Deferred Payment of Customs Import Duty for Eligible Manufacturer Importers (EMIs) Scheme

The Central Board of Indirect Taxes & Customs ('CBIC') has issued ***Circular No. 8/2026*** dated ***February 28, 2026***, introducing a significant facilitation measure that **extends the facility of deferred payment of Customs import duty to 'Eligible Manufacturer Importers' ('EMIs')**.

Governed by the Deferred Payment of Import Duty Rules, 2016, **this scheme is designed** to expedite Customs clearance at Ports, Airports, and ICDs **by allowing EMIs to pay duties at a later date rather than at the time of entry.**

Key Timelines

The EMI scheme follows a structured rollout with clearly defined milestones for application, activation, and expiration.

Application Start Date

March 1, 2026

Facility Effective Date

April 1, 2026

Facility Expiration

March 31, 2028

This facility is temporary. The government expects that approved EMIs will use this time to obtain higher AEO T2/T3 accreditations.

Eligibility Criteria

Eligibility Criteria: To qualify as an EMI, businesses must meet several criteria, including:

1

Business Profile

Must be an importer and a manufacturer under the CGST Act, or an importer sending inputs/capital goods to a job worker under Section 143 of the CGST Act without payment of tax.

2

Turnover

The annual aggregate turnover for all GSTINs under the applicant's PAN must exceed **Rs. 5 Crore** in the last financial year.

3

Customs Footprint

Must have filed at least **25 EXIM documents** (Bills of Entry/Shipping Bills) in the previous financial year. For MSME applicants, this requirement is relaxed to **10 documents**

4

Registrations

Must possess a valid Importer Exporter Code ('IEC') and at least one active GST Registration. The active GSTIN must declare the business activity as 'factory/manufacturing'.

5

Business Continuity & Solvency

Must have been in business for at least two financial years prior to the application and must submit a Chartered Accountant certificate proving financial solvency for the same period. The applicant cannot currently be listed as insolvent, in liquidation, or bankrupt.

6

Other Compliances

Must have no pending GSTR-3B returns, no un-deposited collected taxes (GST, Excise, or Service Tax), and no arrests, convictions, or pending prosecutions under relevant tax / customs laws.

Application and Operational Process

Application and Operational Process:

1

Submit Application Online

Applications must be submitted electronically on the AEO portal (www.aeoindia.gov.in) under the 'Eligible Manufacturer Importer' tab starting March 1, 2026.

2

Obtain ICEGATE Login

Upon approval, a nodal person authorized by the EMI must obtain an ICEGATE login.

3

Utilize the Benefit

To utilize the benefit, the EMI must indicate flag "D" in the Payment Method Column of the Bill of Entry. The nodal person will then authenticate multiple Bills of Entry at once using an OTP on ICEGATE to authorize Customs clearance.

Payment Due Dates

Payment Due Dates:

Clearance Period	Duty Payment Deadline
1st to last day of any month (excluding March)	By the 1st day of the following month
March 1st to March 31st	By March 31st

Importers also have the flexibility to pay the deferred duties early, prior to the deadline.

Frequently Asked Questions ('FAQs')

BASED ON THE CIRCULAR, WE HAVE COMPILED A SET OF FAQs TO PROVIDE A CLEAR AND PRACTICAL UNDERSTANDING OF THE SCHEME.

Q1: What is the Eligible Manufacturer Importer ('EMI') scheme?

A: It is a facilitation measure introduced by the CBIC that allows approved EMI to avail the facility of deferred payment of Customs import duty under the Customs Act, 1962.

Q2: When can businesses start applying for the EMI scheme, and when does it become effective?

A: Importers can begin submitting their applications electronically starting March 1, 2026. The deferred payment facility will be effective from April 1, 2026.

Q3: Is this a permanent facility?

A: No, this facility is temporary and will be available until March 31, 2028. The government expects that approved EMIs will use this time to obtain higher AEO T2/T3 accreditations.

Q4: Where do we submit the application?

*A: Applications must be submitted electronically on the AEO web portal at **www.aeoindia.gov.in** under the "Eligible Manufacturer Importer" tab.*

Q5: We are an importer but not a manufacturer. Can we still apply?

A: Yes, non-manufacturers can apply if they send their imported inputs or capital goods, without payment of tax, to a job worker for job work under Section 143 of the CGST Act.

Q6: Are there specific GST registration requirements for job workers if we outsource manufacturing?

A: Yes, the job worker must have an active GSTIN and must have declared the nature of their business activity at the premises as "factory/manufacturing" in FORM REG-01. Additionally, the applicant GSTIN must have filed the last two half-yearly GSTR ITC-04 returns.

Q7: What is the minimum annual turnover required to be eligible?

A: The annual aggregate turnover of all GSTINs under the applicant's PAN must exceed Rs. 5 Crore in the last financial year.

Q8: Is there a minimum volume of import/export activity required?

A: Yes, the applicant must have filed not less than 25 EXIM documents (Bills of Entry or Shipping Bills) in the previous financial year. For MSME applicants, this requirement is relaxed to a minimum of 10 documents.

Q9: We are an existing AEO-T1 certified entity. Are we automatically granted EMI status?

A: No, existing AEO-T1 entities (including MSMEs) are not automatically granted the status but are eligible to apply under this scheme provided they meet all the specific eligibility criteria outlined in the circular.

Q10: What are the requirements regarding business continuity?

A: The applicant must have been carrying out business activities for at least two financial years preceding the date of application.

Q11: Will there be any physical visit by customs during the approval process like it happens in the AEO scheme?

A: There is no mention of a physical visit or site inspection by Customs during the approval process for the EMI scheme in the sources. The application process is handled electronically on the web portal www.aeoindia.gov.in. The designated officer of the Directorate of International Customs ('DIC'), CBIC, will approve the application strictly after scrutiny and satisfaction of eligibility conditions based on the submitted online form and uploaded documents. Once approved, the officer will update the Customs Automated System to enable the facility, and no further action will be required by the EMI.

Q12: Will pending GST returns affect our eligibility?

A: Yes, an applicant must have filed all pending GSTR-3B returns for all active GSTINs that were due as of the application submission date.

Q13: Do we need to prove financial solvency to apply?

A: Yes, the applicant must have been financially solvent during the two preceding financial years and must not be currently listed as insolvent, in liquidation, or in bankruptcy.

Q14: How is financial solvency proven during the application process?

A: Applicants must submit a specific Certificate issued by a Chartered Accountant (bearing a Unique Document Identification Number - UDIN) in the prescribed format found in Appendix-III, confirming positive net worth and adequate liquidity.

Q15: Are applicants with a history of tax offenses eligible?

A: No, an applicant (including proprietors, partners, or directors) must not have been arrested, convicted, or have any pending prosecution proceedings against them under the Customs Act, Central Excise Act, Finance Act, CGST/SGST Act, or any other applicable law.

Q16: Once approved, how does our business physically utilize the deferred payment facility during customs clearance?

A: An authorized nodal person must obtain an ICEGATE login. When filing a Bill of Entry, the eligible EMI must indicate flag "D" in the Payment Method Column.

Q17: Who is the nodal person, and what is their role in the EMI scheme?

A: The nodal person is an individual appointed or authorized by the approved EMI. Upon approval of the EMI application, this person must obtain an ICEGATE login where their contact details are registered for verification. Their primary role is to authenticate all Customs-related transactions on behalf of the EMI.

Q18: How does the nodal person authorize the deferred payment on ICEGATE?

A: The nodal person must acknowledge the intent and authenticate it using a One Time Password (OTP) sent to their registered email or contact number. They can authenticate multiple Bills of Entry at once.

Q19: What are the specific due dates for paying the deferred customs duty?

A: For goods cleared from the 1st to the last day of any month (except March), the duty must be paid by the 1st day of the following month. For goods cleared from March 1st to 31st, the duty must be paid by March 31st.

Q20: Is it possible to pay the deferred customs duty before the due date?

A: Yes, EMIs have the option to select their challans and pay the customs import duty any time before the due date at their convenience.

Q21: What happens if an EMI fails to make the deferred duty payments on time?

A: Instances of non-payment are monitored by the Principal Commissioner / Commissioner of Customs and brought to the notice of the DIC. The DIC may suspend or revoke the EMI approval if the entity becomes non-compliant or ineligible.

Q22: Are we eligible to apply if a previous application for EMI approval was rejected?

A: You are ineligible to apply if your earlier application for EMI approval was rejected specifically because the information or declaration submitted was found to be false, or if a document submitted was found to be forged.

Q23: What happens if we previously held EMI status, but it was suspended?

A: An applicant is not eligible if their past status as an "Eligible Manufacturer Importer" was suspended because it was subsequently discovered that they submitted false information, a false declaration, or forged documents during their earlier application.

Q24: What key documents must be uploaded along with the EMI application?

A: The required documents include copies of your IEC, PAN, and GST Registration Certificates for each GSTIN. Depending on your business, you may also need to upload a UDYAM certificate (for MSMEs), GST ITC-04, or GSTR-9C. Additionally, you must provide a Chartered Accountant Certificate (bearing a Unique Document Identification Number - UDIN), audited financial statements for the last two years, proof of property holding rights (like a lease agreement or sale deed), and an authorization letter for the signatory.

Q25: Do we need to inform Customs if our business details or eligibility status changes after we are approved?

A: Yes. As part of the application declarations, the applicant must undertake to notify the DIC via email (diccbec.dor@gov.in) of any changes in particulars relating to their eligibility for the EMI scheme.

Q26: What are the consequences of submitting false information or forged documents during the application process?

A: If any information or document is found to be false or forged, the EMI approval may be suspended, the entity may face legal action under the Customs Act, 1962, and the applicant will be permanently ineligible to apply under the EMI Scheme in the future.

Have questions about how the Scheme could benefit your business? We are here to help — let's talk.

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