

Recalibrating India's Quality Control Order Framework

Rajeev Kher & Anil Jauhri

1. Introduction and Evolution of India's QCO Framework

Technical regulation is a core responsibility of the modern state. Governments are expected to protect citizens from unsafe, substandard, environmentally harmful, or deceptive products while simultaneously ensuring that domestic markets remain efficient, competitive, and integrated with global trade systems. India's increasing reliance on Quality Control Orders (QCOs) reflects this dual responsibility and a growing recognition that standards, certification, and conformity assessment are central to contemporary economic governance.

Historically, in line with global practice, India relied primarily on sector-specific legislation to regulate products, especially with direct health and safety implications, most notably pharmaceuticals, food, and explosives or gas cylinders. In the absence

of sector-specific regulations, at times, some general legislation, such as the Essential Commodities Act or the Industries (Development and Regulation) Act, was invoked. Outside these areas, a large range of industrial and consumer products such as steel products, machinery, electrical goods, construction materials, textiles, toys, and a variety of chemicals remained subject mainly to voluntary standards. As India's economy expanded, imports diversified, and manufacturing value chains became more complex, the absence of a comprehensive technical regulation framework became increasingly apparent.

The Bureau of Indian Standards Act, 1986, introduced a framework for mandatory standards but confined compulsory certification largely to scheduled industries, leaving large segments of industrial and consumer products outside the ambit of mandatory technical regulation. This limited

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Rajeev Kher



Anil Jauhri

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applicability left some of the manufacturing ecosystem outside compulsory regulation. The enactment of the Bureau of Indian Standards Act, 2016, repealed the 1986 Act and marked a decisive institutional shift. It significantly expanded the scope of technical regulation by empowering the central government to notify mandatory standards for goods, articles, processes, systems, and services on grounds including public interest, health, safety, environmental protection, unfair trade practices, and national security (Bureau of Indian Standards, 2016). From around 2017 onwards, when it became evident that significant gaps existed in mandatory technical regulations, this expanded mandate translated into a rapid increase in the issuance of QCOs across sectors. QCOs increasingly came to be viewed not only as instruments of consumer protection but also as tools to curb low-quality imports, strengthen domestic manufacturing, and improve India's negotiating position in an international trade environment where technical regulations play a critical role. By March 2025, approximately 187 QCOs covering 769 products had been notified for compulsory BIS certification, illustrating both the scale and pace of regulatory expansion (PIB, 2025a).

While the rationale for expanding mandatory regulation is understandable, the implementation experience has revealed important policy challenges. QCOs have increasingly extended beyond final consumer goods to raw materials, intermediates, and capital goods, often applying uniform and highly stringent conformity assessment models without consideration of risk as per the global practice. These developments have brought India to a critical juncture: the need to move from rapid regulatory expansion towards a more stable, proportionate, and institutionally coherent framework that safeguards public interest without

undermining industrial competitiveness, MSME participation, or trade integration.

These emerging challenges have also been examined in recent analytical work. In particular, earlier research by the Centre for Social and Economic Progress (CSEP) assessed the evolving QCO regime and found that QCOs were disproportionately applied to intermediate inputs, leading to significant suppression of imports without generating sustained export gains, while also imposing higher compliance costs on domestic producers, particularly MSMEs (Prabhakar, 2025).

This Policy Brief draws on the RIS Discussion Paper “Decoding QCOs” on India's QCO framework and the subsequent multi-stakeholder policy roundtable convened by RIS (Kher & Jauhri, 2025). Together, these analyses provide an important basis for examining the economic, institutional, and trade implications of the expanding QCO regime.

2. Why QCOs Matter: Regulatory and Economic Rationale

QCOs are not aberrations in global regulatory practice. Across jurisdictions, technical regulations are widely used to safeguard health, safety, and the environment, and to prevent deceptive trade practices and information asymmetries. Standards enhance consumer trust, reduce uncertainty, and create predictable market conditions. When aligned with international norms, they can also facilitate trade by enabling interoperability and mutual confidence in product quality.

From an economic perspective, standards function as instruments of industrial upgradation. Compliance with recognised standards allows industry to access organised

retail markets, institutional procurement, and export opportunities. In India, mandatory standards in sectors such as toys and jewellery demonstrate how regulation can improve consumer confidence, formalise fragmented industries, and incentivise quality improvements. At the same time, the effectiveness of technical regulation depends critically on its design. Regulation must be proportionate to risk, feasible to implement, and supported by adequate institutional capacity. When regulation overshoots these parameters, it can raise costs, restrict supply, and distort markets without delivering commensurate safety or quality gains. The policy challenge, therefore, is not whether QCOs should exist, but how they should be structured to deliver regulatory objectives while supporting economic growth, MSME viability, and trade competitiveness.

3. Implementation Limitations in the Current QCO Regime

Despite legitimate objectives, the current approach to QCO implementation reveals several structural and procedural limitations that have constrained effectiveness and imposed avoidable costs on industry.

The effectiveness of any technical regulation regime is contingent on the availability of internationally accredited testing and calibration laboratories. At present, laboratory capacity remains geographically concentrated, uneven across sectors, and limited in its accessibility to MSMEs. The shortage of accredited facilities increases compliance costs, delays certification, and weakens the international credibility of conformity assessment outcomes. International experience suggests that targeted public investment, cluster-based common testing facilities, and structured

public–private partnerships are necessary to build globally competitive quality infrastructure (Jauhri, 2024).

i. Absence of Regulatory Impact Assessment

A fundamental procedural gap in the current regime is the absence of a mandatory Regulatory Impact Assessment (RIA) framework. In most advanced regulatory systems, RIAs are used to evaluate the necessity, proportionality, and likely impact of proposed regulations. They assess compliance costs, availability of testing infrastructure, implications for supply chains and trade, and the suitability of alternative regulatory instruments.

In the Indian context, QCOs have often been notified without systematic ex-ante assessment. As a result, several regulations proved difficult to operationalise once implemented, necessitating post-notification extensions, amendments, or withdrawals. This experience highlights the limitations of introducing technical regulations without a structured evaluation of feasibility and impact. In the absence of RIA, regulators lack a consistent basis for determining whether mandatory regulation is warranted and which conformity assessment model is appropriate, rather than focusing on only one certification model of BIS.

ii. Concentration of Regulatory and Certification Functions

Another major structural limitation arises from the concentration of standard-setting, certification, and market surveillance functions within BIS. While BIS plays a critical role in India's quality infrastructure, combining these functions within a single institution departs from global best practice. Regulatory oversight and enforcement are separated from conformity assessment globally and require distinct competencies and governance safeguards.

The triple role assigned to BIS has resulted in operational overstretch. Certification activities demand technical depth and process rigour, while market surveillance requires broad enforcement capacity. Combining these functions strains institutional resources and complicates international recognition of the Indian regulatory regime, particularly in export markets.

iii. Uniform, High-Burden Conformity Assessment Models

Most QCOs rely on factory-level certification models, globally recognized to be the most stringent model, originally designed for voluntary certification schemes. Uniform application of this most stringent conformity assessment model, irrespective of product risk, has imposed high fixed compliance costs, created certification bottlenecks, and discouraged entry and innovation.

The lack of risk differentiation means that low-risk products and industrial inputs are often subjected to the same compliance rigour as safety-critical consumer goods. This approach increases costs without proportionate safety benefits and undermines regulatory efficiency.

iv. Disproportionate Burden on MSMEs

Micro, small, and medium enterprises face disproportionate challenges under the current QCO framework. High upfront compliance costs, requirement of inhouse testing facilities which has since been liberalized to a considerable extent, and short implementation timelines constrain their ability to adjust. In sectors with high MSME participation, these factors risk accelerating market concentration and reducing employment.

MSMEs are also indirectly affected when QCOs are imposed on raw materials, intermediates and components. Higher input costs erode competitiveness and reduce

the ability of smaller firms to participate in manufacturing value chains.

v. Overextension to Raw Materials and Intermediates

The extension of mandatory regulation to raw materials, components and intermediates represents one of the most consequential design issues. Many such inputs are import-dependent and not produced domestically at the required scale or specifications. Applying factory-level certification requirements to overseas suppliers has disrupted supply chains and raised costs for downstream manufacturers without clear evidence of proportional safety gains.

In business-to-business contexts, quality is typically governed through contracts, buyer oversight, and commercial standards. Mandatory certification at every stage of the value chain risks creating bottlenecks without materially improving consumer protection.

vi. Weak International Acceptance

Limited alignment of BIS certification with internationally recognised accreditation frameworks has reduced the trade-facilitating potential of Indian certification even when the standards notified are international e.g. in toys or gold or electrical safety. In the absence of international recognition of BIS certification, the way APEDA's organic certification or EIC's seafood certification is recognized, exporters frequently face duplicative testing and certification abroad, increasing costs and weakening competitiveness. This undermines the potential of technical regulation to serve as a tool for export promotion and market access.

4. Recent Developments and Emerging Signals

Recent policy developments indicate a transition from rapid expansion toward reassessment and consolidation of the QCO framework. Following implementation

experience across sectors, the government-initiated reviews of selected QCOs, particularly where compliance difficulties, certification bottlenecks, and supply-chain disruptions had become pronounced.

A key reference point in this process was the review undertaken under the aegis of NITI Aayog, which examined operational challenges associated with QCO implementation (NITI Aayog, 2025). While the review focused primarily on resolving immediate implementation bottlenecks rather than articulating a comprehensive framework for technical regulation, it reflected growing institutional recognition that the existing approach required calibration.

A notable outcome of this reassessment was the withdrawal of six chemical QCOs in October 2025, followed by the rescission of fourteen QCOs in November 2025 covering key chemical, polymer, and fiber-based intermediates such as terephthalic acid, ethylene glycol, polyester yarns, and select polymers (Ministry of Chemicals and Fertilizers, 2025a; Ministry of Chemicals and Fertilizers, 2025b). These actions acknowledged that mandatory regulation of raw materials and intermediates can impose substantial supply chain costs without commensurate gains in consumer safety.

Earlier in 2025, extensions of implementation timelines for selected QCOs, particularly in electrical goods, were notified to allow industry adjustment (PIB, 2025b). Taken together, these measures indicate an emerging shift toward more differentiated and pragmatic regulatory practice. At the same time, implementation experience has underscored the central importance of regulatory predictability for investment planning and supply-chain stability. While corrective action was necessary, abrupt regulatory changes have also imposed adjustment costs on firms that had already

invested in compliance or in laboratory infrastructure. This highlights the need for institutionalised review mechanisms, advance communication, and clearly defined transition arrangements to reduce policy uncertainty. These developments underscore the case for RIA, differentiated conformity assessment, and a structured review mechanism.

5. Implications for Trade and Competitiveness

India's QCO regime has significant implications for trade, particularly in the context of global value chains. Modern manufacturing depends on imported inputs, and restrictions on these inputs directly affect export competitiveness. Where conformity assessment requirements disrupt access to raw materials or components, downstream exports suffer.

The credibility of India's conformity assessment system also has direct implications for its ability to negotiate Mutual Recognition Agreements (MRAs) under ongoing and future free trade agreements. International practice places greater reliance on accreditation-based third-party certification rather than regulator-centric factory inspection models. Limited global acceptance of BIS-centric certification frameworks therefore constrains India's prospects for securing MRAs and reduces the trade-facilitating potential of technical regulations (Jauhri, 2024).

Limited international recognition of Indian certification outcomes further constrains trade integration. Instead of facilitating exports, misaligned standards and conformity assessment practices can become additional barriers, forcing exporters into multiple compliance regimes. Following the November 2025 rescission of QCOs, industry reports indicated easing of import frictions and cost pressures in sectors such

as textiles and chemicals (Economic Times, 2025).

Trade-compatible regulation requires alignment with international standards, confidence in conformity assessment systems, and proportionality in regulatory design. Without these elements, technical regulation risks isolating the domestic industry rather than integrating it into global markets.

6. Policy Directions and Recommendations

The foregoing analysis and recent developments suggest that the challenges associated with India's QCO framework are not isolated implementation failures, but rather symptoms of deeper structural and procedural gaps. Addressing these challenges requires consolidating recent course corrections into a coherent and predictable regulatory architecture, guided by the following policy directions -

i. Establish a dedicated legal framework for technical regulation

Recent experience highlights the limits of relying on the BIS Act as a catch-all instrument. It is also contrary to the practice in developed economies, and using a national standards body as a hub of technical regulation is typical of low-knowledge economies. A dedicated legal framework in line with global practices is required to consolidate regulatory authority, clarify institutional roles, and avoid repeated ad-hoc corrections.

ii. Locate technical regulatory functions outside sector-promoting ministries

It was an established practice to house regulations away from Line Ministries in user or welfare Ministries like the Ministry of Labour (for Factories Act) or Health (for food and drugs). This is a global practice which has been done away with

in implementing the BIS Act, where line ministries are being made regulators, which has an inherent conflict of interest with their role of promoting the growth of the same sector.

iii. Institutionally separate regulation, certification, and surveillance

Regulatory authority should be separated from conformity assessment as per the global practice. Further, globally, multiple third-party bodies, duly accredited as per international standards, are used in regulations that are now being adopted for food and medical devices in India too. BIS should continue as a standards body with linkage to international standards setting and increasingly utilize accredited entities to augment resources, while market surveillance responsibilities are distributed appropriately with designated regulators.

iv. Institutionalise mandatory Regulatory Impact Assessment

RIA must be mandatory before notification of QCOs, covering feasibility, compliance costs, infrastructure availability and trade implications.

v. Make risk-based conformity assessment the default

Simpler conformity assessment mechanisms should be adopted as the default for lower-risk products, with factory-level certification limited to high-risk, consumer-facing goods.

vi. Exclude raw materials, components, and intermediates by default

Mandatory QCOs on inputs should be exceptional and justified only by clear, documented risk. Even in such cases, liberal conformity assessment models, or even self-declaration of conformity (SDOC), should be used, given that these are B-to-B products.

vii. Embed MSME-sensitive compliance pathways

Phased timelines, shared testing infrastructure, recognition of external

laboratories, and appropriate conformity assessment procedures should be integral to regulatory design.

viii. Rationalise the BIS fee and royalty structure

Mandatory regimes require transparent, fixed-fee models aligned with service provision rather than production volumes, which BIS currently charges, contrary to global practice, including in India, where in food and drugs, regulators charge a nominal fee and are not expected to be self-sustaining.

ix. Assistance to SMEs

In order to upgrade to regulatory standards, often international standards, SMEs need both financial and technical assistance, neither of which is available in a structured fashion. The Ministry of MSME should consider financial assistance to SMEs to upgrade, especially to international standards, and for setting up in-house laboratories for essential tests.

x. Align regulatory reform with skills and capacity development

The extensive skill ecosystem created under Ministry of Skill Development and Entrepreneurship (MSDE) needs to be leveraged to provide competent resources and training for the implementation of such standards among SMEs. Sector Skill Councils should be integrated into regulatory planning to ensure workforce readiness.

xi. Limit regulatory scope to safety-critical parameters

One way of reducing compliance burden is to notify only requirements directly linked to safety, health, and environmental risks as mandatory, and not the entire BIS standard.

xii. Use voluntary standards and public procurement as transition tools

Voluntary certification and procurement-based requirements should be used to build capacity before imposing mandatory

regulation, as successfully demonstrated by the Bureau of Energy Efficiency in its star rating programme.

xiii. Ensure regulatory predictability through structured transitions

Introduction, modification, and withdrawal of QCOs should follow transparent, consultative processes with defined transition periods.

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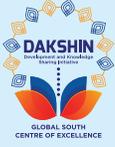


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RIS specialises in issues related to international economic development, trade, investment and technology. It is envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues. The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. Through its following centres/forums, RIS promotes policy dialogue and coherence on regional and international economic issues.



The word “DAKSHIN” (दक्षिण) is of Sanskrit origin, meaning “South.” The Hon’ble Prime Minister of India, Shri Narendra Modi, inaugurated DAKSHIN – Global South Centre of Excellence in November 2023. The initiative was inspired by the deliberations of Global South leaders during the Voice of the Global South Summits. DAKSHIN stands for Development and Knowledge Sharing Initiative. Hosted at the RIS, DAKSHIN has established linkages with leading think tanks and universities across the Global South and is building a dynamic network of scholars working on Global South issues.



AIC at RIS has been working to strengthen India’s strategic partnership with ASEAN in its realisation of the ASEAN Community. AIC at RIS undertakes research, policy advocacy and regular networking activities with relevant organisations and think-tanks in India and ASEAN countries, with the aim of providing policy inputs, up-to-date information, data resources and sustained interaction, for strengthening ASEAN-India partnership.



CMEC has been established at RIS under the aegis of the Ministry of Ports, Shipping and Waterways (MoPS&W), Government of India. CMEC is a collaboration between RIS and Indian Ports Association (IPA). It has been mandated to act as an advisory/technological arm of MoPSW to provide the analytical support on policies and their implementation.



FITM is a joint initiative by the Ministry of Ayush and RIS. It has been established with the objective of undertaking policy research on economy, intellectual property rights (IPRs) trade, sustainability and international cooperation in traditional medicines. FITM provides analytical support to the Ministry of Ayush on policy and strategy responses on emerging national and global developments.



BEF aims to serve as a dedicated platform for fostering dialogue on promoting the concept in the Indian Ocean and other regions. The forum focuses on conducting studies on the potential, prospects and challenges of blue economy; providing regular inputs to practitioners in the government and the private sectors; and promoting advocacy for its smooth adoption in national economic policies.



FIDC, has been engaged in exploring nuances of India’s development cooperation programme, keeping in view the wider perspective of South-South Cooperation in the backdrop of international development cooperation scenario. It is a tripartite initiative of the Development Partnership Administration (DPA) of the Ministry of External Affairs, Government of India, academia and civil society organisations.



FIRD aims to harness the full potential and synergy between science and technology, diplomacy, foreign policy and development cooperation in order to meet India’s development and security needs. It is also engaged in strengthening India’s engagement with the international system and on key global issues involving science and technology.



As part of its work programme, RIS has been deeply involved in strengthening economic integration in the South Asia region. In this context, the role of the South Asia Centre for Policy Studies (SACEPS) is very important. SACEPS is a network organisation engaged in addressing regional issues of common concerns in South Asia.



Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. The purpose of NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on South South Cooperation approaches for international development.



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Core IV-B, Fourth Floor, India Habitat Centre, Lodhi Road, New Delhi-110 003, India.,

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