CBIC

Diamond Imprest Authorisation: cut and polished diamonds duty free

Notification No. 37/2026-Customs of November 20, 2026 exempts natural cut and polished diamonds of up to 25 cents a piece from customs duty and integrated tax.

NATURAL CUT AND polished diamonds imported into India under a valid Diamond Imprest Authorisation (DIA) are exempt from basic customs duty and integrated tax, subject to conditions. The Ministry of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs (CBIC), granted the exemption by Notification No. 37/2026-Customs, S.O. 6337(E), dated November 20, 2026, under section 25(1) of the Customs Act, 1962. It was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 6097, dated November 20, 2026 (CG-DL-E-20112026-278098), comes into force from the date of its publication in the Official Gazette, and is signed by Indrajit Panda, Under Secretary (Cus IV), under F. No. 450/73/2024-Cus IV.

KEY FACTS

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Notification No. 37/2026-Customs, S.O. 6337(E)

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CBIC · November 20, 2026

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The exemption covers natural cut and polished diamonds under Chapter 71 of the First Schedule to the Customs Tariff Act, 1975, including semi-processed, half-cut and broken diamonds. It exempts them from the whole of the basic customs duty; the whole of the additional customs duty under section 3(1), (3) and (5) of the Customs Tariff Act, when specifically claimed by the importer; anti-dumping duty under section 9A, countervailing duty under section 9 and safeguard duty under section 8B, if leviable; transition product specific safeguard duty and education cess, if leviable; and the whole of integrated tax under section 3(7). Synthetic or reconstructed diamonds, commonly referred to as "Laboratory Grown Diamonds", are not eligible.

The authorisation must be issued under paragraph 4.32(v), read with paragraphs 4.60 and 4.61, of the Foreign Trade Policy, 2023, for up to five percent of the average annual export performance value of cut and polished diamonds over the preceding three financial years, subject to a maximum of US$ 15 million. The importer must have the status of a two star export house or above, have achieved a minimum export performance of US$ 15 million in cut and polished diamonds in each of the preceding three financial years, and have filed all goods and services tax and income tax returns for those three years. Where the preceding year's income tax return is not finalized, a chartered accountant's certificate may be submitted, stating that proof of submission will be produced by December 31 of the application year.

Registration of the authorisation and all customs clearance procedures are to be undertaken at the Precious Cargo Customs Clearance Centre at Bharat Diamond Bourse, Bandra Kurla Complex, Mumbai, and all imports and exports under the scheme are done only through Mumbai Airport. The maximum weight of any individual piece in a consignment shall not be more than 25 cents (1/4th of a carat). The importer must keep records of each lot's carat, color, clarity, cut and value, bill of entry wise and shipping bill wise, for inspection by customs officers. The DIA and the goods are subject to an "actual user" condition and are not transferable even after the export obligation is completed. The goods may be used in any of the holder's units, subject to

paragraph 4.10 of the Handbook of Procedures, or by a jobber or supporting manufacturer if endorsed on the authorisation by the Regional Authority; the co-licencee facility is not available.

The importer must execute a bond for an amount equal to the export obligation, on free on-board basis, and furnish security equal to the duty foregone, undertaking to pay the duty on any unutilized diamonds with interest under section 28AA and any penalty or fine. The export obligation means a minimum value addition of ten percent realized in freely convertible foreign currency, through physical export of natural cut and polished diamonds of not more than 25 cents each, within six months from the date of clearance of the import consignment. Only exports made after the date of import count, deemed exports are not permitted, the carats imported may not exceed the carats exported against a DIA, and shipping bills must carry the DIA number. Diamonds exported under a DIA may be re-imported under the conditions of the relevant notifications.

CBIC's Circular No. 48/2026-Customs of the same date (F. No. 450/73/2024-CusIV) sets out how field formations are to apply the notification. It recalls that DGFT introduced the scheme by Notification No. 53/2024-25 and Public Notice No. 42/2024-25, both dated January 21, 2025. Under those, the circular says, an authorisation is valid for imports for 12 months from issue, only one authorisation is allowed for one IEC in a financial year, and the export obligation period is 18 months from the date of issue of the authorisation, with no extension. The circular lets importers use the Single All-India Multipurpose electronic Bond and e-Bank Guarantee of Circular No. 04/2025-Customs, and has duty and interest on a bona fide default paid through the Voluntary/Self-Initiated Payment (SIP) facility on ICEGATE under Circular No. 27/2024-Customs. DG Systems is to issue the scheme codes.

Issued by	Ministry of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs
Document	Notification No. 37/2026-Customs, S.O. 6337(E)
Dated	November 20, 2026
Published	Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 6097, November 20, 2026 (CG-DL-E-20112026-278098)
Takes effect	From the date of its publication in the Official Gazette
Legal basis	Section 25(1), Customs Act, 1962
Goods	Natural cut and polished diamonds, Chapter 71, including semi-processed, half-cut and broken diamonds; not laboratory grown diamonds
Duties exempted	Basic customs duty; additional duty under section 3(1), (3) and (5) when claimed; anti-dumping, countervailing and safeguard duty, if

	leviable; transition product specific safeguard duty and education cess, if leviable; integrated tax
Authorisation value	Up to 5% of average annual export performance of cut and polished diamonds over the preceding three financial years, maximum US$ 15 million
Importer	Two star export house or above, with at least US$ 15 million of cut and polished diamond exports in each of the preceding three financial years
Piece size	Not more than 25 cents (1/4th of a carat)
Where cleared	Precious Cargo Customs Clearance Centre, Bharat Diamond Bourse, Bandra Kurla Complex, Mumbai; imports and exports only through Mumbai Airport
Export obligation	Value addition of at least 10% in freely convertible foreign currency, by physical export within six months of clearance of the import consignment (notification)
Bond and security	Bond equal to the export obligation; security equal to the duty foregone
Signed by	Indrajit Panda, Under Secretary (Cus IV)
Related	Circular No. 48/2026-Customs, November 20, 2026, F. No. 450/73/2024-CusIV: clarifications for field formations
Related	DGFT Notification No. 53/2024-25 and Public Notice No. 42/2024-25, January 21, 2025, which introduced the scheme (as cited in the circular)

The notification (PDF, 1.2 MB)

Source: Gazette of India, CG-DL-E-20112026-278098.

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