

# CBIC amends CAROTAR Rules by replacing ‘Certificate of Origin’ with ‘Proof of Origin’

19 March 2025

The Central Board of Indirect Taxes and Customs (CBIC) has introduced amendments<sup>1</sup> to the CAROTAR Rules<sup>2</sup>, which apply to importers availing preferential duty benefits under trade agreements. These rules ensure that importers maintain proper documentation to substantiate the origin of goods.

The amendment updates compliance requirements for importers by replacing the ‘Certificate of Origin’ (CoO) with ‘Proof of Origin’ (PoO), introducing the following changes:

- The customs officers will focus on checking whether the PoO is genuine and if the information provided is accurate.
- Importers must submit a PoO while filing the bill of entry to claim preferential duty benefits.
- If custom authorities find discrepancies in the PoO, they may reject the preferential duty claim without verification.
- The customs officer may verify the PoO during the customs clearance or even after the goods have been imported.

A ‘Proof of Origin’<sup>3</sup> is a certificate or declaration issued under a trade agreement, confirming that the imported goods meet the country-of-origin criteria and other conditions required for duty benefits.

These amended rules<sup>4</sup> will take effect from the date of their publication in the Official Gazette.

## Our comments

The transition from CoO to ‘Proof of Origin’ marks a major shift in India’s Rules of Origin framework under trade agreements.

Previously, importers had to submit a CoO issued by an authorised agency in the exporting country to claim preferential duty rates. Under the new framework, importers can provide a PoO, which may be either a certificate or a self-declaration, confirming compliance with the origin criteria under the relevant trade agreement.

The amendment increases the responsibility of importers to ensure proper documentation while simplifying compliance by allowing flexible forms of PoO.

Globally, many economies are shifting towards self-certification and flexible PoO mechanisms, reducing dependency on CoO requirements. The introduction of PoO aligns India’s framework with international best practices, such as the EU’s Registered Exporter (REX) system, USMCA self-certification framework.

<sup>1</sup> Notification No. 14/2025-Customs (NT) dated 18 March 2025

<sup>2</sup> Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020

<sup>3</sup> Section 28DA of the Customs Act, 1962

<sup>4</sup> The Customs (Administration of Rules of Origin under Trade Agreements) Amendment Rules, 2025

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