

CUSTOMS ACT, 1962

BUDGET ANALYSIS 2026-27

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CUSTOMS ACT 1962:

Section	Existing	Amendment / New Clause	Bizsol Analysis
1	(2) It extends to the whole of India and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person.	(2) It extends to the whole of India, <i>fishing and fishing related activities by Indian-flagged fishing vessels beyond territorial waters of India</i> and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person.	The Scope has expanded to include fishing and fishing-related activities by Indian-flagged fishing vessels beyond India's territorial waters. This brings deep-sea fishing operations within Indian customs jurisdiction, ensuring regulatory oversight, traceability and compliance for offshore fishing. It strengthens monitoring of marine exports and prevents regulatory gaps, thereby improving export governance and sector discipline
2(28A)		(28A) "Indian-flagged fishing vessel" means a vessel which is used or intended to be used for the purpose of fishing in the seas and entitled to fly the flag of India	New clause 28A has been inserted and previous clause 28A has been renumbered to 28B. Since, fishing and fishing-related activities has been included in the scope of customs act, there was a need to define Indian flagged fishing vessels.
28	(6)(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions	(6)(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the	Even if the payment of duty, interest and penalty is paid, action against importer / exporter still can be initiated under sections 135, 135A and 140 for the specific action as mentioned in the aforesaid sections. Therefore, for the

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	of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or	provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein and penalty so paid under sub-section (5), on determination under this sub-section, shall also be deemed to be a charge for non-payment of duty.	purpose of clarity it is considered as deemed non-payment of duty.
28J	(2) The advance ruling referred to in sub-section (1) shall remain valid for three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier: Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2022 receives the assent of the President, the said period of three years shall be reckoned from the date on which the said Finance Bill receives the assent of the President	(2) The advance ruling referred to in sub-section (1) shall remain valid for five years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier: <i>Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2026 receives the assent of the President, the Authority shall, upon a request by the applicant, extend the validity for five years from the date of the ruling</i>	Enhances tax certainty, predictability, and planning efficiency. This supports long-term commercial contracts, pricing strategies, and risk management, while reducing repeat litigation and compliance burden.
56A		56A. Special provision for fishing and fishing related activities. <i>(1) Notwithstanding anything contained in this Act or in any other law for the time being in force, fish harvested by an Indian-flagged fishing vessel beyond territorial waters of India,—</i> <i>(a) may be brought into India free of duty;</i>	Insertion of new clause in line with extending the scope of Customs Act w.r.t. fishing and fishing-related activities. Duty-free import of fish harvested beyond territorial waters and export treatment for fish landed abroad.

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		<p><i>(b) that has landed at foreign port may be treated as export of goods, in such manner and subject to such conditions as may be provided by rules.</i></p> <p><i>(2) The Board may make regulations providing for the form and manner of making an entry in respect of fish harvested including its declaration, custody, examination, assessment of duty, clearance, transit or transshipment.</i></p>	<p>A transformational reform for the marine export sector, boosting cost competitiveness, export volumes and global integration. Encourages deep-sea fishing investments, fleet modernization and strengthens India's marine export ecosystem.</p>
67	<p>Removal of goods from one warehouse to another.</p> <p>The owner of any warehoused goods may, with the permission of the proper officer, remove them from one warehouse to another, subject to such conditions as may be prescribed for the due arrival of the warehoused goods at the warehouse to which removal is permitted.</p>	<p>Removal of goods from one warehouse to another.</p> <p><i>The owner of any warehoused goods may remove them from one warehouse to another, subject to such conditions as may be prescribed.</i></p>	<p>It is welcome measure with the focus of ease of doing business and there is no requirement of any prior permission of Custom Officer for removal of goods from one warehouse to another warehouse.</p> <p>Major trade facilitation and ease-of-doing-business measure, enabling faster logistics movement, reduced compliance burden, lower costs and enhanced supply chain efficiency.</p>
84	<p>The Board may make regulations providing for</p> <p>(a) the form and manner in which an entry may be made in respect of goods imported or to be exported by post or courier;</p>	<p>The Board may make regulations providing for</p> <p>(a) the form and manner in which an entry may be made in respect of goods</p>	<p>Explicit inclusion of custody in regulatory framework.</p> <p>It thereby strengthens accountability of courier operators, improves cargo security and reduces disputes related to</p>

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	<p>(b) the examination, assessment to duty, and clearance of goods imported or to be exported by post or courier;</p> <p>(c) the transit or transshipment of goods imported by post or courier, from one customs station to another or to a place outside India.</p>	<p>imported or to be exported by post or courier;</p> <p>(b) the custody, examination, assessment to duty, and clearance of goods imported or to be exported by post or courier;</p> <p>(c) the transit or transshipment of goods imported by post or courier, from one customs station to another or to a place outside India.</p>	<p>loss, pilferage and liability, though increasing compliance responsibilities.</p>

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**CUSTOMS NOTIFICATIONS
(NON-TARIFF)**

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CUSTOMS NOTIFICATIONS (NON-TARIFF) :

Notification No.	Existing	Amendment	Bizsol Analysis
12/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 1 st Feb 2026)	135/2016-Customs (N.T.), dated the 2 nd November, 2016,	Sr No iii : Eligible Manufacturer Importer . Explanation has been inserted in Sr No iii in Eligible Manufacturer Importer means Manufacturer Importer	Manufacturer importer having acquired AEO-2 and AEO-3 Certification can utilize deferred payment of import duty up to the 31st March, 2028.
13/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 1 st March 2026)	Rule 1[4]. Payment of Duty- The eligible importer shall pay the duty by the dates specified here under inclusive of the period (excluding holidays) as mentioned in sub-section (2) of section 47 of the Act, namely:- (a) for goods corresponding to Bill of Entry returned for payment from 1st day to 15th day of any month, the duty shall be paid by the 16th day of that month; (b) for goods corresponding to Bill of Entry returned for payment from 16th day till the last day of any month other than March, the	Rule 1[4]. Payment of Duty- The eligible importer shall pay the duty by the dates specified here under inclusive of the period (excluding holidays) as mentioned in sub-section (2) of section 47 of the Act, namely:- (a) for goods corresponding to Bill of Entry returned for payment from 1st day to the last day of any month other than March, the duty shall be paid by the 1st day of the following month;	Deferred Payment Scheme has been extended from 15 days to 30 days. Big Relief to the eligible importer.

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	<p>duty shall be paid by the 1st day of the following month; and</p> <p>(c) for goods corresponding to Bill of Entry returned for payment from 16th day till the 31st day of March, the duty shall be paid by the 31st March.</p> <p>Provided that, where the Central Government considers it necessary and expedient, it may, under exceptional circumstances, and for reasons to be recorded in writing, allow payment to be made on a different due date.</p>	<p>(b) for goods corresponding to Bill of Entry returned for payment from 1st day to 31st day of March, the duty shall be paid by 31st March.</p>	
<p>14/2026-Customs (N.T.) dtd 1st Feb 2026 (W.e.f. 2nd Feb 2026)</p>	<p>Baggage Rules, 2016</p>	<p>Baggage Rules, 2026</p>	<p>Baggage Rules 2016 has been replaced with Baggage Rules 2026.</p> <p>This is mainly to rationalize the baggage provisions and addressing passenger related concerns at airports and resolution of interpretational issues; provide clarity in temporarily carriage of goods brought in or taken out to avoid unnecessary detention of goods, and restructure Transfer of Residence benefits for Indian residents and foreign professionals based on duration of stay. These changes shall</p>

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			<p>come into effect from midnight of 02.02.2026.</p> <p>This is also the facilitation of ease of doing business and also inviting foreign guest and NRI for developing tourism in India.</p>
15/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 2 nd Feb 2026)	<p>The Passenger's Baggage (Levy of Fees) Regulations, 1966,</p> <p>The Baggage (Transit to Customs Stations) Regulations, 1967</p> <p>The Customs Baggage Declaration Regulations, 2013</p>	<p>Customs Baggage (Declaration and Processing) Regulations, 2026</p>	<p>New one regulations has been made as against three regulations.</p> <p>The Customs Baggage Declaration Regulations, 2013, the Baggage (Transit to Customs Stations) Regulations, 1967 and the Passenger's Baggage (Levy of Fees) Regulations, 1966 are being superseded by the Customs Baggage (Declaration and Processing) Regulations, 2026 to consolidate all baggage-related procedural provisions into a single, comprehensive and facilitative framework.</p> <p>CBIC will issue consolidated clarificatory circular which will simplify the procedure and bring the clarity.</p> <p>This is also the facilitation of ease of doing business and also inviting foreign guest and NRI for developing tourism in India.</p>

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