Module 19 · Baggage — the 2026 Rules P19 · topic 19.1

The SM (pp. 1140–1149) still teaches the Baggage Rules, 2016. The **Dec'26 supplementary (pp. 26–93) replaces them with the Baggage Rules, 2026, in force from 2 February 2026** — every number in past answers (GFA ₹50,000 / ₹15,000, jewellery value caps, 38.5%) is now wrong. Baggage has come as a **Q7(a) sum** in D23, J25, D25 and as **MCQ (xiii)** in D24, D25, J26 (expected ~6 marks). **These notes use the supplementary only; the SM figures appear just once, in the old-v-new table.**

Paper	Question (all on the 2016 Rules)
Dec'23	Q7(a) residents back from the USA: laptop, personal effects, PC · MCQ transfer of residence after 36 months
Jun'25	Q7(a) couple back from Spain after 6 days: PC, laptop, liquor, camera, plasma TV · MCQ dutiable baggage after GFA
Dec'25	Q7(a)(i) **foreign tourist**: souvenirs, articles, 140 cigarettes, firearm · (ii) prohibited articles detained (s.80) · MCQ bona fide baggage
Jun'26	MCQ jewellery allowance (gentleman abroad over 1 year)
ICMAI	PTP Q7(a) foreign tourist (= D25 template) · postal Q7(a) couple from London · MQP / PTP MCQs

⚠ OLD (SM, 2016 RULES) v NEW (SUPP D26, 2026 RULES)

Item	SM — do not use	2026 Rules — use
General free allowance	₹50,000 (Indian origin); ₹15,000 (foreign tourist) [SM 1142]	**₹75,000**; foreign tourist **₹25,000**; **none by land** [Supp D26 p.33]
Jewellery (abroad over one year)	20 gms with a value cap of ₹50,000 / 40 gms with a value cap of ₹1,00,000 [SM 1142]	**weight only**: female **40 grams**, others **20 grams** [Supp D26 p.56]
Effective duty on the excess	38.50% (35% + SWS) [SM 1141–1142]	**35%**; IGST, SWS, AIDC nil — "not 38.5%" [Supp D26 p.27]

A The structure — "PE + GFA + Jewellery + TR"

- Baggage Rules, 2026 (Notification No. 14/2026-Customs (N.T.)) **supersede the 2016 Rules from 02.02.2026**; with the Declaration and Processing Regulations 2026 (15/2026) and Master Circular 04/2026. Power: **section 79**. [Supp D26 p.26]
- Four concessions, each with its own conditions: **Personal Effects (Rule 3)**, **General Free Allowance (Rule 5)**, **Jewellery (Rule 6)**, **Transfer of Residence (Rule 7)** — TR is in addition to Rules 3 / 5. [Supp D26 p.26]
- **Duty**: ordinary baggage (heading 9803) **35%** on the value above the allowance; IGST, SWS, AIDC nil. Not for gold / silver bars, firearms, excess liquor or tobacco — their own tariff rates (e.g. liquor AIDC 100%; gold / silver bars AIDC 5%). [Supp D26 p.26–27]
- **Definitions**: **resident** = ordinarily residing in India + valid Indian passport · **tourist** = not ordinarily resident, in India not more than **6 months** in any 12 · **tourist of Indian origin** = NRIs and OCI cardholders · **infant** = not more than **2 years** (gets Rule 3, not the GFA) · foreigner with a non-tourist visa staying over six months. [Supp D26 p.27–29]
- **Rule 3 personal effects**: used personal effects for daily necessities + **travel souvenirs**, on the person or in bona fide baggage — **any value**, every passenger incl. an infant; not Annexure-I goods; not commercial quantities. [Supp D26 p.29–30]
- **Rule 4**: re-import of valuables taken out with an **Export Certificate (CBD-III)** (valid until first arrival or 6 months); tourists' temporary import with **CBD-IV**, re-exported at first departure or within 6 months, earlier. [Supp D26 p.30–32]
- **Rule 5 GFA**: **₹75,000** (residents, tourists of Indian origin, foreigners with non-tourist visas); **₹25,000** for foreign tourists; only when arriving **other than by land**; not for Annexure-I goods; **no pooling**; unused balance lapses. Plus **one new laptop** (incl. notepad) free for passengers **18 years or above**, other than crew. [Supp D26 p.33–35]
- **Annexure-I** (outside Rules 3 / 5 / 7): firearms · cartridges **exceeding 50** · cigarettes **exceeding 100** sticks · cigars exceeding **25** · tobacco exceeding **125 grams** · liquor / wine exceeding **2 litres** · **gold or silver other than ornaments** · **television**. [Supp D26 p.35]

RULE 6 · JEWELLERY

- Resident or tourist of Indian origin who has **resided abroad for more than one year**: **female 40 grams**, others **20 grams** — by **weight**, the old value caps removed; excess grams dutiable. Stay of 11 months → no Rule 6 at all. [Supp D26 p.56–57]
- Gold **ornaments** are not Annexure-I goods, so without Rule 6 they can still use the GFA (Mrs. Ananya); gold / silver **bars** cannot — special scheme for eligible

RULE 7 · TRANSFER OF RESIDENCE (RESIDENTS / TOURISTS OF INDIAN ORIGIN)

passengers (6 months abroad, duty in convertible currency, gold up to 1 kg). [Supp D26 p.58, Supp D26 p.63]

Stay abroad	TR limit
3 months up to 12 months	**₹1,50,000**
minimum 1 year in the preceding 2 years (no TR in preceding 3 years)	**₹3,00,000**
2 years or more (short visits ≤ 6 months; no TR in preceding 3 years)	**₹7,50,000**

Annexure-II articles, one unit each; Annexure-I excluded. Foreign professionals have a separate table (₹1,50,000 for 6–12 months' stay ...). [Supp D26 p.66–67, Supp D26 p.70]

PROBLEMS BOX · BAGGAGE SUM (Q7(a)) — 2026 RULES, RECOMPUTED BY SCRIPT

WORKED PATTERN · SUPP D26 "MRS. ANANYA" (RESIDENT, 6 MONTHS IN SINGAPORE)

Used personal effects ₹90,000	Nil — Rule 3
One new laptop ₹60,000 (age 36)	Nil — laptop concession
Gold jewellery 25 g ₹2,75,000 — stay only 6 months: no Rule 6; ornaments not Annexure-I → GFA usable	2,75,000
Music system	50,000
Less: GFA	(75,000)
Dutiable value × 35%	**2,50,000 → 87,500**

[Supp D26 p.57–59]

OTHER SUPPLEMENTARY EXAMPLES

- Resident by air, new articles ₹1,20,000 → ₹45,000 × 35% = **₹15,750**; foreign tourist ₹80,000 → ₹55,000 × 35% = **₹19,250**; husband's camera ₹1,40,000 (no pooling) → **₹22,750**. [Supp D26 p.33–34]
- By land: no GFA — new item ₹30,000 → **₹10,500**. TV ₹60,000 (Annexure-I) → **₹21,000**, even with GFA unused. [Supp D26 p.35–37]
- 200 cigarettes worth ₹2,00,000: first 100 within GFA → ₹8,750; excess 100 at Chapter 24 rates (BCD, additional duty, NCCD, SWS on all three, IGST 40%) → ₹86,741; total **₹95,491**. [Supp D26 p.37–39]
- Mr. R, 2 years 4 months in UAE: effects, laptop nil; gifts ₹1,10,000 − 75,000 → **₹12,250**; TR ₹7,20,000 ≤ ₹7,50,000 nil. [Supp D26 p.91–92]

STEPS (EVERY BAGGAGE SUM)

1. Classify the passenger (resident / tourist of Indian origin / foreign tourist / infant), mode (land?), stay abroad, age.
2. Take out Rule 3 items (used effects, souvenirs) and the one laptop (18+).
3. Separate Annexure-I goods (TV, bars, firearm, tobacco / liquor beyond limits) — no GFA, own rate.
4. Rule 6 jewellery (over one year abroad: 40 g / 20 g); TR goods against the TR limit.
5. Remaining goods − GFA (₹75,000 / ₹25,000; none by land; per person) → × 35%.

JUN'25 Q7(a) REWORKED UNDER THE 2026 RULES (OUR WORKING)

6 days in Spain, by air, each spouse ₹75,000 (no pooling). Used clothes ₹2,70,000 and the laptop ₹1,90,000 → nil. Assume the PC (₹2,72,000) is Mr.'s and the camera (₹1,74,800) + 2 litres liquor (₹3,200, within limit) are Mrs.'s: (1,97,000 + 1,03,000) × 35% = ₹1,05,000; plasma TV ₹2,50,000 is Annexure-I → ₹87,500. **Total ₹1,92,500.**

D25 Q7(a)(ii) · DETAINED GOODS

Prohibited / dutiable goods may be detained against a **CBD-V** detention receipt; cleared or re-exported within **6 months**, extendable by up to another 6 months by the Principal Commissioner / Commissioner; then sold — proceeds to expenses, freight, duty, custody, Government dues, balance to the owner. [Supp D26 p.90–91]

PRACTISE THESE

The 20+ worked examples in Supp D26 pp. 29–93 · D23, J25, D25 Q7(a) and PTP Q7(a), postal Q7(a) **re-worked with 2026 numbers** · **ICMAI Practice Workbook Ch16 illus. 1–6** (2016 numbers — rework) · MCQ bank Q79–Q84, Q159–Q161 (check each against the 2026 Rules).

B Other rules and the declaration regulations

- **Rule 8 currency**: per FEMA (Export and Import of Currency) Regulations, 2015 — declare (CBD-I) foreign currency notes above **US$5,000** or total foreign exchange above **US$10,000**. [Supp D26 p.76]
- **Rule 10 unaccompanied baggage**: baggage in the passenger's possession abroad, dispatched within **one month** after arrival (DC / AC may extend). [Supp D26 p.83]
- **Rule 11 crew**: Baggage Rules apply only on final pay-off; otherwise chocolates, cheese, cosmetics, gifts up to **₹2,500**. [Supp D26 p.86]
- **Five CBD forms**: CBD-I accompanied baggage declaration · CBD-II unaccompanied · CBD-III export certificate · CBD-IV temporary import · CBD-V detention receipt. [Supp D26 p.90]
- Minor's declaration by a family member / guardian; records kept **5 years**; Green Channel with undeclared dutiable goods → confiscation, redemption fine, penalty, prosecution. [Supp D26 p.91]
- **Hook: "75 / 25 / 0 by land · 40 g / 20 g after a year · 35% flat · TR 1.5 / 3 / 7.5 lakh · TV is never free."**
- SM baggage MCQs: check each key against the 2026 Rules (D25 bona fide baggage stays; J26 jewellery answer is now 20 g by weight, no value cap).