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What's New

Tax Insights

27 June 2026

DPIIT notifies Transition Facilitation (Quality Control) Order, 2026

In brief

The Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade (DPIIT), has issued[1] Transition Facilitation (Quality Control) Order, 2026 under the Bureau of Indian Standards (BIS) Act, 2016, which comes into force on 25 June 2026. It applies to goods covered under Quality Control Orders (QCOs) applicable to industries dealing in toys, footwear, air conditioners, electrical appliances, hinges and furniture (as specified in **Annexure 1**).

In detail

Background

As per the BIS regulations in India, once a QCO is enforced, covered goods must be manufactured, imported or sold in India only if they comply with BIS requirements and bear the ISI mark.

However, for several critical products, compliance was mandated under Scheme I, which involves stringent requirements, including prior factory inspections, which often led to delays and supply chain disruptions, and in turn affected value addition or consumption in the country.

To address these challenges, the government has introduced a relaxation allowing approved companies to register or have their suppliers registered under BIS through the simpler **Scheme II route instead of Scheme I**. Compared with Scheme I, Scheme II is less time consuming as this scheme allows shift from Pre-Assessment to Post-Market Scrutiny as it does not require prior factory inspections. Thus, under Scheme II, conformity is established *via* third-party laboratory test reports, self-declarations of conformity, and legal undertakings provided by the manufacturer.

This measure is thus expected to ease compliance, subject to eligibility conditions and regulatory approval.

Key highlights

- For the products covered under the QCOs listed in Annexure 1, applications can be submitted by the suppliers within 24 months from the start of the order.
- The Applicant or Person getting permission must be a company incorporated under the Companies Act, 2013 (essentially the domestic entity in India, which could be an importer, brand owner, or assembler).

[1] PIB Press Release dated 25 June 2026 & Notification No. S.O. 3417(E) dated 25 June 2026

- The order will remain in force for five years from its commencement, unless withdrawn or extended.
- Detailed procedures, documentation requirements and compliance guidelines will be issued separately by the DPIIT.

What does this mean for businesses?

If you are procuring products covered under the Transitional QCO

- Businesses now have greater flexibility in sourcing, as procurement can be made from suppliers registered under BIS Scheme II, rather than relying solely on Scheme I (ISI certified) manufacturers.
- This enables diversification of the supplier base, helping mitigate supply constraints and ensuring business continuity where fully certified Scheme I suppliers are limited.

If you are a supplier of such products

- Businesses that have not yet obtained, or are facing challenges in obtaining, Scheme I certification can now opt for registration under the comparatively simpler Scheme II route to continue supplying without disruption.

What should businesses do next?

- **Evaluate applicability**: Review product portfolios to identify coverage under relevant QCOs and confirm eligibility under the revised framework.
- **Leverage Scheme II option**: Identify and onboard suppliers who can obtain BIS registration under Scheme II to benefit from greater flexibility in sourcing.
- **Plan timely filings**: Ensure applications are submitted within the prescribed 24-month transition window to avoid disruptions.
- **Strengthen documentation**: Prepare robust submissions demonstrating technical capability, compliance track record, and adherence to prescribed eligibility criteria.

Key takeaway

Though this measure is intended to improve supply continuity and strengthen the domestic quality ecosystem, it is not an open door for everyone. The supplier or manufacturers cannot simply use Scheme II arbitrarily and rather can only use a Scheme II registration option if they are explicitly supplying to a corporate entity that has received individual permission from the DPIIT Committee.

Annexure 1

S. No.	Quality Control Order	Date of Issue	Date of Implementation
1.	Toys (Quality Control) Order, 2020	25 February 2020	1 January 2021
2.	Personal Protective Equipment – Footwear (Quality Control) Order, 2020	27 October 2020	1 January 2022
3.	Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Order, 2019	5 December 2019	1 October 2023
4.	Footwear made from All Rubber and all Polymeric Material and its components (Quality Control) Order, 2024	27 October 2020	1 August 2024
5.	Footwear made from Leather and other Materials (Quality Control) Order, 2024	27 October 2020	1 August 2024
6.	Electrical appliance for domestic water heating (Quality Control) Order, 2025	11 March 2024	1 March 2025
7.	Electrical appliance for domestic clothes washing (Quality Control) Order, 2024	7 March 2024	1 April 2025
8.	Hinges (Quality Control) Order, 2025	12 December 2023	1 July 2025
9.	Furniture (Quality Control) Order, 2025	14 February 2025	13 February 2026
10.	Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2026	20 September 2024	1 October 2026

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