



ENVIRONMENT

Director-Level Accountability and AEO Facilitation Under the Latest Legal Metrology (Packaged Commodities) Amendment Rules

The Central Government, exercising its powers conferred by Section 52(1) read with clauses (j) and (q) of Section 52(2) of the Legal Metrology Act, 2009 (Act 1 of 2010), has notified the Legal Metrology (Packaged Commodities) Third Amendment Rules, 2026, vide notification G.S.R. 418(E), dated 29 May 2026, published in the Gazette of India, Extraordinary, [...]

AUTHOR Rahul Sundaram

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The Central Government, exercising its powers conferred by Section 52(1) read with clauses (j) and (q) of Section 52(2) of the Legal Metrology Act, 2009 (Act 1 of 2010), has notified the Legal Metrology (Packaged Commodities) Third Amendment Rules, 2026, vide notification G.S.R. 418(E), dated 29 May 2026, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 377. Issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) and signed by Anupam Mishra, Additional Secretary, these amendments introduce material modifications to the Principal Rules of 2011, which were originally published vide G.S.R. 202(E) dated 7 March 2011 and were last amended vide G.S.R. 312(E) dated 27 April 2026. The amendments came into force on the date of their publication in the Official Gazette, and address three distinct yet interconnected regulatory domains: trade facilitation for importers through Authorised Economic Operators (AEOs), enhanced corporate accountability mechanisms, and the rationalisation of registration validity and compliance protocols.

The first substantive amendment pertains to Rule 4 of the Principal Rules, which governs the mandatory declarations required on every package. The existing Explanation has been renumbered as Explanation-1, and a new Explanation-2 has been inserted immediately thereafter. This new provision clarifies, for the removal of doubts, that importers shall be allowed to make mandatory declarations at the bonded warehouses of Authorised Economic Operators certified at Tier-2 and Tier-3 levels in India. A carefully crafted proviso appended thereto mandates that all retail packages must bear the complete mandatory declarations specified under the Rules before leaving the bonded warehouses of such Tier-2 and Tier-3 certified operators. The Note appended to this Explanation clarifies that Authorised Economic Operators Tier-2 and Tier-3 are administered by the Central Board of Indirect Taxes and Customs for the purpose of expediting customs clearance for compliant importers and exporters. This amendment represents a calibrated trade facilitation measure, permitting the deferral of declaration obligations to controlled warehouse environments while ensuring full compliance before the commodities enter the domestic retail supply chain. By restricting this benefit to higher-tier AEOs, the Government adopts a risk-based regulatory approach that rewards demonstrated compliance credentials without compromising the consumer protection mandate of the Act.

The second set of amendments targets Rule 27, which deals with the registration of manufacturers, packers, and importers. In sub-rule (2), which enumerates the particulars required to be submitted along with a registration application, a new clause (d) has been inserted after the existing clause (c). This clause mandates the disclosure of the name of the Director of the company who shall be responsible for violations under the Act and the rules made thereunder. This provision introduces a direct personal accountability mechanism at the board level, ensuring that corporate entities cannot shield themselves behind the veil of corporate personality when statutory violations occur. By requiring the nomination of a specific director for compliance responsibility, the amendment significantly strengthens the enforcement architecture and is a potent deterrent against non-compliance.

To sub-rule (3) of Rule 27, a proviso has been inserted imposing a mandatory annual updating obligation upon companies and firms holding registration. Registered entities are now required to update their details annually whenever there is a change in any particulars, including address, products with their number to be manufactured, packed or imported during the previous year, and the country of origin. The Government is statutorily mandated to make an option available on an online portal for this purpose. This transforms the registration framework from a static, one-time exercise into a dynamic compliance mechanism, enabling real-time regulatory oversight and ensuring that the Department of Consumer Affairs maintains accurate and current records of all regulated entities.

Finally, the amendment introduces a new sub-rule (5) after sub-rule (4) of Rule 27, providing that registration certificates shall remain valid until cancelled. This marks a significant departure from the erstwhile regime of periodic renewals, establishing a perpetual validity model. While reducing the administrative burden upon registrants and regulatory authorities alike, this provision is balanced by the annual updating requirement and the ever-present threat of cancellation for non-compliant entities. The shift from time-bound renewals to event-based compliance represents a rationalisation of regulatory processes, allowing authorities to concentrate their resources on monitoring and enforcement rather than routine renewal administration.

In summation, the Legal Metrology (Packaged Commodities) Third Amendment Rules, 2026, embody a sophisticated regulatory philosophy that harmonises trade facilitation with corporate accountability and administrative efficiency. The bonded warehouse declaration facility for Tier-2 and Tier-3 AEOs aligns domestic law with international trade facilitation standards, while the Director-level accountability and annual updating provisions fortify the enforcement framework. The transition to perpetual registration validity, tempered by cancellation powers, reduces unnecessary compliance friction without diluting regulatory oversight. Collectively, these amendments advance the objectives of the Legal Metrology Act, 2009, by encouraging a regulatory environment that is simultaneously business-friendly and protective of consumer interests.

Related Practice Areas

Legal Metrology Compliance