Chapter 9

Promoting Cross Border Trade in Digital Economy

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Promoting Cross Border Trade in Digital Economy

9.00 Objective

The objective of this chapter is to provide a framework for cross-border trade of goods and services from India in the digital economy and the promotion of e-Commerce and other emerging channels of exports from India.

9.01 E-Commerce Exports of Goods

Export of goods where selling is through the internet on an e-Commerce platform, the payment for which shall be done through international credit or debit cards, or other authorised electronic payment channels and as specified by the RBI from time to time.

9.02 E-Commerce Exports of Services

Exports of services where selling is through the internet on an e-Commerce platform, the payment for which shall be done through international credit or debit cards, or other authorised electronic payment channels and as specified by the RBI from time to time.

9.03 E-Commerce Platform

E-Commerce platform is an electronic platform, including a web-portal, that enables the commercial process of buying and selling through the internet.

9.04 E-Commerce Export Logistics Provider

Any service provider who provides logistics services towards exports of goods or services for e-Commerce Exports.

9.05 Export through Courier Service/Post

Exports through a registered courier service/Foreign Post Office is permitted as per Notification(s) issued under Customs Act, 1962. However, exportability of such items shall be regulated in accordance with FTP/Export Policy in ITC(HS) as notified. There shall be no value limit prescribed per consignment for exports through courier service.

9.06 Import through courier service/Post

i. Imports through a registered courier service or Post are permitted as per Notification(s) issued under the Customs Act, 1962. However, importability of such items shall be regulated in accordance with FTP and the ITC(HS) based Import Policy as notified.

ii. Exports by courier mode of precious Metal Jewellery through E-commerce and re-import of such export shipments returned by the buyer shall be allowed as per the Notification(s) issued and procedures prescribed under the Customs Act, 1962.

A. PROMOTION OF E-COMMERCE EXPORTS

9.07 Handholding and outreach to promote e-Commerce Exports

i. The Niryat Bandhu Scheme (NBS) as defined under Chapter 1 of the Policy shall have a component for the promotion of e-Commerce and other emerging channels of exports. Under the given NBS component, DGFT shall organise outreach activities/workshops in partnership with Customs Authorities, Department of Post, 'Industry Partners' and 'Knowledge Partners' for promotion of e-Commerce exports. Besides outreach/ workshops, specific focus may be on creation of electronic content as well.

ii. In addition to increasing awareness on e-Commerce related rules and processes, actions may be undertaken under the said NBS component for capacity building and skill development for promotion of e-Commerce exports, in partnership with Customs Authorities, Department of Post, 'Industry Partners' or the 'Knowledge Partners'.

B. E-COMMERCE EXPORT HUBS (ECEHs)

9.08 Objective of E-Commerce Export Hubs

The objective is to establish designated areas as E-Commerce Export Hubs (hereafter called "ECEH"), which would act as a centre for favourable business infrastructure and facilities for Cross Border E-Commerce activities.

9.09 Creation of ECEH

i. The ECEH shall ordinarily be setup through private initiative. It may also be setup in Public-Private-Partnership (PPP) mode in partnership with the State governments/Central government. Request for approval of an ECEH proposed shall be submitted to the notified committee to be constituted by DGFT.

ii. Existing facility with the required infrastructure may also apply to be designated as ECEH.

9.10 Nature of ECEH Operations

i. ECEH will function to achieve agglomeration benefits for e-commerce exporters. The ECEH may provide for storage (including cold storage facilities), packaging, labelling, certification & testing and other common facilities for the purposes of export.

ii. The ECEH shall also provide for dedicated logistics infrastructure for connecting to and leveraging the services of the nearest Logistics hub(s).

iii. All goods, including SCOMET and Restricted goods (subject to suitable compliance of regulations and conditions) and except goods which are prohibited or otherwise disallowed, may be handled at ECEH.

iv. Capital goods brought to a ECEH shall be utilized only for activities as mentioned at (i) above on payment of the duties and taxes, as applicable, in terms of extant laws.

9.11 Entitlement under ECEHs

i. ECEH may be provided financial assistance under MAI scheme, for e-Commerce export promotion projects for marketing, capacity building and technological services such as imaging, cataloguing, product video creation of e-Commerce Goods.

C. PROMOTION OF E-COMMERCE EXPORTS THROUGH POSTAL ROUTE

9.12 Dak Niryat Kendras

Dak Ghar Niryat Kendras shall be operationalised throughout the country to work in a hub-and-spoke model with Foreign Post Offices (FPOs) to facilitate cross-border e-Commerce and to enable artisans, weavers, craftsmen, MSMEs in the hinterland and land-locked regions to reach international markets.

D. INVENTORY-BASED CROSS-BORDER E-COMMERCE FACILITATION FRAMEWORK

9.13 Definitions

For the purposes of the Inventory-based Cross-border E-Commerce Facilitation Framework, unless the context otherwise requires, the following expressions shall have the meanings assigned to them:

i. **'Exporter-on-Record (EOR)'** means an entity holding a valid IEC and GSTIN, registered with DGFT under the Inventory-based Cross-border E-Commerce Facilitation Framework, exporting and selling goods procured from one or more Sellers-on-Record to buyers located outside India. Where an e-commerce entity proposes to undertake export operations under Para 5.2.15.2.5 of Consolidated FDI Policy as amended vide Press Note No. 3 (2026 Series) dated 23.07.2026, such operations shall be carried out through a separate legal entity incorporated for this purpose. At the time of registration or amendment as the Exporter-on-Record, such entity shall disclose its shareholding pattern and the nature of its ownership or control relationship with the e-commerce entity.

ii. **'Seller-on-Record (SOR)'** means an entity registered in India under the applicable Goods and Services Tax law, supplying goods produced in India to the Exporter-on-Record against the Exporter-on-Record's confirmed export orders, for the purpose of export to buyers located outside India.

iii. **'Export Inventory'** means goods procured by the Exporter-on-Record from a Seller-on-Record against a confirmed export order and held exclusively for export, which are designated, recorded, and traceable in the Exporter-on-Record's records as export-designated stock.

iv. **'Domestic Inventory'** means goods held by the Seller-on-Record for supply in the Domestic Tariff Area (DTA).

v. **'Export Rebates and Refunds' (ERR)** means cash or cash-equivalent export incentives, rebates, refunds or remissions received by the Exporter-on-Record upon export of goods, including Duty Drawback, RoDTEP, RoSCTL or any other notified scheme involving direct monetary or transferable financial benefit. Export Rebates and Refunds shall not include non-transferrable duty remission instruments such as Advance Authorisation or EPCG Authorisation. Refund of taxes to Exporter-on-Record under the Central Goods and Services Tax Act, shall be an Exporter-on-Record entitlement and is not part of Seller-attributable Export Rebates and Refunds.

9.14 Objective of the Framework

The objective of this Framework is to enable e-commerce exports through an inventory model under which the Exporter-on-Record holds inventory for export, undertakes export-related processes, exports goods, and assists and enables Sellers-on-Record to access global markets.

9.15 Eligibility and Conditions for Holding of Export Inventory

i. An e-commerce entity, other than a marketplace e-commerce entity, as defined under the Consolidated FDI Policy, may undertake export-only inventory operations through an Exporter-on-Record registered under this Framework. Such Exporter-on-Record may hold inventory of goods exclusively for export through e-commerce and undertake all export-related activities, subject to this Framework and the Consolidated FDI Policy, as in force from time to time.

ii. Only goods of Indian origin shall be eligible under this Framework. The Seller-on-Record shall be responsible for ensuring and declaring the correct origin of goods in accordance with applicable laws and the relevant origin criteria.

iii. A list of ineligible goods may be notified by DGFT from time to time.

iv. Title to goods shall pass from the Seller-on-Record to the Exporter-on-Record only against a confirmed export order received by the Exporter-on-Record from a buyer located outside India. Speculative transfer of title or inventory build-up without a confirmed export order is not permitted under this Framework.

9.16 Export Inventory Management and Segregation

The Exporter-on-Record shall be responsible for distinctly identifying, segregating and maintaining Export Inventory, and for maintaining a digital repository enabling identification, tracking and traceability of all Export Inventory, including records relating to procurement from Seller-on-Record, inventory status, and linkage with export documentation.

The manner, form and standards for identification, segregation and maintenance of Export Inventory, and for the digital repository referred to above, shall be as prescribed under the Handbook of Procedures.

9.17 Payment to the Seller-on-Record and Export Rebates and Refunds (ERR)

i. The Exporter-on-Record shall make payment to the Seller-on-Record promptly upon acceptance or deemed acceptance of the goods, and in any event no later than 7 days from the date of acceptance or deemed acceptance of the goods by the Exporter-on-Record. Payment to the Seller-on-Record shall not be contingent upon or delayed on account of receipt of payment from the buyer outside India, return of goods by the buyer outside India, or any other event outside the control of the Seller-on-Record.

ii. The Exporter-on-Record shall be entitled to claim Export Rebates and Refunds in accordance with provisions of the FTP and relevant notifications.

iii. The Exporter-on-Record shall apportion and disburse the Export Rebates and Refunds among the Sellers-on-Record whose goods form part of the Export Consignment, in proportion to the Free-on-Board (FOB) value attributable to the goods of each such Seller-on-Record as declared in the Shipping Bill for that Export Consignment.

iv. The Exporter-on-Record may retain an administrative charge from the Export Rebates and Refunds. The balance amount, after deduction of such administrative charge, shall constitute the Seller-attributable Export Benefits and shall be disbursed to the Seller-on-Record.

v. The pass-through obligation under sub-para (iii) above shall become operative in respect of an Export Consignment only upon the Exporter-on-Record having claimed Export Rebates and Refunds in respect of that consignment.

9.18 Reverse Logistics and Returned Consignments

i. The Exporter-on-Record shall own and manage all reverse logistics processes for returned or rejected consignments.

ii. Returned or rejected consignments shall not, under any circumstances, be sold or supplied in the domestic market by the Exporter-on-Record, whether directly or through any other person or entity.

iii. The costs associated with the reverse logistics shall be borne by the Exporter-on-Record.

9.19 Utilisation of E-Commerce Export Hubs (ECEHs)

The Exporter-on-Record shall, to the extent practicable, utilise notified E-Commerce Export Hub (ECEH) infrastructure for operations under this Framework, subject to the operational readiness and available capacity of such facilities.