

Why Did UAE Customs Take Back Your CEPA Duty Saving?



Yash Khatri

Founder, SourcingFrom

Updated 18 Oct 2026 6 min read

Because a CEPA certificate gets you the preference at clearance, but it doesn't end the question. The India-UAE CEPA lets the importing country verify origin afterwards and deny the preference if the goods didn't meet the origin rule, if the exporter can't or won't show its records, or if India's issuing authority doesn't answer in time. Most denials trace back to the Indian exporter's cost working, so get it settled before you ship.

The Short Version

- The CEPA lets UAE customs verify origin after release, through the Indian authority, questionnaires or a visit.
- Article 3.25 lists six grounds for denial, and four of them are about the exporter's records.
- India's authority has 15, 30 or 90 days to answer, depending on the request.
- Indian exporters must keep origin records for at least five years.
- Goods routed through a third country keep origin only if they stay under customs control there.

Because the certificate of origin only opens the door. Under the India-UAE CEPA, UAE customs can check origin after your goods have cleared, and deny the preference if the goods didn't meet the origin rule or the Indian exporter can't prove they did. When that happens you pay the duty you saved, months after you sold the goods.

An Indian law firm described one such case in August 2026 - "On post-clearance review, customs denied the concessional rate entirely" - and a logistics firm replying to a similar post said it had "seen this specifically with India-UAE CEPA seafood and textiles" (our forum signal FS-SHP-046,

2026). The [UAE trade page](#) covers CEPA, registration and routing at large. This page is about the denial itself – what the agreement allows, why claims fail, and what to get from your exporter so yours doesn't.

One caveat before the detail. UAE government pages blocked our reads in September 2026. The agreement text below was read through the World Trade Institute's copy of the CEPA's Chapter 3 on 19 October 2026, and India's Department of Commerce lists the official chapter files. How UAE customs applies it day to day, and how often it denies claims, is something to confirm with your clearing agent.

SourcingFrom Intelligence

powered by [Kirnova](#) – the intelligence company

- 01 **Verification happens after release, and has deadlines.** India's authority must answer within 15 days on authenticity, 30 days for a copy of the minimum information, and 90 days where origin is in doubt, extendable by up to 60 days. *(India-UAE CEPA, Article 3.22(5), read through the WTI copy, 19 October 2026)*
- 02 **Six grounds for denial.** The product fails the rules of origin, records aren't kept or access is refused, cost information is insufficient, facilities are closed to a visit, India's authority doesn't answer in time, or the information can't prove origin. *(CEPA Article 3.25(1))*
- 03 **Denials show up months later.** Indian law and logistics firms describe preference withdrawn at post-clearance review. *(Our forum signal FS-SHP-046, 2026)*

1. Can UAE Customs Really Deny CEPA After Clearance?

Yes, the agreement builds it in. Article 3.21 lets the importing country verify origin by asking the importer, asking the exporting country's authority for help, sending written questionnaires, or visiting the exporter's premises. The

request goes from UAE customs to the Indian authority that issued the certificate (Article 3.22). Nothing in that process waits for the goods to be held at the port. It can start after they've been released, sold and paid for.

So read a CEPA clearance as provisional. The duty saving is real when the goods clear, and it stays real only if the origin evidence holds up when someone asks for it.

2. Why Do Claims Fail?

The agreement lists the reasons, and as we read Article 3.25(1) they fall into three groups.

The goods weren't originating. A product qualifies if it's wholly obtained in India or has had enough working under its product-specific rule in Annex 3B (Article 3.2). The value-addition test can be worked on FOB or ex-works price, at the percentage the rule sets, and the final manufacture must happen in India. India's own CEPA FAQ gives 40% value addition as the general level (as reported on our UAE page). Where this goes wrong is the cost sheet. Imported fabric, yarn, components or packaging push non-originating content up, and a supplier that rounded its numbers at application time gets found out at verification.

Some operations never confer origin however much they cost. Article 3.5 lists them - repacking, labelling, simple cutting, sorting, simple mixing or assembly, cleaning, testing, and combinations of those. A trader that repacks imported goods in India can't make them Indian. That's the risk our UAE page describes for mixed Chinese and Indian boxes.

The records didn't hold up. Four of the six grounds are about evidence - the exporter didn't keep records, gave insufficient information including cost breakdowns, refused access to its records, or closed its facility to a visit. Indian exporters and producers must keep origin information for at least five

years, and accounting and cost records for at least five years from issue (Article 3.19). A small exporter that changed accountants or lost a supplier's invoices can fail here with goods that really were Indian.

India didn't answer in time. If the issuing authority misses the 15, 30 or 90 day deadline, or sends too little, the preference can be denied (Article 3.25(1)(e)). That's outside your control and your supplier's, which is one more reason to keep your own file.

3. Can the Route Cost Me the Preference?

It can, and in 2026 this is worth a look. Article 3.12 grants preference only to goods "transported directly between the Parties". Goods that pass through a third country keep their origin only if they stay under customs control there, with nothing done to them beyond unloading, reloading, splitting, storing, labelling or keeping them in good condition. The importer must show evidence of that on request.

Since March 2026 a lot of UAE-bound cargo from India has been discharged at Sohar in Oman or at Jeddah and trucked in (route detail on our [UAE page](#)). Our reading is that this is permitted transit, provided the goods stay under customs control on the way. Keep the through bill of lading and the transit documents from the third-country port, and ask your clearing agent what UAE customs expects to see. We haven't seen a denial on this ground, so treat it as a gap to close, not a known failure (Indicative).

4. What Should I Get From the Exporter Before Shipping?

Six things, before the goods leave India:

1. **The certificate against the final invoice.** Since April 2026 DGFT requires the invoice number on a preferential certificate to match the shipping bill

exactly (Notification 05/2026–27, as read on our [UAE page](#)). A certificate covers one import and is valid for 12 months from issue (CEPA Articles 3.13 and 3.14).

2. **The origin criterion written on it**, and the HS code your clearing agent will declare. A code mismatch between the two sides invites a question.
3. **A short origin note from the exporter**. Which rule it used, its value addition figure, and which inputs were imported. You don't need its full cost sheet. You need to know one exists.
4. **A written promise on verification**. That it will keep the records for five years, answer a questionnaire, and accept a visit if asked. Refusing a visit is itself a ground for denial (Article 3.19(5)).
5. **Who made the goods**, if your exporter is a trader. Its certificate rests on the maker's cost records, so the maker has to be willing to share them. This hand-off is explained on [my supplier can't export](#).
6. **Routing documents** for any transit through a third country.

How CEPA certificates are applied for in India is on [getting a certificate of origin in India](#), and the origin tests in general are on [rules of origin](#).

5. What If It Has Already Happened?

Ask your clearing agent for the ground the authority used, in writing. Then send it to your Indian exporter, because most of the answers sit in its records. If the problem was a late or thin reply from India, the exporter can chase its issuing agency. If the goods really didn't meet the rule, the duty is owed, and the fix is the cost sheet for next time.

Persistent failures can lead to the preference being suspended for that exporter's goods, with written reasons sent to India within 15 days and consultations to restore it (Article 3.28). That's a supplier problem with a long

tail. If you'd rather have someone check origin working and paperwork before shipment, [SourcingSync](#) does it for buyers importing from India.

Questions Buyers Ask

How long after clearance can UAE customs check origin? ^

The agreement sets deadlines for India's replies but we didn't find a cut-off for starting a check in the text we read. Indian records must be kept at least five years. Ask your clearing agent about UAE practice.

Is the duty I lose the full 5%? v

Can I re-use one certificate for several shipments? v

Does a trader's certificate count? v

6. Keeping the Saving

The law firm's client lost the rate "entirely", and that's the lesson. A CEPA saving isn't banked when the goods clear. It's banked when the evidence behind the certificate is complete, kept and willing to be shown. Settle that with your exporter before the first shipment, and the review that may come months later is just paperwork.