August 5, 2026

DGFT

E-commerce exporters may hold export-only inventory under the FTP

DGFT Notification No. 27/2026-27 adds paras 9.13 to 9.19 to the FTP 2023: a registered Exporter-on-Record may hold Indian-origin goods only for export.

THE DIRECTORATE GENERAL of Foreign Trade (DGFT), Department of Commerce, Ministry of Commerce and Industry, issued Notification No. 27/2026-27, S.O. 4335(E), dated August 5, 2026. It was published the same day in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 4159. Its subject is the "Introduction of Inventory-based Cross-border E-Commerce Export Framework under FTP". The Central Government made it under section 5 of the Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 of the Foreign Trade Policy (FTP) 2023, with immediate effect. It adds a section headed "D. Inventory-based Cross-border E-Commerce Facilitation Framework", paragraphs 9.13 to 9.19, to the FTP 2023. Paragraph 9.14 says the aim is to enable e-commerce exports through an inventory model in which the Exporter-on-Record holds inventory for export, handles export processes, exports the goods, and helps Sellers-on-Record reach global markets. It is signed by Lav Agarwal, Director General of Foreign Trade, under F. No. 01/89/180/23/AM-25/PC-9-Part-(2).

KEY FACTS

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Paragraph 9.13 defines the parties. An Exporter-on-Record (EOR) is an entity with a valid IEC and GSTIN, registered with DGFT under the Framework, that exports and sells goods bought from one or more Sellers-on-Record to buyers outside India. A Seller-on-Record (SOR) is an entity registered in India under the applicable Goods and Services Tax (GST) law that supplies goods produced in India to the EOR against the EOR's confirmed export orders, for export to buyers outside India. Where an e-commerce entity proposes export operations under para 5.2.15.2.5 of the Consolidated FDI Policy, as amended by Press Note No. 3 (2026 Series) dated July 23, 2026, it must carry them out through a separate legal entity incorporated for the purpose. That entity must disclose its shareholding pattern and the nature of its ownership or control relationship with the e-commerce entity when it registers as the EOR or amends its registration. Under paragraph 9.15, an e-commerce entity, other than a marketplace e-commerce entity as defined in the Consolidated FDI Policy, may run export-only inventory operations through a registered EOR. That EOR may hold inventory of goods only for export through e-commerce and carry out all export-related activities, subject to the Framework and the Consolidated FDI Policy as in force from time to time.

Only goods of Indian origin are eligible, and the SOR is responsible for ensuring and declaring their correct origin. DGFT may notify a list of ineligible goods from time to time. Title passes from the SOR to the EOR only against a confirmed export order from a buyer outside India; speculative transfer of title, or inventory build-up without such an order, is not permitted. Under paragraph 9.13, Export Inventory means goods the EOR buys from an SOR against a confirmed export order and holds only for export, designated, recorded and traceable in its records as export-designated stock. Domestic Inventory means goods the SOR holds for supply in the Domestic Tariff Area. Under paragraph 9.16, the EOR must identify, segregate and maintain Export Inventory, and keep a digital repository that tracks all of it, including procurement from SORs,

inventory status and links to export documents, in the manner the Handbook of Procedures prescribes.

Under paragraph 9.17, the EOR must pay the SOR promptly on acceptance or deemed acceptance of the goods, and no later than 7 days from that date. Payment may not wait on payment from the buyer outside India, a return of goods by that buyer, or any other event outside the SOR's control. Export Rebates and Refunds (ERR) are cash or cash-equivalent export incentives, rebates, refunds or remissions the EOR receives on export, including Duty Drawback, RoDTEP, RoSCTL or any other notified scheme with a direct monetary or transferable financial benefit. They exclude non-transferable duty remission instruments such as Advance Authorisation or EPCG Authorisation, and a refund of taxes under the Central Goods and Services Tax Act is the EOR's own entitlement, not part of the Seller-attributable ERR. The EOR is entitled to claim ERR under the FTP and the relevant notifications, and must share them among the SORs whose goods are in the export consignment, in proportion to the Free-on-Board (FOB) value of each SOR's goods as declared in the Shipping Bill for that consignment. It may keep an administrative charge; the balance, the Seller-attributable Export Benefits, goes to the SOR. This pass-through applies to a consignment only once the EOR has claimed ERR on it.

Under paragraph 9.18, the EOR owns, manages and pays for all reverse logistics for returned or rejected consignments, and may not sell or supply them in the domestic market under any circumstances, directly or through anyone else. Under paragraph 9.19, the EOR is to use notified E-Commerce Export Hub (ECEH) infrastructure to the extent practicable, subject to the hubs' operational readiness and capacity. The notification states no penalty for a breach. It sets no limit on the administrative charge and no time for passing ERR to SORs, lists no ineligible goods, and does not define deemed acceptance. DGFT Public Notice No. 25/2026-27 of the same day sets the procedures in the Handbook of Procedures 2023, including a 10% cap on the administrative charge and payment of the Seller-attributable Export Benefits within 30 days of the EOR receiving ERR, and form ANF-9A for registering as an EOR.

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Dated	August 5, 2026
Published	Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 4159, August 5, 2026
Takes effect	Immediately ("with immediate effect")
Amends	Foreign Trade Policy 2023: new paragraphs 9.13 to 9.19, "D. Inventory-based Cross-border E-Commerce Facilitation Framework"

Applies to	Exporters-on-Record registered with DGFT under the Framework, the Sellers-on-Record that supply them, and e-commerce entities other than marketplace e-commerce entities
Exporter-on-Record	An entity with a valid IEC and GSTIN, registered with DGFT under the Framework, selling goods from Sellers-on-Record to buyers outside India
E-commerce entity exporting under para 5.2.15.2.5 of the FDI Policy	Through a separate legal entity incorporated for the purpose, which discloses its shareholding pattern and its ownership or control relationship with the e-commerce entity
Eligible goods	Goods of Indian origin only; DGFT may notify a list of ineligible goods
Title to goods	Passes to the Exporter-on-Record only against a confirmed export order from a buyer outside India
Payment to the Seller-on-Record	No later than 7 days from acceptance or deemed acceptance of the goods
Export Rebates and Refunds	Include Duty Drawback, RoDTEP and RoSCTL; shared among Sellers-on-Record in proportion to the FOB value of each one's goods in the Shipping Bill, less an administrative charge the Exporter-on-Record may keep
Returned or rejected consignments	Never sold or supplied in the domestic market; reverse logistics costs borne by the Exporter-on-Record
Legal basis	Section 5, Foreign Trade (Development & Regulation) Act, 1992; paragraph 1.02, Foreign Trade Policy 2023
Related	DGFT Public Notice No. 25/2026-27, August 5, 2026: procedures in paragraphs 9.03 to 9.07 of the Handbook of Procedures 2023 and form ANF-9A for registration as an Exporter-on-Record
Related	Department of Economic Affairs notification S.O. 4870(E), September 2, 2026: new entry 15.2.5 in the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, letting an e-commerce entity run an inventory-based model exclusively to export goods manufactured or produced in India
Signed by	Lav Agarwal, Director General of Foreign Trade and ex-officio Additional Secretary
File number	F. No. 01/89/180/23/AM-25/PC-9-Part-(2)

The notification (PDF, 738 KB)

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Read online: indusdesk.com/dgft/insights/e-commerce-exporters-may-hold-export-only-inventory-under-the-ftp/