

Navigating Global Trade Disruptions: A Strategic Update on India's Trade Facilitation Measures

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In direct response to the escalating maritime crisis in the Middle East and the resulting closure of the Strait of Hormuz, the Government of India has deployed a strategic suite of relief measures to safeguard the EXIM ecosystem.

Executive Summary

A Coordinated Response to Maritime Crisis

Recognising that these geopolitical disruptions constitute an '**exceptional situation**,' the Central Board of Indirect Taxes & Customs ('CBIC') and the Directorate General of Foreign Trade ('DGFT') have issued critical directives i.e. **Circulars 9, 10, and 12*** and **DGFT Public Notice 51#**. These measures are designed to provide immediate procedural and financial oxygen to exporters facing stranded cargo and broken supply chains.

The intervention framework is anchored by **three primary pillars of relief**:

Procedural Simplification

Streamlined protocols for the return of export cargo, including the '**Back to Town**' facility and the use of '**dummy port codes**' for diverted vessels.

Financial Waivers

The total waiver of statutory amendment and cancellation fees and the elimination of composition fees for export obligation extensions.

Timeline Extensions

Automatic, '**no-touch**' extensions for Export Obligations ('EO') under the Advance Authorisation and EPCG schemes.

These interventions serve as a vital buffer against a volatile global trade environment, providing the legal and administrative flexibility required to navigate the current maritime '**force majeure**.'

**Circular No. 9/2026 – Customs dated March 8, 2026 ('Circular 9'), Circular No. 10/2026 – Customs dated March 10, 2026 ('Circular 10'), Circular No. 12/2026 – Customs dated March 17, 2026 ('Circular 12').*

#Public Notice 51/2025-26 dated March 6, 2026 ('Public Notice 51')

Executive Summary (Cont.)

Critical Dates to Track

- 1** **March 1, 2026**
Start of EO expiry window eligible for automatic DGFT extension under Public Notice 51.
- 2** **March 31, 2026**
Sunset date for Customs relaxations under Circulars 9, 10, and 12. Also the deadline for expanded LCL transshipment facility.
- 3** **May 31, 2026**
End of EO expiry window eligible for automatic DGFT extension. Authorisations expiring after this date are not covered.
- 4** **August 31, 2026**
New extended deadline for all Advance Authorisation and EPCG EO covered under Public Notice 51.

Geopolitical Context

The Strait of Hormuz Crisis and Trade Volatility

The Strait of Hormuz is a **non-negotiable artery** for Indian international trade. Its closure has triggered a systemic '**force majeure**' environment, characterised by freight hikes, mandatory vessel rerouting, and a surge in cargo returning to Indian ports. Exporters are currently grappling with severe port congestion and the administrative complexity of managing goods that have technically crossed the '**export**' threshold but cannot reach their destinations.

Legal Bedrock

The CBIC has invoked **Section 143AA** of the **Customs Act, 1962**. This provision empowers the Board to prescribe specialised procedures and relaxations in '**exceptional situations.**'

Key Objective

These measures aim to prevent the '**double-taxation**' effect of paying import duties on one's own returned export cargo while maintaining the integrity of the customs frontier.

Circular 9 & 12 — CBIC

Simplified Customs Procedures for Returned Export Cargo

For many Indian enterprises, the inability to deliver cargo is a **liquidity threat**. The simplified procedures issued via Circulars 9 and 12 are critical for maintaining cash flow and reducing port-side storage costs.

1

Vessels within Indian Territorial Waters (EGM/SDM not filed)

Upon submission of an undertaking by the Master, vessels may berth without filing a Sea Arrival Manifest ('SAM'). Cargo can be offloaded without a Bill of Entry, and exporters may avail of the **Back to Town ('BTT')** facility to move goods back into the domestic area.

2

Vessels in International Waters (Returning without calling foreign ports)

Even if the Export General Manifest ('EGM') has been filed, vessels may berth without a SAM. The DG System will provide a new facility in the ICES system to allow for the cancellation of the Shipping Bill and Let Export Order ('LEO') post-EGM.

3

Vessels returning after calling foreign ports (No discharge)

These consignments are technically treated as **'Exported out of India.'** A SAM must be filed by the shipping line, followed by the post-EGM cancellation process.

Scenario covered: Return to the Original Port of Departure (Circular 9), where vessels return to the same Indian port from which they departed.

Circular 12 – CBIC

Landing at a Different Indian Port

To address vessel diversions, Circular 12 allows cargo to land at an Indian port other than the original port of export.

Dummy Port Code

The DG System will provide a 'dummy port code' to facilitate the filing of the SAM at the new port of landing.

Inter-Port Verification

The Customs formation at the port of landing must communicate with the original port of export to verify if any export incentives (**IGST, Drawback**) have been disbursed before permitting the BTT facility.

Container Integrity Protocol

Strict compliance is maintained through the **matching of physical container seals** with the details in the original Shipping Bills. Any evidence of tampered or non-intact seals will automatically trigger **100% physical examination** of the cargo at the port of landing.

Circular 12 — Specialised Cargo

Liquid Bulk, Break Bulk & LCL Transshipment

Liquid Bulk / Break Bulk

Under Circular 12 (Para 2c), jurisdictional Commissioners may permit the **temporary unloading and storage** of diverted liquid or break bulk cargo in Customs-approved bonded warehouses or bonded tank facilities.

- Strictly for onward transshipment or re-export
- Subject to ullage surveys and quantity determination

LCL Transshipment

The facility for **international transshipment of LCL cargo**, previously limited to four specific ports, is now **expanded to all notified ports and International Airports** until March 31, 2026.

Circular No. 10 – CBIC

Waiver of Amendment and Cancellation Fees

The Board recognises that document amendments necessitated by global disruptions should **not penalise the exporter**. Under Circular No. 10, the CBIC has authorised the waiver of fees prescribed under the '**Levy of Fees (Customs Documents) Regulations, 1970.**'

This waiver applies to the amendment or cancellation of Shipping Bills caused by:

1. Cancellation or rescheduling of vessels or flights.
2. Suspension of cargo services by carriers of operational disruptions at ports.
3. Government-mandated transport restrictions or other comparable force majeure events.



How to avail: Exporters must submit a request to the jurisdictional Deputy/Assistant Commissioner of Customs, supported by evidence such as carrier communications or port notices. **The waiver is contingent on the proper officer being satisfied that the amendment arises solely from external disruptions rather than avoidable clerical errors.**




Public Notice No. 51 — DGFT

Automatic Extension of Export Obligations

Public Notice No. 51 provides a critical safety net for exporters operating under various export incentive schemes. Global logistics delays can lead to technical defaults on **EO** periods under these scheme.

Authorisation Type	Original Expiry Window	New Extended Deadline	Composition Fee Status
Advance Authorisation (inc. Annual/Special) & EPCG (Block-wise or overall)	March 1, 2026 to May 31, 2026	August 31, 2026	Automatically Waived

 **Important:** Composition fees already paid prior to this notice are **non-refundable**.

Key Features

This extension is characterised by '**No-Touch administration:**'

No Separate Application

Exporters are not required to file any separate application to avail of this extension.

No Composition Fee

Composition fees are automatically waived, no payment required to secure the extension.

No RA Endorsement

No endorsement from the Regional Authority ('RA') is required to activate the extended deadline.

Additive Benefit

This extension is **in addition to** any extensions otherwise permissible under the Handbook of Procedures ('HBP') 2023.

Taxient Comment & Recommendations

As a strategic advisor, we recommend that logistics heads view these measures as a tool for '**Agile Compliance.**' While the government has provided the framework, the **burden of execution lies with the exporter.**

1 Strategic Documentation & Force Majeure Dossier

Maintain a comprehensive file of carrier notices, port advisories, and official news regarding the Strait of Hormuz. This is the **only way to satisfy the 'evidence' requirement** for fee waivers and LEO cancellations.

3 Facilitating Inter-Port Coordination

For cargo landing at a '**different port**', do not wait for the bureaucracy. Proactively facilitate the communication between the port of landing and the original port of export to speed up the verification of incentive status and the cancellation of the Shipping Bill.

2 Incentive Management & Manual Recovery

Be prepared for the fiscal impact of returned cargo. Circular 9 specifically mandates the **manual recovery of export incentives** (IGST refunds and Drawback) already disbursed. Exporters should proactively provision for these reversals to avoid interest-bearing **SCNs**.

4 Contractual Benchmarking

Use the DGFT's **August 31 deadline** as a government-sanctioned baseline to renegotiate delivery timelines in international commercial contracts, citing official Indian recognition of the force majeure event.



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