July 1, 2026

DGFT

TRACE certification support rises to 95% for micro and small firms

DGFT Trade Notice 09/2026-27 sets TRACE support at up to 95% for micro and small firms and 80% for medium ones; Trade Notice 37 lists 600 eligible entries.

THE DIRECTORATE GENERAL of Foreign Trade (DGFT), Department of Commerce, Ministry of Commerce and Industry, issued Trade Notice No. 09/2026-27, dated July 1, 2026. It amends the guidelines for Trade Regulations, Accreditation and Compliance Enablement (TRACE) under the Export Promotion Mission (EPM), Niryat Disha, issued by Trade Notice No. 26/2025-26 of February 20, 2026. TRACE partly repays what micro, small and medium enterprises (MSMEs) in international value chains spend on testing, inspection and certification needed to export. The notice says the changes are issued "for operational clarity and certainty", and all other provisions of the February notice stay unchanged. It is signed by A G Subramanian, Deputy Director General of Foreign Trade, from File No. 01/02/33/AM-26/EPM.

KEY FACTS

AUTHORITY
DGFT

PUBLISHED
July 1, 2026

ISSUED BY
Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry

DOCUMENT
Trade Notice No. 09/2026-27

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Until now every MSME got the same support. It was up to 60% of the actual cost, net of taxes, duties and cess, for certifications on the Positive List (Annexure-V). For the Priority Positive List (Annexure-VI) it was up to 75%. Either way, the notified ceiling applied if lower. Support now depends on the firm's class. Micro and small enterprises get up to 95% of the actual cost (net of applicable taxes, duties, and cess) and medium enterprises up to 80%, or the notified ceiling, whichever is lower. The most one Importer-Exporter Code (IEC) can receive in a financial year rises from ₹25 lakh to ₹50 lakh. The Sub-Committee may consider more, case by case, after detailed examination.

The two lists give way to one "List of Eligible Testing, Inspections, and Certifications", attached to the notice as Annexure-I. The notice says the list has expanded to 462 entries, and it stays dynamic and open to periodic review. In the February notice, Annexure-V had 35 entries and Annexure-VI carried only its heading. Each entry names the certification or authority, the country or geography and the sector or product it covers. Unlike Annexure-V, it gives no indicative cost. Entries include FDA (United States), CE Marking (European Union), UL, ISO 9001 and ISO 13485. The Sub-Committee now recommends changes to this one list.

Approved support is now paid in two installments. Half comes once the certification is complete and the certificate is submitted. The other half comes once exports linked to that certification are completed. So the claim is filed online in two parts. The first, RC-1, follows the certification and tags the firm's Intent-to-Claim. It encloses the certificate or report, the invoice and proof of payment, and evidence of the mandatory or market-driven requirement. The second, RC-2, follows the linked exports and encloses evidence of exports and proof of realization. Payments go to the bank account in the IEC. If linked exports aren't shown within 2 years of the first installment, the second lapses and the first "may be subject to recovery".

The notice gives no date from which the changes apply, and it doesn't say how they treat Intents-to-Claim or claims filed before July 1, 2026. Para 2(f) of the February guidelines, which it leaves in place, says revised reimbursement rates apply only to testing and inspection certifications obtained on or after the date they are notified. The notice doesn't publish the

notified ceilings, and it doesn't say whether every entry of the earlier lists is in the new one. The rest of the February scheme is unchanged: an Intent-to-Claim is filed online before the certification is obtained and lapses if no claim follows within 2 years, leaving the applicant ineligible for the next financial year.

A later notice enlarges the list. Trade Notice No. 37/2026-27, dated November 17, 2026, replaces Annexure-I, the "List of Eligible Testing, Inspections, and Certifications", which had 462 entries, with a list "comprising 600 entries". The new list again gives each entry's geography, certificate or authority, and product sector; its last entries include CBAM (Carbon Border Adjustment Mechanism) Compliance, Audit and Verification, SLCP (Social and Labor Convergence Program) and SBTi (Science Based Targets initiative) Target Validation. The change takes effect from the date of issue and applies prospectively, and all other provisions of Trade Notice No. 26/2025-26 and Trade Notice No. 09/2026-27 stay unchanged. It is signed by A G Subramanian, Deputy Director General of Foreign Trade, from File No. 01/02/33/AM-27/EPM.

Issued by	Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry
Document	Trade Notice No. 09/2026-27
Dated	July 1, 2026
Amends	Guidelines for Trade Regulations, Accreditation and Compliance Enablement (TRACE) under EPM, Niryat Disha, issued by Trade Notice No. 26/2025-26 of February 20, 2026
Applies to	MSMEs in international value chains holding an active IEC (not on the Denied Entity List) and a valid Udyam Registration Number, as the February guidelines set out
Takes effect	No date stated; para 2(f) of the guidelines applies revised rates only to testing and inspection certifications obtained on or after the date of notification
Micro and small enterprises	Up to 95% of the actual cost (net of applicable taxes, duties, and cess) or the notified ceiling, whichever is lower
Medium enterprises	Up to 80% of the actual cost (net of applicable taxes, duties, and cess) or the notified ceiling, whichever is lower
Before	Up to 60% (Positive List) or 75% (Priority Positive List) for every MSME
Yearly cap	₹50 lakh per IEC per financial year, up from ₹25 lakh; more may be considered case by case by the Sub-Committee

Eligible list	One list (Annexure-I), in place of the Positive List and the Priority Positive List: 462 entries, then 600 entries under Trade Notice No. 37/2026-27 of November 17, 2026
Payment	Two installments of 50%: on certification and submission of the certificate; on completion of exports linked to the certification
Time limit	Evidence of linked exports within 2 years of the first installment, or the second lapses and the first may be recovered
Later amendment	Trade Notice No. 37/2026-27, November 17, 2026: the list grows from 462 to 600 entries, from the date of issue, prospectively
File number	01/02/33/AM-26/EPM
Signed by	A G Subramanian, Deputy Director General of Foreign Trade

TRACE guidelines before and after Trade Notice No. 09/2026-27

Para	Before	After
Operational and Procedural Guidelines, para 1(c)	Positive List (Annexure-V) and Priority Positive List (Annexure-VI)	One List of Eligible Testing, Inspections, and Certifications (Annexure-I to the notice), 462 entries
Para 2(b)	One level of support for micro, small and medium enterprises; cap of ₹25 lakh per IEC per financial year	Micro and small: up to 95% of the actual cost; medium: up to 80%; net of taxes, duties and cess, or the notified ceiling if lower; cap of ₹50 lakh per IEC per financial year, more case by case after the Sub-Committee's examination
Para 2(c)	Positive List: up to 60% of the actual cost; Priority Positive List: up to 75%; net of taxes, duties and cess, or the notified ceiling if lower	Paid in two installments: 50% on certification and submission of the certificate; 50% on completion of exports linked to the certification
Para 3(c)	One Reimbursement Claim after obtaining the certification	RC-1 after obtaining the certification; RC-2 after showing linked exports, with evidence of exports and proof of realization
Para 4(b)	Paid to the bank account specified in the IEC	Paid to the same account, in the two installments of para 2(c)
Para 5(a)	A claim lapses if not filed within 2 years of the Intent-to-Claim	Same; also, if linked exports aren't shown within 2 years of the first installment, the second lapses and the first may be recovered
Governance Structure, para 1(e)	Sub-Committee recommends changes to Annexure-V and the Priority Positive List in Annexure-VI	Sub-Committee recommends changes to the list of eligible testing, inspections, and certifications

Annexure-V	Positive List of Testing, Inspections, Certifications Eligible for TRACE: 35 entries, each with an indicative cost	List of Eligible Testing, Inspections, and Certifications, expanded to 462 entries (Annexure-I to the notice), with no indicative cost

The trade notice (PDF, 564 KB)

Source: DGFT's own copy.

Checked against the official copy on October 28, 2026.

IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

Read online: indusdesk.com/dgft/insights/trace-certification-support-rises-to-95-for-micro-and-small-firms/