Eligible Manufacturer Importer (EMI) Scheme

Prelims: *Current events of national and international importance | Government policies and interventions*

Why in News?

Recently, as announced in the Union Budget 2026–27, India has announced a deferred Customs Duty payment facility.

- EMI Scheme is a ***Trust-Based Customs Facilitation Scheme.***
- **Aim –** This measure enables Eligible Manufacturer Importers (EMIs) to clear imported goods ***without having to pay Customs duty*** at the time of clearance.
- **Launched By –** Central Board of Indirect Taxes and Customs.
- **Under –** Section 47(1) of ***Customs Act, 1962.***
- **Governed By –** Deferred Payment of Import Duty Rules, 2016.
- It Promote compliance under the ***Authorised Economic Operator (AEO) framework.***

> ***AEO (Authorised Economic Operator)*** *is a trade facilitation programme implemented by the Central Board of Indirect Taxes and Customs under the World Customs Organization framework.*

- **Key Features – Allows –** Clearance of imported goods without upfront customs duty payment for certain manufacturers, eases pressure on their working capital.
- Encourages progression to AEO-T2/AEO-T3 status.
- **Eligibility Criteria –** Strong Customs and GST compliance, turnover, sound financial standing and a clean past track record.
- Existing AEO-T1 entities (including MSMEs) are eligible if conditions are met.
- **Validity –** ***1 April 2026 – 31 March 2028***
- Applications open from 1 March 2026 (via AEO portal)

- **New category –** The scheme creates a new category, Eligible Manufacturer Importers (EMIs), with duty payable on a monthly basis instead of at import.
- **Benefits –** Improve working capital and liquidity.
- Encourage domestic production and exports.
- Enhance Ease of Doing Business.

Quick Facts

- **AEO three Tiers –** AEO T1, AEO T2, AEO T3, where AEO T3 is the highest level of accreditation for Exporters and Importers.
- There is one more category of AEO- LO that covers all other entities in the supply chain other than the importers and exporters.

AEO T1	AEO T2	AEO T3
AEO–T1 is the entry-level certification. It is granted to importers and exporters who demonstrate a satisfactory level of compliance with customs laws and procedures. **Benefits** • Direct port delivery / direct port entry • Reduced examination of cargo • Faster customs clearance • Priority in processing refunds and drawback claims • Deferred duty payment facility (subject to eligibility)	Granted after detailed compliance verification. Higher level of benefits than AEO-T1. Includes: • Reduced examination of consignments • Priority customs clearance • Deferred duty payment (for eligible importers) • Faster refunds and drawback processing.	Highest level of certification. Extensive validation of security standards, compliance history, and internal controls. • Benefits include: • Minimal physical inspection • Priority treatment in customs clearance • Recognition under Mutual Recognition Agreements (MRAs) with other countries

References

1. PIB | Eligible Manufacturer Importer (EMI) Scheme
2. ET | Eligible Manufacturer Importer (EMI) Scheme



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