



**ABACUS LEGAL GROUP
ADVOCATES**

INDIA – UK CETA

Comprehensive Economic and Trade Agreement

Effective: 15 July 2026 | A historic trade deal between two of the world's largest democracies

What Exactly Is This Deal?

CETA stands for Comprehensive Economic and Trade Agreement. It is a free trade deal between India and the United Kingdom — meaning both countries have agreed to make it cheaper and easier to buy and sell things with each other.

Think of it like removing the 'tax at the border' that makes imported goods expensive.

The Key Facts



Goes live: 15 July 2026



Negotiated: Nearly 3 years (14 rounds)



Signed: London, July 2025



Size: 30 chapters — goods, services, digital trade & more



Goal: Grow India-UK trade by £25.5 billion/year

How Did We Get Here?

A quick timeline of the journey

Enhanced Trade Partnership
launched — India & UK
commit to deepening ties

Talks conclude — both sides
agree on the final text of the
deal

Double Contribution
Convention (worker benefits)
signed separately

2021

May 2025

Feb 2026



2022

Jul 2025

Jul 2026

Formal FTA negotiations begin
— 14 rounds of talks spread
over ~3 years

CETA signed in London by
trade ministers; PMs Modi and
Starmer present

CETA goes live — India-UK
trade changes permanently

The deal is now set in stone — implementation begins 15 July 2026

The Big Numbers

What's expected to happen once the deal kicks in



£25.5 Bn

Annual bilateral trade growth



£4.8 Bn

Boost to UK GDP per year



£5.1 Bn

Boost to India's GDP per year



75,000+

Indian professionals to benefit from worker rights deal



99%

Of India's exports to UK will become duty-free



90%

Of UK's tariff lines India will open up over time

What Does India Get?

Indian goods will now enter the UK with zero or much lower taxes



Textiles & Clothing

Shirts, trousers, dresses & bed linen — all duty-free. Massive win for India's garment industry.



Leather & Footwear

Shoes, bags, belts — tariffs go from up to 16% to zero. Huge boost for Tamil Nadu and Kolkata.



Marine Products

Shrimp, tuna, and seafood — tariffs eliminated. Kerala, AP, and Odisha to benefit.



Gems & Jewellery

Jaipur's jewellery exports gain a competitive price advantage — zero duty.



Engineering & Auto Parts

Parts, engines, components — tariffs cut to zero. Benefits clusters in Pune, Chennai, and Rajkot.



Processed Food & Agriculture

Mangoes, grapes, processed food — reduced tariffs. India's farm exporters get a level playing field.

Other Key Sectors with 0% Duty

Vegetable Oils

Transport / Auto

Electrical Machinery

Headgear / Glass / Ceramics

Wood / Paper

Base Metals

Mechanical Machinery

Minerals

Chemicals

Plastic / Rubber

Instruments / Clocks

Furniture / Sports Goods

Arms / Ammunition

NOTE! The CETA provides duty-free access for 97.1% of tariff lines — meaning around 97 out of every 100 product categories exported from India to the UK will benefit from reduced or zero import duties.

What Does the UK Get?

UK products will become cheaper and more accessible in India's huge market



Whisky & Spirits

Tariff drops from 150% → 75% now, heading to 40% over time. Scotch whisky will get much cheaper for Indian consumers.



Cars & Vehicles

A new quota system lets UK cars enter at just 10% tax (was up to 110%). Indian consumers could see more British brands.



Medical Devices

Simplified rules make it easier for UK medtech companies to export healthcare equipment to India.



Clean Energy Tech

Better access for UK firms in solar, wind, EV, and recycling sectors — as India greens its economy.



Financial Services

India raised the limit on foreign ownership of insurance companies to 100%, opening a giant market for UK firms.



Cosmetics & Retail

Beauty products and consumer goods face lower import taxes, making UK brands more competitive on Indian shelves.

What India Kept Off the Table

Not everything was opened up — India protected its most sensitive sectors

India ensured that its farmers and rural economy are shielded. The following sectors were kept on an exclusion list — meaning the UK cannot flood India's market with these goods even under the new deal.



Dairy Products

Millions of small farmers depend on milk production. Opening this to UK dairy could devastate livelihoods.



Cereals & Millets

Wheat, rice, bajra — staple food crops that India wants to protect from foreign competition.



Edible Oils & Oilseeds

Mustard, sunflower, groundnut — key agriculture products where domestic farmers would be exposed.



Apples & Select Vegetables

UK and EU produce large quantities at low cost — Indian farmers needed protection here.

A free trade deal doesn't mean everything becomes free — countries always protect their most vulnerable industries.

Big News for Indian Professionals Working in the UK

The Problem: Before CETA, Indian professionals temporarily working in the UK had to pay social security contributions (like National Insurance) in BOTH countries simultaneously. That's double the cost!

The Fix (Double Contribution Convention): Under the new deal, Indian workers going to the UK for up to 5 years will only pay social security in ONE country — India. That's a real saving.

75,000+

Indian professionals set to benefit

900+

Indian companies with UK operations

5 years

Maximum exemption period

₹4,000 Cr

Estimated savings for Indian firms

Who Can Move Between the Two Countries?

CETA creates special pathways for people to work across borders



Business Visitors

Travelling for meetings, conferences, or negotiations — easier entry without full work permits.



Intra-Company Transfers

Employees sent by their company from India to the UK (or vice versa) get streamlined visa access.



Contractual Service Providers

Professionals fulfilling contracts for their employers in the other country — clear rules, less red tape.



Independent Professionals

Freelancers and self-employed experts can offer services across borders more easily.



Investors

People looking to invest capital in either country get a defined, simpler entry pathway.



1,800 Special Slots/Year

Indian chefs, yoga instructors, and classical musicians get dedicated annual mobility access to the UK.

Which Indian States Will Benefit Most?

Maharashtra

Engineering, Pharma, Apparel

Pune, Mumbai, Ichalkaranji

Tamil Nadu

Textiles, Leather, Auto Parts

Tiruppur, Vellore, Chennai

Gujarat

Pharma, Chemicals, Marine

Ahmedabad, Surat, Veraval

Karnataka

Electronics, Engineering, Pharma

Bangalore clusters

Andhra Pradesh

Marine Products, Textiles

Visakhapatnam, Guntur

Kerala

Marine Products, Spices

Kochi, Alappuzha

West Bengal

Leather, Tea, Food

Kolkata, Darjeeling

Rajasthan

Handicrafts, Gems & Jewellery

Jaipur, Jodhpur

Punjab

Textiles, Engineering

Ludhiana clusters

Services: India's Biggest Opportunity

The UK has offered one of its most comprehensive services packages ever — 137 sub-sectors

India is a global superpower in services (IT, consulting, engineering). CETA gives Indian service providers guaranteed, stable access to the UK market in 137 different service categories — meaning Indian IT firms, consultants, engineers, doctors, and accountants can operate in the UK with fewer restrictions.



IT & Software

Indian software firms, BPO



Financial Services

Banking, accounting, fintech



Legal & Professional

Law, consulting, management



Healthcare

Medical professionals, diagnostics



Telecom

Network services, tech



Education

EdTech, training institutes

CETA Is Just the Beginning


It sits inside a bigger partnership called India–UK Vision 2035



 **Economic Growth
& Trade**

 **Defence
& Security**

 **Technology
& Innovation**

 **Climate
& Clean Energy**

 **Education
& Knowledge**

BRISK — Business, Research, Innovation, Science & Technology, Knowledge

Goal: Double India-UK trade — targeting USD 100 billion by 2030

What About Steel?

A nuanced area where protections are in place

Context: The UK is introducing new steel safeguard measures from 1 July 2026 to protect its domestic steel industry from cheap global imports. This could affect Indian steel exporters.

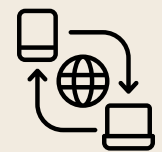
85% Protected

About 85% of India's steel exports to the UK will remain outside the safeguard measures — so most Indian steel is safe.



Country-Specific Quota

India gets a guaranteed allocation of steel it can export without the safeguard tax applying.



Residual Access

Even beyond the quota, there is a residual global quota India can use as a backup access route.



Authorised Use Scheme

Steel used in specific downstream industries (e.g. automotive) can enter under an Authorised Use Scheme with no safeguard applied.

Digital Trade: A Modern Chapter

CETA is not just about physical goods — it also covers the digital economy



Paperless Trade

Digital invoices, shipping documents, and contracts will be accepted — reducing delays and cutting paperwork costs.



System Compatibility

India and UK digital trade systems will work together more seamlessly — fewer tech barriers for online businesses.



Faster Customs

The deal targets releasing goods from customs within 48 hours wherever possible — critical for perishables and time-sensitive goods.



SME Friendly

Dedicated contact points and support mechanisms will help small businesses navigate the UK market — not just large corporations.



E-Commerce Growth

Easier cross-border transactions mean Indian businesses can sell more directly to UK consumers online.



Consumer Protection

Both countries maintain their own data protection and privacy standards — consumers in both countries keep their existing rights.

The Bottom Line

India and the UK have agreed to trade more freely — removing barriers, cutting taxes on goods, opening service markets, and making it easier for people and companies to work across borders.

99% of India's exports to UK become duty-free

Indian IT, consulting & services get guaranteed UK market access in 137 sectors

75,000+ Indian professionals save money on social security when working in UK


UK exports (whisky, cars, clean energy, finance) get lower barriers into India's market

Sensitive sectors (dairy, cereals) are fully protected for India

This is the UK's largest trade deal since Brexit — and India's signal to the world that it's open for business

CONTACT US

 **+91-11-41633366/5/4**

 **+91-9810129022**

 **www.abacuslegalgroup.net**

 **abacus@abacuslegalgroup.net**

 **R-116, GROUND FLOOR, GREATER KAILASH
PART I, NEW DELHI 110048, INDIA**

