DGFT

UK cars and goods vehicles get India-UK CETA import quotas

DGFT Public Notice No. 19/2026-27 sets India-UK CETA import quotas and in-quota duties for UK cars and goods vehicles, and who may apply.

THE DIRECTORATE GENERAL of Foreign Trade (DGFT), Department of Commerce, Ministry of Commerce and Industry, issued Public Notice No. 19/2026-27, dated July 9, 2026. Made under paragraph 1.03 read with 2.04 of the Foreign Trade Policy 2023, it amends Para 2.92 and Appendix-2A of the Handbook of Procedure, 2023 to add tariff rate quotas (TRQs) under the India-United Kingdom Comprehensive Economic and Trade Agreement (CETA), and its procedure is inserted as Annexure VII of Appendix 2A. It was published in the Gazette of India, Extraordinary, Part I, Section 1, No. 208, dated July 14, 2026. It is signed by Lav Agarwal, Director General of Foreign Trade and Additional Secretary, and issued from File No. 01/89/180/110/AM-25/PC-2(A)/E-45719.

KEY FACTS

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The annual quotas cover completely built units (CBUs). For internal combustion engine (ICE) passenger cars (HS 8703), Year 1 allows 10,000 cars of "more than 3000 cc petrol and more than 2500 cc diesel" at an in-quota tariff of 30.0%, against a base rate of 110.0%, and 5,000 cars in each of the bands "From 1500 cc(petrol) to (and incl.) 2500cc (diesel) / 3000 cc (petrol)" and "Upto (and incl.) 1500 cc", at 50.0% against a base rate of 66.0%: 20,000 cars in all. The total rises to 37,000 in Year 5, when every in-quota tariff is 10.0%, then falls each year to 15,000 from Year 15. Electric, hybrid and hydrogen cars have quotas from Year 6, against a base rate of 110.0%: none below £40,000 CIF, 400 cars from £40,000 to £80,000 CIF (inclusive) at 50.0%, and 4,000 above £80,000 CIF at 40.0%, rising to 2,000 and 20,000 cars from Year 15, with both tariffs at 10.0% from Year 10. ICE goods vehicles (HS 8704) have 2,500 in Year 1 at an in-quota duty of 37.0%, against a base rate of 44.0% and an out-of-quota duty of 41.8%, rising to 3,500 at 8.8% from Year 5; the out-of-quota duty falls to 22.0% from Year 10. The notice lists the eight-digit tariff codes each quota covers.

Only Original Equipment Manufacturers (OEMs) and dealers or channel partners authorized by the OEMs of vehicles originating in the UK may apply. Each must submit a pre-purchase agreement issued by an OEM of the vehicles originating in the UK, setting out the quantity of vehicles agreed to be supplied to it during the TRQ year under each TRQ. Applications are made online on the DGFT website under Import Management System, Tariff Rate Quota (TRQ), in a window announced for each calendar year by a separate public notice. If the quantities applied for are below the quota, each applicant gets what it asked for and the rest stays open for applications; if they exceed it, the quota is shared in proportion to the quantities requested on the basis of the pre-purchase agreements. When an importer fails to import a significant share of its allocation in a TRQ year, the competent authority takes that into account in its allocation for the next year. The year runs from January 1 to December 31, the calendar year.

DGFT issues the TRQ Authorisation electronically and transmits it to the Indian Customs EDI System (ICES); it shows the importer's name and address, Importer-Exporter Code (IEC), the Customs notification number, the tariff item, the quantity and the validity. Imports are allowed

only on electronic debit in ICES, and no TRQ Certificate is issued once a quota is used up. A TRQ Certificate is valid for a maximum of 12 months or until the end of the calendar year, whichever is earlier, and imports may be cleared only within that validity. At clearance, the importer must produce a Certificate of Origin issued by the concerned authorities in the UK, and imports are subject to the relevant Ministry of Finance (Department of Revenue) notification on the India-UK CETA. Importers "shall endeavour to pass on the benefit" of the concessional duty to the final buyer or consumer, and the allocation rules may be reviewed from calendar year 2028. The notice does not say which calendar year is Year 1 or when the Agreement entered into force.

Public Notice No. 22/2026-27, dated July 20, 2026, invited applications for calendar year 2026 from July 21 to August 4, 2026, for 2,329 cars with engine capacity not exceeding 1500 cc, 2,329 in the middle band, 4,658 above 3000 cc petrol or 2500 cc diesel, and 1,164 goods vehicles. Public Notice No. 26/2026-27, dated August 5, 2026, extended the last date to August 9, 2026.

Issued by	Directorate General of Foreign Trade (DGFT), Department of Commerce, Ministry of Commerce and Industry
Document	Public Notice No. 19/2026-27
Dated	July 9, 2026
Published	Gazette of India, Extraordinary, Part I, Section 1, No. 208, July 14, 2026 (CG-DL-E-23072026-274672)
Amends	Para 2.92 and Appendix 2A of the Handbook of Procedure, 2023; procedure inserted as Annexure VII of Appendix 2A
Applies to	Vehicles originating in the UK, imported under the India-UK CETA as completely built units: ICE passenger cars and electric, hybrid and hydrogen passenger cars (HS 8703), and ICE goods vehicles (HS 8704)
Quota year	The calendar year, January 1 to December 31
Year 1 quotas	20,000 ICE passenger cars: 10,000 above 3000 cc petrol or 2500 cc diesel at 30.0%, and 5,000 in each smaller band at 50.0%; 2,500 ICE goods vehicles at 37.0%
Year 5 quotas	37,000 ICE passenger cars at 10.0%; 3,500 ICE goods vehicles at 8.8%
Electric, hybrid and hydrogen cars	From Year 6: 400 at £40,000 to £80,000 CIF (50.0%) and 4,000 above £80,000 CIF (40.0%); none below £40,000 CIF
Who may apply	OEMs, and dealers or channel partners authorized by OEMs of vehicles originating in the UK, with a pre-purchase agreement

Certificate validity	A maximum of 12 months or until the end of the calendar year, whichever is earlier
Origin	Certificate of Origin issued by the concerned authorities in the UK, produced at clearance
Customs notification	Notification No. 29/2026-Customs (G.S.R. 628(E)), dated July 14, 2026
Related	Public Notice No. 22/2026-27, July 20, 2026: calendar year 2026 applications from July 21 to August 4, 2026, for 2,329, 2,329 and 4,658 cars and 1,164 goods vehicles
Related	Public Notice No. 26/2026-27, August 5, 2026 (CG-DL-E-06082026-275248): last date extended to August 9, 2026
Signed by	Lav Agarwal, Director General of Foreign Trade and Additional Secretary

India-UK CETA vehicle TRQs: Year 1 and later (Para 2.92)

Category (completely built units)	Base rate	Year 1 in-quota duty	Year 1 quota	Later years: quota (in-quota duty)
ICE passenger cars (HS 8703): more than 3000 cc petrol and more than 2500 cc diesel	110.0%	30.0%	10,000	Year 2: 12,500 (25.0%); Year 3: 15,500 (20.0%); Year 4: 18,500 (15.0%); Year 5: 19,000 (10.0%); then 10.0%, falling to 7,500 from Year 15
ICE passenger cars (HS 8703): From 1500 cc(petrol) to (and incl.) 2500cc (diesel) / 3000 cc (petrol)	66.0%	50.0%	5,000	Year 2: 6,000 (40.0%); Year 3: 7,000 (30.0%); Year 4: 8,000 (20.0%); Year 5: 9,000 (10.0%); then 10.0%, falling to 3,750 from Year 15
ICE passenger cars (HS 8703): Upto (and incl.) 1500 cc	66.0%	50.0%	5,000	Year 2: 6,000 (40.0%); Year 3: 7,000 (30.0%); Year 4: 8,000 (20.0%); Year 5: 9,000 (10.0%); then 10.0%, falling to 3,750 from Year 15
Electric, hybrid and hydrogen cars (HS 8703): below £40,000 CIF	Not stated	None listed; quotas start in Year 6	None listed	No in-quota tariff and a Nil quota in every year listed (Year 6 onward)
Electric, hybrid and hydrogen cars (HS 8703): £40,000 to £80,000 CIF (inclusive)	110.0%	None listed; quotas start in Year 6	None listed	Year 6: 400 (50.0%); Year 10: 1,200 (10.0%); 2,000 (10.0%) from Year 15
Electric, hybrid and hydrogen cars (HS 8703): above £80,000 CIF	110.0%	None listed; quotas start in Year 6	None listed	Year 6: 4,000 (40.0%); Year 10: 12,000 (10.0%); 20,000 (10.0%) from Year 15

ICE goods vehicles (HS 8704)	44.0%	37.0% (out of quota: 41.8%)	2,500	Year 2: 2,750 (29.9%); Year 3: 3,000 (22.9%); Year 4: 3,250 (15.8%); 3,500 (8.8%) from Year 5; out-of-quota duty 22.0% from Year 10

The public notice (PDF, 842 KB)

Source: Gazette of India, CG-DL-E-23072026-274672.

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