

Frequently Asked Questions (FAQs) on SEZ Relief Window 2026

Q1. What is the announcement made in the Union Budget 2026-27 with regards to SEZ-to-DTA relief window?

Special one-time relief window for a limited period was announced in the Union Budget 2026-27 to allow eligible manufacturing units in Special Economic Zones (SEZs) to sell their manufactured goods into the Domestic Tariff Area (DTA) at concessional rates of customs duty. This temporary relief measure is intended to address underutilization of manufacturing capacities in SEZs arising from prevailing global trade disruptions.

Q2. In which notification will I find the concessional rates of customs duty notified under the special one-time relief window? Is a new notification being issued?

Concessional customs duty rates on goods under the special one-time relief window can be found in notification No. 11/2026- Customs dated 31st March, 2026 issued under sub-section (1) of section 25 of the Customs Act, 1962. The same is available on <https://taxinformation.cbic.gov.in>.

Q3. What is the validity period of this special one-time relief window?

The notification providing special one-time relief window to the SEZs units will come into force on 1st April 2026 and ceases to have effect after 31st March 2027. It is a **one-time, time-bound relief** measure for a period of one year only.

Q4. Which SEZ units are eligible for this concession under special one-time relief window?

A Unit in a SEZ which had commenced production of goods on or before 31st March 2025, only is eligible for the concessional benefit of customs duty under special one-time relief window. Further, at the time of removal of manufactured goods to the DTA, the unit in SEZ has to produce a certificate from the jurisdictional Development Commissioner certifying the date of commencement of production by the unit in the SEZ; annual FOB value of exports of manufactured goods made by the Unit in each of the preceding three financial years; and the extent of value addition achieved as prescribed in the notification. The unit taking concessional benefit under this relief window will have to declare to the proper officer of the customs that the goods in respect of which benefits of this exemption notification have been claimed, fulfil all the conditions specified in the Annexure to notification No. 11/2026- Customs dated 31st

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March, 2026 and the unit in SEZ will also furnish a declaration to the proper officer of the customs to pay the duty leviable on such goods (i.e. the full duty without the concession) in the event of non-fulfilment of any of the conditions specified in the notification No. 11/2026-Customs dated 31st March, 2026.

Q5. Are units in Free Trade and Warehousing Zones (FTWZs) eligible for taking benefit under this relief measure?

No. The notification specifically excludes units set up in a Free Trade and Warehousing Zone.

Q6. Are traded goods (goods imported and re-sold without manufacturing) eligible for taking benefit under this relief measure?

No. Only goods manufactured by the SEZ unit, as specified in the notification No. 11/2026-Customs dated 31st March, 2026, are eligible for the benefit under this special one-time relief window. Goods which after being imported in the SEZ and are being removed, as such or after use, to the DTA are specifically excluded from taking any benefit under this scheme.

Q7. What constitutes 'manufacture' for the purposes of the notification No. 11/2026-Customs dated 31st March, 2026 ?

"Manufacture" for the purpose of taking benefit under the special one-time relief window vide notification No. 11/2026- Customs dated 31st March, 2026 means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use. It does not include mere refrigeration, packing, re-packing, affixing or printing of marks, labels, logos, or other like distinguishing signs on goods or their packaging, or repair or refurbishing.

Q8. What does 'inputs' mean for the purposes of this notification?

"Inputs" for the purpose of taking benefit under the special one-time relief window vide notification No. 11/2026- Customs dated 31st March, 2026 means raw materials, intermediates, components, consumables, parts, and packing materials. Capital goods are not included in the definition of inputs.

Q9. What are the concessional rates of duty under this notification No. 11/2026-Customs dated 31st March, 2026?

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Under this relief window, concessional rates of customs duty have been prescribed for notified goods as per details below:

Present customs duties (including BCD, AIDC, Health Cess)	Concessional rate for eligible SEZ units under the relief window
Nil, 2.5%, 5%	No change
7.5%	6.5%
10%	9%
12.5%, 15%	10%
20%	12.5%
Between 20% and 30%	15%
Between 30% and 40%	20%
Above 40%	No change

Q10. There are two different Tables in the notification No11/2026-Customs dated 31st March 2026(Table-I and II). What is the difference between these Tables?

Table I in the notification No. 11/2026- Customs dated 31st March, 2026 covers goods where only Basic Customs Duty (BCD) is being notified at the concessional rates. Table II of the said notification covers goods where both BCD and Agriculture Infrastructure and Development Cess (AIDC) rates are being notified at the concessional rates.

Q11. What treatment has been given to goods that are already covered under existing exemption notifications such as notification Nos. 45/2025-Customs dated 24.10.2025, 57/2017-Customs dated 30.06.2017, 12/2022- Customs dated 01.02.2022 etc.?

The notification No. 11/2026- Customs dated 31st March, 2026 providing concessional rates of customs duty under the special one-time relief window also accounts for such goods which already enjoy concessional rate under various notifications. Serial Nos. 451, 500, 501 and 502 of Table I specifically cover goods that already enjoy concessional customs duty rates under existing notifications such as notification Nos. 45/2025-Customs dated 24.10.2025, 57/2017-Customs dated 30.06.2017 and 12/2022-Customs dated 01.02.2022. Further, the SEZ unit has option to take benefit under the notification No. 11/2026- Customs dated 31st March, 2026 providing concessional rates of customs duty under the special one-time relief window or any other exemption notifications.

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Q12. Is there a cap on how much a unit in SEZ can sell into the DTA under this special one-time relief window?

Yes. The aggregate value of goods removed to the DTA under the notification issued under this special one-time relief window, in a financial year cannot exceed 30% of the highest annual Free on Board (FOB) value of exports of manufactured goods made by the unit in any of the three immediately preceding financial years.

Q13. What is the value addition requirement notified under the notification No. 11/2026-Customs dated 31st March, 2026 providing concessional rates of customs duty under the special one-time relief window?

The goods for which concessional benefit of customs duty rates is being claimed by a unit in SEZ under this notification should have been manufactured by the Unit in the SEZ and should have undergone a minimum value addition ('VA') of 20 %. The VA shall be calculated as under:

$$VA = \frac{A-(B+C)}{(B+C)} \times 100$$

Where, A is the assessable value of goods removed into DTA by the Unit, B is the sum total of cost, insurance and freight value of all imported inputs used for manufacture of such goods, and C is the value of inputs procured from DTA used for manufacture of such goods.

Q14. Can the SEZ unit avail duty drawback or other export benefits on inputs procured from DTA for goods sold under this special one-time relief window?

No, the benefit of duty drawback or any other export benefit admissible under the Foreign Trade Policy is not allowed in respect of inputs used in the manufacture of goods cleared under this notification No. 11/2026- Customs dated 31st March, 2026, whether claimed by the SEZ unit or by the supplier of the inputs.

Q15. Is there any requirement to produce any certificate by the SEZ unit to the proper officer of customs to avail the concessional benefit under this relief window?

Yes. At the time of removal of manufactured goods to the DTA, the unit in SEZ has to produce a certificate from the jurisdictional Development Commissioner certifying the date of commencement of production by the unit in the SEZ; annual FOB value of exports of manufactured goods made by the Unit in each of the preceding three financial years; and the

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extent of value addition achieved in respect of the said manufactured goods as prescribed in the notification.

Q16. Is the SEZ unit required to produce the certificate only once to the proper officer of customs under this special one-time relief window or each time at the time of filing bill of entry?

The SEZ unit is required to obtain a certificate from the jurisdictional Development Commissioner which must be produced with every Bill of Entry filed for clearance of manufactured goods into the DTA. The certificate captures key details such as the unit's registration code, IEC, date of commencement of commercial production, FOB value of exports for each of the preceding three financial years, the value of goods entitled for concessional rate of duty, CTH codes of the goods, CTH-wise value addition percentage, and whether the unit is located in an FTWZ. The certificate carries a defined validity period and may be used for multiple consignments during that period. At the time of each removal, the SEZ unit is required to self-certify the relevant particulars and upload the certificate on the system. If there are any changes in some particulars, such as, addition of new CTH codes or revision in value addition percentages, the unit would need to get the certificate re-issued by the jurisdictional Development Commissioner before it can be used for further clearances.

Q17. Is there any requirement to produce any undertaking by the SEZ unit to the proper officer of customs to avail the concessional benefit under this special one-time relief window?

Yes. The unit in SEZ has to furnish a declaration to the proper officer of the customs to pay the duty leviable on such goods (i.e. the full duty without the concession) in the event of non-fulfilment of any of the conditions specified in the notification No. 11/2026- Customs dated 31st March, 2026.

Q18. How will the Bill of Entry be filed for DTA clearances under the notification No. 11/2026- Customs dated 31st March, 2026 providing concessional rates of customs duty under the special relief window?

The Bill of Entry for home consumption is to be filed by the SEZ Unit through the Common Customs Electronic Portal (as defined in section 2(7B) of the Customs Act, 1962). Assessment will be done by the proper officer under the faceless assessment mechanism. Physical examination, if required, will be carried out by the specified officer/authorised officers posted in the SEZ.

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Q19. How will Bills of Entry for SEZ to DTA clearances be assigned for faceless assessment?

Bills of Entry filed for goods manufactured by SEZ units and cleared to DTA shall be automatically routed through the Risk Management System (RMS) and assigned to the designated Faceless Assessment Groups (FAGs).

Q20. Where will non-assessment activities such as examination, Out-of-Charge, inspection, etc., be carried out?

All non-assessment functions, including registration, inspection/ examination (where ordered), Out-of-Charge (OOC), and other post assessment related activities, will continue to be handled exclusively by the specified officer/authorised officers posted at the SEZ location. The existing procedure for these activities remains unchanged. Further, the provisions relating to refund, demand, adjudication and review & appeal, as clarified in Circular No. 11/2017-Cus dated 31.03.2017 shall continue to apply.

Q21. In case the manufacturer does not wish to avail concessional duty benefits under notification No. 11/2026- Customs dated 31st March, 2026, what will be the method of assessment in such cases?

In such cases, the mandatory requirement of faceless assessment by Customs does not apply. The Bill of Entry may be assessed as per the existing procedure at the jurisdictional SEZ formation.

Q22. Will the SEZ units claiming concessional rates of customs duty under the special one-time relief window vide notification No. 11/2026 - Customs dated 31st March, 2026 be subject to audit?

Yes. Units claiming exemption under this notification will be subject to periodical audit by jurisdictional Customs under Rule 79 of the Special Economic Zones Rules, 2006.

Q23. Is Social Welfare Surcharge (SWS) and Health Cess payable on DTA clearances under this notification No. 11/2026- Customs dated 31st March, 2026?

The notification No. 11/2026- Customs dated 31st March, 2026 specifies concessional rates for Basic Customs Duty (BCD) and AIDC, as applicable. Social Welfare Surcharge (SWS),

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under section 110 of the Finance Act, 2018 and Health Cess under section 141 of the Finance Act, 2020 continues to apply as applicable.

Q24. What is the position regarding IGST on DTA clearances under this notification?

This notification No. 11/2026- Customs dated 31st March, 2026 provides concessional rates of customs duties (BCD and AIDC, as applicable) only. Integrated Goods and Services Tax (IGST) continue to be leviable on SEZ-to-DTA clearances at the applicable rate under section 3(7) of the Customs Tariff Act, 1975.

Q25. Whom should the manufacturer approach in case of any delay due to lack of coordination between SEZ authorities and Faceless Assessment Groups?

Any grievance of the trade relating to delays in assessment or other difficulties in implementation shall be addressed through the ICEGATE Helpdesk at icegatehelpdesk@icegate.gov.in. The ICEGATE Helpdesk shall promptly forward such matters to the concerned Turant Suvidha Kendras (TSKs) of the field formations for timely resolution.

Q26. Whether DTA unit is allowed to file bill of entry in respect of the clearance of the manufactured goods by SEZ unit to DTA for claiming benefits under the concessional rates of duty notified under notification No. 11/2026- Customs dated 31st March, 2026?

No, the DTA unit is not allowed to file bill of entry in respect of the clearance of the manufactured goods by SEZ unit to DTA under notification No. 11/2026- Customs dated 31st March, 2026. The bill of entry needs to be filed by the SEZ unit itself

Q27. Who can carry out amendments in the Bill of Entry?

Any amendments in the bill of entry can be done by the SEZ unit only who has filed the bill of entry.

Q28. Can the unit in SEZ choose the port or Faceless Assessment Group for assessment?

No, the Faceless Assessment Group are assigned automatically by the Risk Management System (RMS).

Q29. How will queries be handled in the faceless assessment process?

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Queries will be raised electronically by the Faceless Assessment Group through the Customs automated system. The unit in SEZ shall reply electronically through the prescribed module.

Q30. Is physical submission of documents required to the Faceless Assessment Group or SEZ authorities?

No. All documents shall be submitted electronically through the designated Customs automated system.

Q31. Does the faceless assessment procedure apply to all types of clearances from SEZ to DTA?

No. This procedure applies only to Bills of Entry for goods manufactured by SEZ units cleared to DTA where concessional duty benefits are claimed and prescribed conditions are fulfilled under notification No. 11/2026- Customs dated 31st March, 2026. All other categories of clearances from SEZ to DTA shall continue to be follow the existing applicable procedures.

Disclaimer: The FAQs are for the purpose of reference only. The information provided in the FAQs is not intended for any legal purpose or opinion. For details, notification No.11/2026- Customs dated 31.03.2026 may be referred to.