, 2026: RoDTEP continued until December 31, 2026, para 1 (PDF, 632 KB)
- Notification 56/2025-26, dated January 29, 2026: minimum import prices on penicillin G, amoxicillin and 6-APA (PDF, 677 KB)
- Notification 57/2025-26, dated February 5, 2026: minimum import price on finished umbrellas, para 2 (PDF, 1.1 MB)
- Notification 10/2026-27, dated April 13, 2026: minimum import price on glufosinate and its salts (PDF, 764 KB)
- Notification 43/2026-27, dated October 12, 2026: glufosinate minimum import price extended to April 12, 2027, other terms unchanged (PDF, 424 KB)
- Notification 25/2026-27, dated July 24, 2026: minimum import price on suspension grade PVC resin (PDF, 585 KB)
- Notification 29/2026-27, dated August 18, 2026: minimum import price on clear float glass, para 2 (PDF, 631 KB)
- DGFT: the scheme's page on dgft.gov.in

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