



June 30, 2025

Good morning my Dear Friend

We are happy to share our “weekly” research paper being published on “every Monday”

151 FAQs on Export of Goods and Services under FEMA, 1999

This research paper is relevant

For

Knowing about Export of Goods and Services under FEMA for Residents + also Non-Residents “both” through our “21” pilot points

1.

- (i) Exports of Goods and Services (EoGS) from India is regulated by Directorate General of Foreign Trade (DGFT) through its regional offices as functioning under Ministry of Commerce and Industry, Department of Commerce, Government of India (Govt.).
- (ii) Policies and procedures as required are to be followed for EoGS as announced by DGFT from time to time.

2.

- (i) AD Category-I Banks are permitted to conduct exports transactions in accordance to Foreign Trade Policy (FTP) and Rules thereon as framed by Govt. and through Directions as issued by Reserve Bank of India (RBI) from time to time.
- (ii) AD Category-I Banks are permitted to exercise powers as conferred through section 7(1a) and (3) and section 47 (2) under Foreign Exchange Management Act (FEMA) 1999

3.

- RBI has notified Foreign Exchange Management (Exports of Goods and Services) Regulations, 2015 for EoGS. These Regulations have been notified through Notification No. FEMA 23(R)/2015-RB dated Jan 12, 2016 also amended from time to time.

4.

- (i) Exporters are permitted to issue contracts and invoices in INR in accordance to Rules, Regulations, Notifications and Directions as framed under FEMA, 1999.

- (ii) Exporters are also permitted to issue contracts and invoices in freely convertible currency (FCC) under provisions as given in Para 2.52 of FTP (2015-2020)
- (iii) Generally, exporters are not permitted to receive payments against EoGS in INR. Hence exporters are permitted to receive payments against EoGS in FCC "only".
- (iv) Specifically, exporters are permitted to receive payments against specific EoGS in INR where freely convertible vostro account (FCVA) of non-resident AD Category-I Banks are located in country where overseas importers (buyers) country is not member of Asian Clearing Union (ACU) or buyers is situated in Nepal / Bhutan.

5.

- (i) Generally, AD Category-I Banks are required to make reference to RBI through Regional Office (RO) as situated in jurisdiction where exporters are functioning / residing firm / company.
- (ii) Specifically, AD Category-I Banks are permitted to make reference to RBI through different ROs with specific reasons + also AD Category-I Banks are required to take RBI's approval through RO as situated in jurisdiction.

6.

- Financial Year (April to March) is to reckon as time base for 100% transactions for EoGS matters.

7.

- (i) Exporters are not required to submit declaration against exports of goods and software in prescribed form as indicated in Regulation 4 of Foreign Exchange Management (Exports of Goods and Services) Regulations, dated Jan 12, 2016.
- (ii) However, exporters are liable to realize + also to repatriate exports proceeds "both" in accordance to FEMA Regulations.

8.

- (i) AD Category-I Banks are permitted to consider requests for granting Export Declaration Form (EDF) waiver against request as received from general exporters for exports of goods at zero cost for exports promotion where exports of goods at zero cost are not exceeding 2% of average "annual exports" turnover of last 3 preceding financial years or not exceeding 5 lac in lump sum whichever is lower.
- (ii) AD Category-I Banks are permitted to consider requests for granting EDF

waiver *against* request *from* Star holder exporters *for* exports of goods *at* zero cost *for* exports promotion *where* exports of goods *at* zero cost *are not* exceeding 2% of average "annual exports" turnover of last 3 preceding financial years *or not* exceeding 10 lac in Lum-sum *whichever is* lower.

- (iii) Exporters of goods *are permitted* to obtain RBI's approval *through* AD Category-I Banks *for* EDF's waiver *where* exports of goods *at* zero cost + *also not* involving *any foreign* exchange directly / indirectly.

9.

- 100% payments *against* EoGS *are required* to receive *through* AD Category-I Banks *in accordance as* specified *in* Foreign Exchange Management (Manner of Receipt & Payment) Regulations, 2000 *as notified through* Notification No. FEMA.14/2000-RB dated May 3, 2000 *in certain modes like:*

- (i) Bank drafts / *pay orders* / banker's cheques / personal cheques.
- (ii) Foreign currency notes / *foreign currency* travellers' cheques *from* buyers *during their* personal visit *to* India.
- (iii) Payment out of funds *as held in* FCNR / NRE account *as maintained by* buyers *in* India.
- (iv) International Credit Cards *for* buyers.

10.

- (i) Generally, exporters *are permitted* to settle *with* residents of Nepal / Bhutan *in* INR "only".
- (ii) Specifically, exporters *are required* to receive payments *in* FCC *through* ACU mechanism *where* Nepal Rashtra Bank (similar to RBI in India) has *permitted* buyers *to* make payments *in* FCC + *also* payments "both" *are required* to route *through* ACU mechanism "only".
- (iii) Exporters *are required* to enter *in* sale contracts *along with* indication *for* approximate equivalent value of exports *for* jewellery of precious metals *in* relevant EDF *where* exporters *are* exporting precious metal *i.e.* Gold + Silver + *also* Platinum "all" *through* Gem and Jewellery *through* units *as located in* SEZs / EOUs.

11.

- AD Category-I Banks *are permitted* to offer facility *for* repatriation *against* exports related remittances *through* entering *into* standing arrangements *for* OPGSPs *subject to* satisfaction of *certain* conditions:
 - (i) AD Category-I Banks *are required* to carry due diligence *for* OPGSP.
 - (ii) OPGSP facility *is available for* EoGS *not* exceeding USD 10,000.

- (iii) (a) AD Category-I Banks are required to open NOSTRO collection accounts for receipts against payments where exporters are availing this facility.
- (b) AD Category-I Banks are required to ensure that no funds are allowed to retain in other accounts + also 100% receipts should be automatically swept and pooled into NOSTRO collection accounts as opened by AD Category-I Banks in India.
- (iv) AD Category-I Banks are required to open "separates" NOSTRO collection accounts for "each" OPGSP or AD Category-I Banks should be able to delineate transactions in NOSTRO account of each OPGSP.
- (v) Permissible debits to NOSTRO collection accounts for repatriation of funds against payment of fee / commission for OPGSP in accordance to predetermined rates / frequency / arrangement + also charge back to buyers where exporters have failed in discharging his obligations under sale contract.
- (vi) Balances as held in NOSTRO collection accounts are required to credit to respective exporter's account immediately on receipt of confirmation from buyers in maximum 7 days from date of credit into NOSTRO collection accounts.
- (vii) AD Category-I Banks are required to satisfy about bona fides of transactions + also to ensure that purpose codes as reported to RBI against online payment gateways are correct

12.

- (i) (a) AD Category-I Banks are permitted to facilitate transactions / settlements through participations in ACU Mechanism along with option to settle transactions in ACU Dollar / in ACU Euro. This facility is effective from Jan 01, 2009
- (b) Asian Monetary Unit (AMU) is required to denominate as ACU USD + also ACU Euro which is equivalent in value of 1 USD and 1 Euro respectively.
- (ii) Exporters are permitted to open + also to maintain ACU USD and ACU Euro accounts "both" with AD Category-I Banks. Hence 100% payments are required to settle by concerned AD Category-I Banks through these accounts.
- (iii) Trade transactions with Myanmar may be settled in "any" FCC in addition to ACU mechanism.
- (iv) Trade transactions with Iran may be settled in "permitted" currency outside ACU mechanism. This facility is effective from Dec 27, 2010.

13.

- RBI has decided to permit 3rd party payments for exports transactions “after” satisfaction of certain conditions:
 - (i) (a) AD Category-I Banks are required to ensure that firm irrevocable order for exports is backed by tripartite agreement.
 - (b) AD Category-I Banks are not permitted to insist for firm recoverable order for exports as backed by tripartite agreement where documentary evidences for circumstances as leading to 3rd party payments or name of 3rd party is already mentioned in irrevocable order or invoice as produced by exporters “after” satisfaction of certain conditions:
 - (c) AD Category-I Banks are required to satisfy with bona fides of transactions + also exports documents i.e. invoice + also Foreign Inward Remittance Certificate (FIRC) “both”.
- (ii) AD Category-I Banks are required to consider Financial Action Task Force (FATF) statements “before” handling transactions.
- (iii) 3rd party payments are required to route through banking channel “only”.
- (iv) Exporters are required to declare 3rd party remittance in EDF + also to realize + also to repatriate exports proceeds “both” from 3rd party as named in EDF
- (v) Exporters are required to realize + also to repatriate exports proceeds “both” from 3rd party at named in EDF.
- (vi) AD Category-I Banks are required to report outstanding in XOS + to continue as shown against name of exporters. AD Category-I Banks are further required to show name of buyers where proceeds are required to realize + also name of declared 3rd party “both” should be appeared in XOS.
- (vii) AD Category-I Banks are required to receive payments from Open Cover Country (OCC) where shipments are being made to country as existed in Group-II of Restricted Cover Countries (RCC) i.e. Sudan + Somalia + also etc. “all”

14.

- AD Category-I Banks are permitted to facilitate settlements of exports transactions where invoicing is in FCC but direct exchange rates are not available “after” satisfaction of certain conditions:
 - (i) Exporters should be customers of AD Category-I Banks.
 - (ii) Signed contract or invoice should be in FCC

- (iii) Exporters *should be* ready to receive payments *in* currency *of* buyers *as* full *and* final *settlement*.
- (iv) AD Category-I Banks *should be* satisfied *with* bona fides *of* transactions
- (v) Buyers *should not be* from country *or* jurisdiction *as* updated *in* FATF Public Statement *on* High Risk + *also* non-co-operative Jurisdictions *where* FATF *has* called *for* counter measures.

15.

- AD Category-I Banks *are required* to put SIN *in* 100% applications / correspondence *to be sent to* RBI. SIN number *is already* available on Export Declaration Form (EDF) + *also* SOFTEX forms “both”.

16.

- AD Category-I Banks *are required* to dispose EDF *in accordance to* Regulation 6 *of Foreign Exchange Management* (Exports of Goods and Services) Regulations, 2000 *notified through* Notification No. FEMA 23/2000-RB dated May 03rd 2000 *as* amended *from* time to time.

17.

- (i) Procedure *for* EDF's submission *against exports of goods through* EDI ports *is required* to continue “without” any change.
- (ii) Submission of EDF *is not required* where exports of goods *or* software's *are taking place through* EDI port. SDF *is* subsumed *in* shipping bill format.

18.

- (i) EDF *is required* to use *for* declaration of exports *of Goods at* Non-EDI ports.
- (ii) EDF *is required* to complete *by* exporters *in* duplicate + *also* both copies *to be submitted to* Customs *at* port *of shipment along with* shipping bill.

19.

- (i) Customs office *is required* to give running serial number *on* both copies “after” admitting *corresponding* shipping bill.
- (ii) Customs serial number *is required to be* 10 numerals denoting code number *of* port *of shipment*, calendar year *and* 6-digit *running serial* number.
- (iii) Customs *are required* to certify value *as* declared *by* exporters *on* both copies *of* EDF *at* space *as* marked + *also to* record *assessed* value “both”
- (iv) Customs office *is required* to return duplicate copy *of* EDF *to* exporters + *also to* retain *original copy for* transmission *to* RBI.

- (v) Customs office *is required* to return duplicate copy “after” examination of goods + *also* certifying quantity *as* approved *for* shipment *to* exporters *for* submission *to* AD Category-I Banks *for* negotiation / collection of exports bills

20.

- (i) Exporters *are required* to submit duplicate copy of EDF again *to* Customs *along with* cargo *as to* be shipped.
- (ii) Exporters *are required* to lodge duplicate copy *along with* relative shipping documents + *also* extra copy of invoice “both” *to* AD Category-I Banks *as* named *in* EDF.

21.

- (i) AD Category-I Banks *are required* to report transaction *through* Export Data Processing and Monitoring System (EDPMS) of RBI “after” documents *have been* negotiated / *sent for* collection.
- (ii) AD Category-I Banks *are not required* to submit duplicate copy of form *together with* copy of invoice *to* RBI.
- (iii) AD Category-I Banks *are permitted* to accept another duplicate copy of EDF *as duly* certified *by* Customs
- (iv) AD Category-I Banks *are required* to countersign original copy of EDF *for* exports *of goods through* postal. AD Category-I Banks *have* to follow misplaced / lost.

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+

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- *This **Research paper** is published under our awareness mission **for** Residents + Non-Residents **for** knowing about Export of Goods and Services under FEMA, 1999 as inspired from thought process of Honorable Prime Minister of India.*

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- *With best wishes from CA Satish Agarwal, New Delhi* ●



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151 FAQs on Export of Goods and Services under FEMA, 1999

(Source for compilation is Master Circular No. 10/2011-12 dated July 01, 2011)

(A) Introduction for Exports of Goods and Services under FEMA, 1999

1. What is Meaning for Directorate General of Foreign Trade?

- (i) Exports of Goods and Services (EoGS) from India is regulated by Directorate General of Foreign Trade (DGFT) through its regional offices functioning under Ministry of Commerce and Industry, Department of Commerce, Government of India (Govt.).
- (ii) Policies and procedures as required are to be followed for EoGS announced by DGFT from time to time.

2. What is Meaning for Bank's role?

- (i) Bank are permitted to conduct exports transactions in accordance to Foreign Trade Policy (FTP) and Rules thereon framed by Govt. and through Directions issued by Reserve Bank of India (RBI) from time to time.
- (ii) Bank are permitted to exercise powers conferred through section 7(1a) and (3) and section 47 (2) under Foreign Exchange Management Act (FEMA) 1999

3. What is Meaning for RBI's role?

- RBI has notified Foreign Exchange Management (Exports of Goods and Services) Regulations, 2015 for EoGS. These Regulations have been notified through Notification No. FEMA 23(R)/2015-RB dated Jan 12, 2016 also amended from time to time.

4. What is Meaning for Exporter's role?

- (i) Exporters are permitted to issue contracts and invoices in INR in accordance to Rules, Regulations, Notifications and Directions framed under FEMA, 1999



- (ii) Exporters are also permitted to issue contracts and invoices in freely convertible currency (FCC) under provisions given in Para 2.52 of FTP (2015-2020)
- (iii) Generally, exporters are not permitted to receive payments against EoGS in INR. Hence exporters are permitted to receive payments against EoGS in FCC "only".
- (iv) Specifically, exporters are permitted to receive payments against specific EoGS in INR where freely convertible vostro account (FCVA) of non- resident Bank are located in country where overseas importers (buyers) country is not member of Asian Clearing Union (ACU) or buyers is situated in Nepal / Bhutan

5. What is Meaning for Reference to RBI?

- (i) Generally, Bank are required to make reference to RBI through Regional Office (RO) situated in jurisdiction where exporters are functioning / residing firm / company.
- (ii) Specifically, Bank are permitted to make reference to RBI through different ROs with specific reasons + also Bank are required to take RBI's approval through RO situated in jurisdiction.

6. What is Meaning for Financial year?

- Financial Year (April to March) is to reckon on time base for 100% transactions for EoGS matters.

(B) Guidelines for Exports of Goods and Services

7. What is Exemption for filling Export Declaration Forms?

- (i) Exporters are not required to submit declaration against exports of goods and software in prescribed form indicated in Regulation 4 of Foreign Exchange Management (Exports of Goods and Services) Regulations, dated Jan 12, 2016.
- (ii) However, exporters are liable to realize + also to repatriate exports proceeds "both" in accordance to FEMA Regulations.

8. What is Grant for EDF Waiver?

- (i) Bank are permitted to consider requests for granting Export Declaration Form (EDF) waiver against request received from general exporters for exports of goods at zero cost for exports promotion where exports of goods at zero cost are not exceeding 2% of average "annual exports" turnover of last 3 preceding financial years or not exceeding 5 lac in lump sum whichever is lower.
- (ii) Bank are permitted to consider requests for granting EDF waiver against request from Star holder exporters for exports of goods at zero cost for exports promotion where exports of goods at zero cost are not exceeding 2% of average "annual exports" turnover of last 3 preceding financial years or not exceeding 10 lac in Lum-sum whichever is lower.
- (iii) Exporters of goods are permitted to obtain RBI's approval through Bank for EDF's waiver where exports of goods at zero cost + also not involving any foreign exchange directly / indirectly.

9. What are Modes for payment's receipts?

- 100% payments against EoGS are required to receive through Bank in accordance as specified in Foreign Exchange Management (Manner of Receipt & Payment) Regulations, 2000 as notified through Notification No. FEMA.14/2000-RB dated May 3, 2000 in certain modes like:
 - (i) Bank drafts, pay orders, banker's cheques or personal cheques.



- (ii) Foreign currency notes, foreign currency travelers' cheques from buyers in their personal visit to India.
- (iii) Payment out of funds held in FCNR or NRE account maintained by buyers in India.
- (iv) International Credit Cards of buyers.

10. What are Modes for exports transactions' settlement?

- (i) Generally, exporters are permitted to settle with residents of Nepal / Bhutan in INR "only".
- (ii) Specifically, exporters are required to receive payments in FCC through ACU mechanism where Nepal Rashtra Bank (similar to RBI in India) has permitted buyers to make payments in FCC + also payments "both" are required to route through ACU mechanism "only".
- (iii) Exporters are required to enter in sale contracts along with indication for approximate equivalent value of exports for jewellery of precious metals in relevant EDF where exporters are exporting precious metal i.e. Gold + Silver + also Platinum "all" through Gem and Jewellery through units located in SEZs / EOUs.

11. What are Processing for online payments?

- Bank are permitted to offer facility for repatriation against exports related remittances through entering in standing arrangements for OPGSPs subject to satisfaction of certain conditions:
 - (i) Bank are required to carry due diligence for OPGSP.
 - (ii) OPGSP facility is available for EoGS not exceeding USD 10,000.
 - (iii) (a) Bank are required to open NOSTRO collection accounts for receipts against payments where exporters are availing this facility.
 - (b) Bank are required to ensure that no funds are allowed to retain in other accounts + also 100% receipts should be automatically swept and pooled in NOSTRO collection accounts opened by Bank in India.



- (iv) Bank are required to open "separates" NOSTRO collection accounts for "each" OPGSP or Bank should be able to delineate transactions in NOSTRO account of each OPGSP.
- (v) Permissible debits to NOSTRO collection accounts for repatriation of funds against payment of fee / commission for OPGSP in accordance to predetermined rates / frequency / arrangement + also charge back to buyers where exporters have failed in discharging his obligations under sale contract.
- (vi) Balances held in NOSTRO collection accounts are required to credit to respective exporter's account immediately on receipt of confirmation from buyers within maximum 7 days from date of credit in NOSTRO collection accounts.
- (vii) Bank are required to satisfy about bona fides of transactions + also to ensure that purpose codes as reported to RBI against online payment gateways are correct

12. What are ACU Mechanism for settlement?

- (i) (a) Bank are permitted to facilitate transactions / settlements through participations in ACU Mechanism along with option to settle transactions in ACU Dollar / in ACU Euro. This facility is effective from Jan 01, 2009
- (b) Asian Monetary Unit (AMU) is required to denominate as ACU USD + also ACU Euro which is equivalent in value of 1 USD and 1 Euro respectively.
- (ii) Exporters are permitted to open + also to maintain ACU USD and ACU Euro accounts "both" with Bank. Hence 100% payments are required to settle by concerned Bank through these accounts.
- (iii) Trade transactions with Myanmar may be settled in "any" FCC in addition to ACU mechanism.
- (iv) Trade transactions with Iran may be settled in "permitted" currency outside ACU mechanism. This facility is effective from Dec 27, 2010.



13. What are 3rd Party payments for export transactions?

- RBI has decided to permit 3rd party payments for exports transactions “after” satisfaction of certain conditions:
 - (i) (a) Bank are required to ensure that firm irrevocable order for exports is backed by tripartite agreement.
 - (b) Bank are not permitted to insist for firm recoverable order for exports backed by tripartite agreement where documentary evidences for circumstances leading to 3rd party payments or name of 3rd party is mentioned in irrevocable order / invoice produced by exporters “after” satisfaction of certain conditions:
 - (c) Bank are required to satisfy with bona fides of transactions + also exports documents i.e. invoice + also Foreign Inward Remittance Certificate (FIRC) “both”.
- (ii) Bank are required to consider Financial Action Task Force (FATF) statements “before” handling transactions
- (iii) 3rd party payments are required to route through banking channel “only”.
- (iv) Exporters are required to declare 3rd party remittance in EDF + also to realize + also to repatriate exports proceeds “both” from 3rd party named in EDF
- (v) Exporters are required to realize + also to repatriate exports proceeds “both” from 3rd party at named in EDF.
- (vi) Bank are required to report outstanding in XOS + to continue shown against name of exporters. Bank are further required to show name of buyers where proceeds are required to realize + also name of declared 3rd party “both” should be appeared in XOS.
- (vii) Bank are required to receive payments from Open Cover Country (OCC) where shipments are being made to country existed in Group-II of Restricted Cover Countries (RCC) i.e. Sudan + Somalia + also etc. “all”



14. What are Settlements for Currencies not having direct exchange rate?

- Bank are permitted to facilitate settlements of exports transactions where invoicing is in FCC but direct exchange rates are not available “after” satisfaction of certain conditions:
 - (i) Exporters should be customers of Bank.
 - (ii) Signed contract or invoice should be in FCC
 - (iii) Exporters should be ready to receive payments in currency of buyers as full and final settlement.
 - (iv) Bank should be satisfied with bona fides of transactions
 - (v) Buyers should not be from country / jurisdiction updated in FATF Public Statement on High Risk + also non-co-operative Jurisdictions where FATF has called for counter measures.

15. What are Realizations / repatriations for exports?

- Exporters are legally required to realize + also to repatriate 100% value of exports of goods, software and services within stipulated time:
 - (i) Exporters are required to realize + also to repatriate 100% value of exports within maximum 9 months from date of exports by exporters including:
 - (a) SEZs
 - (b) Status Holder Exporters
 - (c) EOUs Units in EHTPs, STPs and BTPs
 - (ii) Exporters are required to realize + also to repatriate 100% value of exports of goods from warehouse established outside India within maximum 15 months from date of shipment of goods.

16. What are Maintaining for Foreign Currency Accounts?

- (i) Exporters are permitted to open FCA outside India for participating in international exhibition or trade fair under “general” permission route through Regulation 5(E)(5) of Foreign Exchange Management (Foreign



Currency Accounts by a person Resident in India) Regulations dated Jan 21, 2016 amended from time to time for opening “temporary” foreign currency account outside India.

- (ii) Exporters are permitted to deposit foreign exchange obtained against sale of goods at international exhibition or trade fair + also to operate account in their stay outside India.
- (iii) Exporters are required to repatriate foreign exchange obtained against sale of goods through normal banking channels within maximum 1 month from date of closure of exhibition or trade fair + also full details are required to submit to banks.

17. What is RBI's role for Foreign Currency Accounts?

- (i) RBI is permitted to consider applications in Form EFC received from exporters having good track record for opening FCA in India + also outside India “both” after satisfaction of certain conditions
- (ii) Applications by exporters for opening FCA in India are required to submit to RBI through banks + also applications for opening accounts outside India are required to submit through banks in India.

18. What is Exporter's role for Foreign Currency Accounts?

- Exporters are permitted to open + to hold + also to maintain “all” FCA outside India in name of overseas office or branch through remittances under head normal business operations “after” satisfaction of conditions stipulated under Regulation 5 (B) of Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations dated Jan 21, 2016 amended from time to time

19. What is SEZ unit's role for Foreign Currency Accounts?

- Units located in Special Economic Zone (SEZ) are permitted to open + to hold + also to maintain “all” FCA with banks in India “after” satisfaction of conditions stipulated in Regulation 4(D) of Foreign Exchange



Management (Foreign Currency Accounts by a person Resident in India) Regulations dated Jan 21, 2016 amended from time to time.

20. What is Resident's role for Foreign Currency Accounts?

- Ordinary Residents of India (ORoI) are permitted to open + to hold + also to maintain "all" FCA with banks in India and outside India being project and service exporters "after" satisfaction of conditions in accordance to Memorandum PEM.

21. What are Maintaining for Diamond Dollar Accounts?

- Exporters dealing in purchase or sale of rough or cut + polished diamonds + precious metal jewelry plain + also minakari and/or studded with / without diamond and / or other stones are permitted to open hold + also to maintain DDA in India and outside India under licensing through Govt. of India (Govt.).
- Exporters are required to have track records for minimum 2 years against imports + exports of diamonds + colored gemstones + diamond + colored gemstones studded jewelry + also plain gold jewelry "all".
- Exporters are required to have minimum Average Annual Turnover (AAT) of minimum 3 crore in 3 preceding licensing years
- Exporters are not permitted to open more than 5 DDAs with their banks.

22. What is Meaning for Exchange Earners' Foreign Currencies?

- ORoI are permitted to open + to hold + also to maintain "all" EEFC account subject to satisfaction of terms under Regulation 4 (D) of Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2015 dated Jan 21, 2016 amended from time to time.

23. What is Resident's role for Exchange Earners' Foreign Currencies?

- Resident individuals (RIs) are also permitted to open + to hold + also to maintain "all" EEFC account along with Joint holder account with close relative(s) on former or survivor basis.



24. What are **Utilities for Exchange Earners' Foreign Currencies?**

- (i) EEFC account *is required* to maintain *as* non-interest-bearing current account.
- (ii) Credit facilities *as* fund-based / non-fund based *are not* permitted *against* security of balances held *in* EEFC accounts *with* banks.

25. What is **Exporters' role for Exchange Earners' Foreign Currencies?**

- Exporters *are permitted* to credit *100% of their* foreign exchange earnings *to their* EEFC accounts "*after*" *satisfaction of* conditions:
 - (i) Exporters *are required* to convert *100% credits in* INR + also "*before*" end of calendar month "*after*" adjusting *for* utilization *of balances for* approved purposes *or* forward commitments.
 - (ii) EEFC accounts *facility is* intended to enable exporters *to save* actual fluctuation *on* conversion + also transaction costs "*both*".
 - (iii) EEFC accounts *facility is not* intended to enable exporters *to maintain assets in* foreign currency. Govt. *is not* permitting *100% convertibility in* Capital Account.

26. What are **Eligible credits for Exchange Earners' Foreign Currencies?**

- (i) *100% Inward remittances received against EoGS through normal* banking channels *are permitted* to credit *in* EEFC account.
- (ii) *100% Inward remittances received through normal* banking channel *are not permitted* to credit *in* EEFC account *where* inward remittances *are* received *against* undertaking given *to* RBI, *received against* foreign currency loan, *received against* investments *from* outside India *or* received *for* meeting "*specific*" obligations *of* account holder.
- (iii) *100% Inward remittances received through normal* banking channel *by* units *in Domestic Tariff Area (DTA) for* supplying of goods *to* unit *in Special Economic Zone (SEZ).*



27. What is Banks' role for Exchange Earners' Foreign Currencies?

- Banks are permitted to allow exporters to grant trade related loans or advances to buyers out of EEFC account without "any" monetary limit subject to satisfactions of conditions notified through Notification No. FEMA 3/2000-RB dated May 3, 2000 amended from time to time.

28. What is Packing credits for Exchange Earners' Foreign Currencies?

- Banks are permitted to allow exporters to repay against packing credit advances availed in INR or foreign currency out of EEFC account.

29. What are Remittances for initial expenses to outside India?

- (i) Banks are permitted to allow remittances to exporters for initial expenses not exceeding 15% of average "annual" sales / incomes / turnovers in last 2 financial years

Or

- (ii) 25% of net worth whichever is higher

30. What are Remittances for recurring expenses to outside India?

- Banks are permitted to allow remittances to exporters for recurring expenses not exceeding 10% of average "annual" sales / incomes / turnovers in last 2 financial years for normal business operations of trading or non-trading office / branch / representative office outside India subject to satisfaction of certain conditions:
 - (i) Branch office / representative posted outside India should be for conducting normal business activities of exporters.
 - (ii) Branch office / representative posted outside India should not enter in any contract / agreement in contravention of Act / Rules / Regulations.
 - (iii) Branch office as trading / non trading / representative office outside India is not permitted to create any financial liability / contingent liability / other liability for head office in India



- (iv) *Not permitted* to invest surplus funds available *outside India* “without” RBI’s approval + *also* surplus funds available *should be immediately* to repatriate *to India*.

31. What is *Exporter’s role* for bank account outside India?

- Exporters *are required* to quickly inform *to banks* about details of bank account opened *outside India*.

32. What is *Bank’s role* for remittance to outside India?

- Banks *are also permitted* to allow exporters *to send* remittances *for* acquiring *an immovable* property *outside India* *for its* business *or* *for* resident of its staff.

33. What is *Exporter’s role* for recurring remittance to India?

- Exporters *are permitted* to *100%* repatriate *to India* *against* contract value of off-site contract *through* office *or* branch *outside India* *for* software.

34. What is *Exporter’s role* for final remittance to India?

- Exporters *are permitted* to *100%* repatriate *to India* *against* contract value of on-site contract *through* office *or* branch *outside India* *for* software *against* profits “after” completion of contract.

35. What is *Exporter’s role* for sending audited statement?

- Exporters *are required* to send audited “yearly” statement *to banks in* India *clearly showing* receipts + expenses + repatriations *to India* *against* off-site + *also* on-site contracts “all”.

36. What are *Advances* for running exports?

- Exporters *are required* to make shipment *within* maximum *1* year *from* receipt’s date of advance payments
- Exporters *are not* permitted to pay interest “exceeding” London Inter-Bank Offered Rate (LIBOR) + *100* basis Points (*1%*)



- (iii) Exporters are required to route documents against shipments through bank where advance payment is deposited.
- (iv) Exporters are not permitted to refund utilized portion of advance payments + also not permitted to make payment for interest "without" RBI's approval where exporters are unable to make 100% shipment or partly shipment within maximum 1 year

37. What are Advances for long term exports?

- Banks are permitted to allow exporters to receive long term exports advances against long term supply contracts for maximum 10 years where exporters have 3 years satisfactory track record. Banks are same "after" satisfaction of certain conditions:
 - (i) Exporters should have Firm irrevocable orders for supply and contracts should also be in place. product pricing should also be in accordance to prevailing international prices.
 - (ii) Exporters should have capacity + systems + also processes "all" in place to ensure that orders over duration of said tenure can actually be executed.
 - (iii) Exporters should not be under adverse notice of Enforcement Directorate (ED) or other regulatory agency "any".
 - (iv) Exporters are required to adjust advance payments against future exports.
 - (v) Exporters are not permitted to pay interest exceeding LIBOR + 2%
 - (vi) Exporters are required to send documents through same bank "only".
 - (vii) Banks are required to ensure compliances of Anti-Money Laundering (AML) and Know Your Customer (KYC) guidelines issued by RBI.
 - (viii) Exporters are not permitted to adjust exports advance for liquidating Rupee loans which are classified as Non-Performing Asset (NPA).
 - (ix) Exporters are not permitted to have double financing through working capital loan for exports order's execution where 100% advances are received from buyers.



- (x) Banks are required to report to Trade Division, Foreign Exchange Department, RBI, Central Office (CO) Mumbai where advance for exports are exceeding USD 100 million
- (xi) Banks are required to issue bank guarantee (BG) or Stand by Letter of Credit (SBLC) for exports performance "after" rigorous evaluation + also prudential norms "both" allowed through Board of Directors (BoDs) approved policy. Certain other conditions are required to satisfy like:
 - (a) Banks are permitted to issue BG or SBLC maximum not exceeding 2 years + also further rollover is permitted maximum not exceeding 2 years "after" satisfaction of certain conditions:
 - (b) Banks are permitted to issue BG or SBLC for receipt of advance based on producing balance method.
 - (c) Banks are required to ensure that BG or SBLC issued from India in buyer's favor should not be discounted by overseas branch or bank's subsidiary incorporated in India + also RBI registered "both".
 - (d) Banks are permitted to allow exporters to purchase foreign exchange from market for refunding advance payments credited to EEFC account "after" 100% utilizing balance available in EEFC account maintained in India.

38. What are Advances for long term manufacturing?

- Banks are permitted to allow exporters to receive advance payments for goods' exports through manufacturing for exceeding 1 year "after" satisfaction of certain conditions:
 - (i) Banks are required to ensure KYC + also due diligence exercise "both" for buyers.
 - (ii) Banks are required to ensure compliances for AML standards.
 - (iii) Banks are required to ensure that advance received for exports + also export order should be execute "both". Hence exporters are not permitted to utilize advance payments received for other purpose.



- (iv) Exporters are required to receive progress payments directly from buyers strictly in accordance to terms and conditions of contract for exports
- (v) Exporters are not permitted to pay interest for advance payments for exports exceeding LIBOR + 1%.
- (vi) Banks are required to ensure that refunds for advance payments for exports not exceeding 10% of total advances received in preceding 3 years
- (vii) Exporters are required to route shipment documents through same banks.
- (viii) Exporters are not permitted to refund for advance payments received by exporters. Hence exporters are not permitted to refund where inability to make full (100%) shipment or part (not 100%) shipment "without" RBI's approval.

39. What is Bank's role for long term advances?

- (i) Banks are required to efficiently follow up with exporters where exports are not completed within maximum 1 year + also advance for exports outstanding as on date "both".
- (ii) Banks are required to ensure proper due diligence + also compliances with KYC and AML guidelines issued by RBI "both". Hence RBI wishes to have bona fide exports advances flow in India
- (iii) Banks are required to refer doubtful cases for chronic defaulters to ED's office for investigation + also to file "quarterly" statement "both" for details of cases to concerned RBI's RO within maximum 21 days from end of each quarter.

40. What is EDF approval for Trade Fairs/Exhibitions?

- Exporters are permitted to participate in trade fairs / exhibitions for exhibition + also sale outside India "both" without RBI's approval.

41. What is Exporter's role for Unsold goods' sales?

- Exporters are permitted to sale "unsold" goods outside trade fairs/ exhibitions in same country / in 3rd country.



42. What is Exporter's role for discounted value sales?

- Exporters are permitted to sales at discounted value + also to gift against "unsold" goods for value not exceeding USD 5000 per exhibition / trade fair

43. What is Bank's role for display-cum-sale?

- Banks are permitted to approve EDF for exports items for display-cum-sale in trade fairs / exhibitions outside India "after" satisfaction of certain conditions like:
 - (i) Exporters should produce Bill of Entry (BoE) within maximum 1 month from date of re-imports in India against "unsold" items.
 - (ii) Exporters are required to repatriate to India for sale proceeds in accordance to Foreign Exchange Management (Realization, Repatriation, and Surrender of Foreign Exchange) Regulations, 2000.
 - (iii) Exporters are required to report to banks for method used for disposal of 100% items exported for trade fairs / exhibitions + also to report for proceeds' repatriation in India.
 - (iv) Banks are required to approve transactions + also to have 100% audit by internal inspectors / auditors.

44. What is Bank's role for re-imports after repair?

- Banks are permitted to consider request from exporters for granting EDF approval where goods are being exports for re-imports "after" repairs + maintenance + testing + calibration + also etc. "after" assurance from exporters for producing BoE within maximum 1 month against re-imports "after" exported items from India.

45. What is Bank's role for goods destroy in testing?

- Banks are permitted to obtain certificate from testing agency that goods which were exported for testing are destroyed in testing. Hence banks are permitted to obtain certificate in lieu of BoE for re-imports.



46. What is Bank's role for re-exports?

- (i) Banks are permitted to facilitate re-exports for "unsold" rough diamonds imported at free of cost at Special Notified Zone (SNZ).
- (ii) Banks are permitted to re-exports from SNZ "without" EDF where goods are being re-exported "without" entering in DTA.

47. What is Exporter's role for rough diamonds?

- (i) Exporters are permitted to enter in SNZ accompanied by declaration for notional value through invoice + also packing list for free cost nature of consignment for rough diamonds.
- (ii) Exporters are not permitted to enter in DTA for rough diamonds under any circumstance.

48. What is Bank's role for remittance against imports?

- Banks are permitted for payments against imports "after" satisfaction for transactions' bona fide through Precious Cargo Customs Clearance Centre (PCCCC) located at Mumbai where importers have filed BoE

49. What is Bank's role for Part Drawings / Undrawn Balances?

- Banks are permitted to negotiate bills where invoice value's small part is undrawn for payments "after" adjustments against differences in weight + quality + etc. ascertained "after" arrival + inspection + also weighment / analysis of goods "all". Banks are permitted subject to satisfaction of certain conditions like:
 - (i) Banks are permitted to allow "undrawn" balance's amount maximum 10% for exports' 100% value.
 - (ii) Banks are required to obtain undertaking from exporters in duplicate EDF for surrendering / accounting for balance shipment's proceeds within maximum 1 year permitted for realization.



50. What is Bank's role for undrawn balance's waiver?

- (i) Banks are permitted to allow exporters for undrawn balance's waivers where exporters are unable to arrange repatriation from outside India for undrawn balance beside their best human efforts.
- (ii) Banks are required to ensure that exporters have realized minimum 90% of value declare in EDF / original bill's amount whichever is higher + also maximum 1 year from shipment's date have been expired "both".

51. What are Goods' exports for consignment sale?

- Banks are permitted to allow good's exports on consignment basis + also to ensure that exporters have forwarded documents to branch / correspondent outside India where exporters have instructed to deliver goods against trust receipt / undertaking to deliver export's sale proceeds within specified time for realization.

52. What are Agent's normal expenses for goods' exports?

- Agents / consignees are permitted to deduct for normal expenses against receipt + storage + sale of goods i.e. landing charges + warehouse rent + handling charges + etc. + also to remit "net" proceeds to exporters "all".

53. What is Bank's role for agent's normal expenses?

- Banks are required to verify sale's account received from agents / consignees + deductions in account + also sales required to support by bills / receipts in original "except" petty items i.e. postage + cable charges + stamp duty + also etc. "all"

54. What is Exporter's role for freight + insurance in India?

- Exporters are required to arrange for freight and marine time insurance in India for goods' exports on consignment basis.



55. What is Bank's role for unsold books?

- Banks are permitted to allow exporters books to leave "unsold" books "after" expiry of contract sales' period. Hence exporters are permitted to show value for "unsold" books as deduction from exports proceeds in sale's accounts.

56. What is Bank's role for opening ware houses outside India?

- Banks are permitted to consider applications received from exporters for granting permissions for opening / hiring warehouses outside India "after" satisfaction of certain conditions like:
 - (i) Exporters' export outstanding is not exceeding 5% of exports made in previous financial year.
 - (ii) Exporters' have minimum exports turnover USD 1 lac in previous financial year.
 - (iii) Exporters are required to obtain remittance from outside India within maximum 1 year.
 - (iv) Exporters are required to route 100% transactions with same banks.
 - (v) Exporters are initially permitted for maximum 1 year + also for renewals "after" satisfaction of these conditions.

57. What is Bank's role for dispatching documents?

- Banks are generally dispatching shipping documents to overseas branches / correspondents expeditiously. However, banks are specifically permitted for dispatching shipping documents "directly" to consignees / agents in country of final destination of goods "after" satisfaction of certain conditions like:
 - (i) Where advance payments / Irrevocable Letters of Credits (LC) have been received for 100% value of exports shipment + also underlying sale contracts / LC have been provided for dispatching of documents "directly" to consignees / agents in country of final destination of goods.



- (ii) Banks are permitted to accept requests from exporters where exporters are “regular” customers + banks are satisfied about track record of exporters + also arrangements made for realization of exports proceeds “all”.

58. What is Bank's role for dispatching documents by SEZ?

- Banks are permitted to allow Status Exports Holders (SEH) + also units in Special Economic Zones (SEZ) for dispatch exports documents “directly” to consignee located outside India “after” satisfaction of certain conditions like:
 - (i) Exports proceeds are required to repatriate through same banks named in EDF.
 - (ii) Duplicate copy of EDF is required to submit to banks for monitoring by exporters within 21 days from date of shipment of exports.

59. What is Bank's role for dispatching shipments?

- Banks are permitted to regularize cases for dispatching of shipment by exporters “directly” to consignees / agents as resident in country of final destination of goods where goods' value are not exceeding USD 1 million per exports shipment subject to satisfaction of certain conditions like:
 - (i) 100% Exports proceeds have been realized.
 - (ii) Exporters are “regular” customer of banks for minimum 6 months.
 - (iii) Exporters' account with banks are 100% compliant with guidelines issued by RBI for Know Your Customer (KYC) + also Anti Money Laundering (AML) “both”.
 - (iv) Banks are required to satisfy for transaction's bona-fides.
 - (v) Banks are required to file Suspicious Transaction Report (STR) with Financial Intelligence Unit in India (FIU_IND) where transactions are not bona-fides.

60. What is Exporter's role for periodically invoices?

- (i) Exporters are permitted to issue “periodically” invoices where contracts are for long duration + also involving transmissions' series “both”



- (ii) Exporters are required to issue “monthly” invoices or “after” completing milestone prescribed in contract whichever is earlier
- (iii) Exporters are required to issue “last” invoices within maximum 15 days from completion of contract’s date.
- (iv) Exporters are required to submit “combined” SOFTEX form for 100% invoices raised on importers located outside India

61. What is Exporter’s role for running invoices?

- Exporters are required to issue invoices within maximum 15 days from transmission’s date where contracts are involving 1 shot operation.

62. What is Exporter’s role for declarations in SOFTEX form?

- Exporters are required to submit declarations in SOFTEX Form in “quadruplicate” for computer software’s exports + audio + also video / television software “all” to designated officials of Government of India (Govt.) at STPI / EPZ / FTZ / SEZ for valuation / certification within maximum 30 days from date of “periodical” invoices / date of last invoices. Designated officials are required to certify EOUs’ SOFTEX Forms.

63. What is Govt.’s role for export’s valuations?

- Invoices raised on importers located outside India are required subject to valuation of exports declared on SOFTEX form by designated official of Govt. + also consequent amendments made in invoice values if needed “both”.

64. What is Exporter’s role for Short Shipments?

- (i) Exporters are required to give notice to customs department when “part” shipments are being shipped against EDF filed with Customs deptt. in prescribed forms.
- (ii) Exporters are required to give undertaking to banks that they have filed “short” shipment notice with customs deptt. where delay in obtaining certified “short” shipment notices from Customs deptt.



65. What is **Exporter's role for Shut out Shipments?**

- (i) Exporters are required to give notices in "duplicate" to customs deptt. in prescribed forms where 100% shipments have been shut down + also there are delay in arranging re-shipments.
- (ii) Customs deptt. are required to verify that shipments were "actually" shut down + to certify notices' copies for shut downs are correct + also forwarded to RBI along with "unused" EDF's duplicate copy "all".
- (iii) Customs deptt. are required to cancel "original" EDF received earlier from exporters. However, EDF's fresh set are required to issue where subsequent shipment is to be made.

66. What are **Exports / Imports for Counter-Trade Arrangements?**

- (i) Exports and Imports under Counter-Trade Arrangements (CTAs) are permitted in India.
- (ii) Exports and Imports also permitted for adjustments of goods' value to be imported in India for goods' value to be exported outside India in accordance to arrangements as "voluntarily" entered between Indian party and foreign party.
- (iii) Adjustments are permitted through opening Escrow account in banks in India in USD subject to satisfactions of certain conditions

67. What is **Foreign Trade Policy for Counter-Trade Arrangements?**

- 100% exports and imports under arrangements are required to make at international prices in accordance to Foreign Trade Policy (FTP) + also Foreign Exchange Management Act (FEMA) 1999 + Rules + also Regulations made thereunder "all".

68. What is **Bank interest for Escrow account?**

- (i) Banks are not permitted to pay "any" interest on balances as outstanding in credit of Escrow Account.



- (ii) Banks are permitted to pay interest on “temporary” funds as outstanding in credit in Escrow Account under head “short-term” deposits for period in aggregate not exceeding 3 months in 12 months’ block.

69. What are Bank loans for Escrow account?

- Banks are not permitted to allow “any” fund based / non-fund-based facilities against outstanding in credit of Escrow account.

70. What is Bank’s role for Escrow account?

- Banks are permitted to open Escrow Account “after” receiving application from exporters.

71. What are Exports of Goods for Leasing / Hire purchase?

- Exporters are required to take approval from RBI for exports of machineries + equipment + also etc. “all” on lease / hire purchase basis under agreement with lessee outside India for collection of lease rentals / hire purchase charges.

72. What is Exporter’s role for Leasing / Hire purchase?

- Exporters are required to apply to RBI through banks for ultimate re-imports of machineries + equipment + also etc. “all”.

73. What are Exports for Elongated Credit Terms?

- Exporters are required to take approval from RBI through banks for exports of goods on elongated credit terms basis.

74. What are Exports of goods for Special Economic Zones?

- Exporters through units in SEZs are permitted to undertake job work + also to goods’ exports by purchasing of goods from same country outside India where job work is undertaking outside India “after” satisfaction of certain conditions like:
(i) Processing / manufacturing charges are required to reasonably loaded in exports price + also to borne by ultimate buyers (importers).



- (ii) Exporters are required to make satisfactory arrangements for realization of 100% exports proceeds subject to execution for usual EDF procedure.
- (iii) Banks are permitted to allow units located in Domestic Tariff Areas (DTAs) for purchasing foreign exchanges for making payments for goods to be supplied to units located in SEZs.

75. What are Exports of services for Domestic Tariff Area?

- (i) Banks are allowed to sale foreign exchange to services' importers located in Domestic Tariff Areas (DTAs) for making payments for services' imports from units located in SEZs areas.
- (ii) Importers of services are required to ensure that Letter of Approval (LoA) issued to SEZs units by Development Commissioner (DC) of SEZs areas is to contain provisions for exports of goods / services + also receipts of foreign exchanges "both" for exports of services by units located in SEZs areas.

76. What is Exporter's role for Projects / Services?

- (i) Exporters are permitted for exports of engineering goods based on "deferred payments" + also for execution of turnkey projects / civil construction contracts located outside India are collectively known as Exports of Projects.
- (ii) Exporters are required to take approval from banks / Exim bank "before" undertaking any execution of exports of project contracts based on "deferred payments".
- (iii) Regulations for Project Exports + also Service Exports "both" are laid down in "revised" Memorandum of Instructions on Project and Service Exports (PEM-July 2014)

77. What is Bank's role for Projects / Services?

- (i) Banks / Exim bank are permitted to consider "post-award" approvals "without" any monetary limit + also to permit "subsequent" changes in terms of "post award" approval in accordance to FEMA's guidelines / regulations.



- (ii) Exporters *for* exports *of* projects + *also* exports *of* services “both” are *permitted* to approach banks / *Exim Bank* based *on* commercial judgment.
- (iii) Banks / *Exim bank* are *required* to monitor projects *where* “post-award” approvals *have been* granted *by* them.

78. What are *Special facilities for Projects / Services*?

- (i) Exporters *are not* required to recover “market” value *not* lower than “book” value *from* transferee projects *for* supply *of* machineries + equipment + *also* etc. “all”.
- (ii) Banks / *Exim bank* is *required* to monitor *projects’* exports.

79. What is *Inter-Project Transfer of Funds for Projects / Services*?

- (i) Banks / *Exim bank* is *permitted* to open + *to maintain* + *to operate* *1* *or* more *foreign* currency accounts *in* currency *of* *their* choice *along with* inter-project transferability *of* funds *in* “any” currency / *country*.
- (ii) Banks / *Exim bank* is *required* to monitor “Inter project” funds transfer.

80. What are *Temporary Cash Surpluses for Projects / Services*?

- (i) Banks / *Exim Bank* are *permitted for* deploying “temporary” cash surpluses generated *outside India* *in* “short-term” investments + treasury bills + *also* other monetary instruments “all” *with* maturity / “remaining” maturity *for* maximum *1* year
- (ii) Banks / *Exim Bank* are *required* to ensure *that* rating *of* *these* investments *not* lower than *rating* provided *by* A-1 / AAA *by* Standard and Poor & P-1 / Aaa *by* Moody’s & F1 / AAA / Fitch *by* IBCA + *also* etc. “all”
- (iii) Banks / *Exim banks* are *required* to ensure *that* deposits *with* branches / subsidiaries *outside India* *of* banks located *in* India.

81. What is *Repatriation of Funds for Projects / Services*?

- (i) Exporters *of* software’s *are not* permitted to repatriate *exceeding* 30% *of* contract value *for* on-site contracts.



- (ii) Exporters of software's are required to repatriate profits for on-site contracts "after" contracts' completion.

82. What are Exports for Indian Currency?

- Exports of Indian notes are permitted in accordance to Foreign Exchange Management (Exports and Imports of Currency) Regulations, 2000 as notified through Notification No. FEMA 6/2000-RB dated 3rd May 2000 as amended from time to time.

83. What is Monetary limit for Indian currency's export?

- (i) Exports of Indian notes are permitted with RBI's approval where INRs are exceeding 25 thousand.
- (ii) Exports of Indian notes are permitted without RBI's approval where "general" permission has been granted under RBI regulations for INR not exceeding 25 thousand subjects to satisfaction of certain conditions like:
- (a) Residents of India (RoI) are permitted without RBI's approval for exporting Indian notes not exceeding 25 thousand
 - (b) RoI are not permitted without RBI's approval for exporting Indian notes while visiting to Nepal / Bhutan
 - (c) RoI are not permitted without RBI's approval for exporting Indian notes exceeding 25 thousand.

84. What are Forfeitures for exports receivables?

- (i) Banks / Exports-Imports Bank of India (EXIM Bank) are permitted to undertake Forfeitures for financing of exports receivable, commitment fee + service charges + also etc. "all".
- (ii) Banks / Exim banks are permitted to remit in advance in 1 lump sum / at "monthly" intervals as approved by authority concerned.



85. What is Bank's role for factoring services?

- Banks are permitted for factoring against exports receivable for enabling exporters to improve their cash flow + to meet their working capital requirements subject to satisfaction of certain conditions like:
 - (i) Banks are required to take their own business decision to enter in exports factoring for exports receivables on non-recourse basis.
 - (ii) Banks are required to ensure that their clients are not over financed.
 - (iii) Banks are permitted to determine working capital requirement for clients taking in account value of invoices as purchased for factoring.
 - (iv) Banks are required to ensure that invoices as purchased for factoring should be represented with genuine trade invoices.

86. What is Bank's role for realizing exports proceeds?

- Banks are required to pass net value to financing bank / financing institution "after" realizing exports proceeds where banks have not made exports financing through factoring for exports

87. What is Bank's role for credit evaluation?

- Banks are required to have arrangement with imports factor for credit evaluation + also payment's collection "both" where banks are themselves factoring for exports receivables.

88. What is Bank's role for reporting to RBI's EDPMS?

- Banks are required to close exports bills + also to report to RBI's Export Data Processing and Monitoring System (EDPMS) "after" factoring for exports receivables.

89. What is Bank's role for obtaining credit evaluation details?

- Banks are required to obtain credit evaluation details from correspondent bank outside India where single factoring "without" involving Imports Factor located outside India



90. What is Bank's role for obeying KYC guidelines?

- Banks are required to obey KYC guidelines + also due diligence on exporters "both" for ensuring factoring for exports receivables.

91. What are Exports for neighboring countries?

- Exporters are permitted for exporting to neighboring countries through road / rail / river i.e. Nepal etc. Exporters are required to adopt certain procedures for filing EDF's original copies where exports are being made to neighboring countries through road / rail / river i.e. Nepal etc.
- Exporters are required to submit EDF by themselves / through their agents at custom station nearest to border of India.

92. What are Exports through rail for neighboring countries?

- Exporters are required to submit with custom's staffs as posted nearest to railway station.
- Exporters are required to submit EDF to custom's officers at India's border where goods are loaded at station "other than" designated station.

93. What is Exporter's role for barter trade?

- Exporters are not permitted to have "Barter" Trade with Myanmar in accordance to instructions contained in A.P. (DIR Series) Circular No. 17 dated Oct 16, 2000 applicable from Dec 01, 2015
- 100% trade transactions with Myanmar are required to conduct as normal trade transactions applicable from Dec 01, 2015.
- FCCs + also ACU mechanism "both" are required to use for settlement of normal trade transactions applicable from Dec 01, 2015.

94. What is Exporter's role for state credits systems?

- Exporters of goods and services are permitted to receive payments through state credits systems i.e. with USSR + Iran + also etc. "all".



- (ii) Repayment *through* state credit systems *is generally known* rupee trade systems.
- (iii) Exporters *are required* to obey RBI's guidelines + also directions "both" amended *from* time to time.

95. What are Counters –Trade Arrangements for Romania?

- (i) Exporters *are permitted by RBI for* counter trade *with* Romania's importers *where* adjustments *for* export's value *from* India *against* import's value *to* India.
- (ii) Exporters *are permitted* to have "voluntary" adjustments *with* Romania's importers
- (iii) Exporters *are required* to utilize funds *as* received *against* exports *for* making payments *against* imports *from* Romania *within maximum* 6 months *from* credit's date *to* Escrow account opened *by* exporters.

96. What is Bank's role for exporter's guarantee?

- (i) Banks *are permitted* to give guarantee *for* debt / obligation / other liability incurred *by* RoI *with* person resident *outside* India *where* debt / obligation / other liability incurred *by* exporters *on* export's account *from* India.
- (ii) Banks *are permitted* to give guarantee *for* debt / obligation / other liability incurred *by* person resident *outside* India *in certain* circumstances *like*:
 - (a) *Where* debt / obligation / other liability *is* owned *to* RoI *for* bona fide trade transaction.
 - (b) *This* guarantee *is required* to give *along with* counter guarantee *by* international *repute* bank *outside* India
 - (c) Counter-guarantee *is required* to cover *with* guarantee issued *by* branch / correspondent bank located *outside* India *on* behalf of *Indian* exporters *where* guarantees of resident banks *are "only"* acceptable *by* importers *outside* India.



(C) Guidelines for banks + Exporters

97. What is Meaning for Specific Identification Numbers?

- Bank are required to put SIN in 100% applications / correspondence to be sent to RBI. SIN number is available on Export Declaration Form (EDF) + also SOFTEX forms "both".

98. What is Meaning for EDF + SOFTEX?

- Bank are required to dispose EDF in accordance to Regulation 6 of Foreign Exchange Management (Exports of Goods and Services) Regulations, 2000 notified through Notification No. FEMA 23/2000-RB dated May 03rd 2000 as amended from time to time.

99. What is Meaning for EDF?

- Procedure for EDF's submission against exports of goods through EDI ports is required to continue "without" any change.
- Submission of EDF is not required where exports of goods or software's are taking place through EDI port. SDF is subsumed in shipping bill format.

100. What is Procedure for filling EDF?

- EDF is required to use for declaration of exports of Goods at Non-EDI ports.
- EDF is required to complete by exporters in duplicate + also both copies to be submitted to Customs at port of shipment along with shipping bill.

101. What is Custom office's role for filling EDF?

- Customs office is required to give running serial number on both copies "after" admitting corresponding shipping bill.
- Customs serial number is required to be 10 numerals denoting code number of port of shipment, calendar year and 6-digit running serial number.
- Customs are required to certify value as declared by exporters on both copies of EDF at space as marked + also to record assessed value "both"



- (iv) Customs office is required to return duplicate copy of EDF to exporters + also to retain original copy for transmission to RBI.
- (v) Customs office is required to return duplicate copy "after" examination of goods + also certifying quantity as approved for shipment to exporters for submission to Bank for negotiation / collection of exports bills

102. What is Exporter's role for filling EDF?

- (i) Exporters are required to submit duplicate copy of EDF again to Customs along with cargo as to be shipped.
- (ii) Exporters are required to lodge duplicate copy along with relative shipping documents + also extra copy of invoice "both" to Bank as named in EDF

103. What is Bank's role for reporting RBI's EDPMS?

- (i) Bank are required to report transaction through Export Data Processing and Monitoring System (EDPMS) of RBI "after" documents have been negotiated / sent for collection.
- (ii) Bank are not required to submit duplicate copy of form together with copy of invoice to RBI.
- (iii) Bank are permitted to accept another duplicate copy of EDF as duly certified by Customs
- (iv) Bank are required to countersign original copy of EDF for exports of goods through postal. Bank have to follow misplaced / lost.

104. What is Exporter's role for DCAs?

- (i) Exports under Deferred Credit Arrangements (DCAs) / to Joint ventures outside India are permitted
- (ii) Exporters are required to put number + also date for RBI's approval in EDF where exports are made under DCAs / to Joint ventures outside India for equity participation / under rupee credit arrangements (rupee trade transactions).



105. What is Bank's role for export through postal?

- (i) Postal authorities are permitted to allow goods' exports through postal where EDF's original copy is countersigned by Banks subject to satisfaction of certain conditions like:
 - Banks are required to countersign EDF "after" ensuring that parcel is being addressed to branch / correspondent bank outside India + also to return "original" copy to exporters for submitting with EDF to postal authorities along with parcel.
- (ii) Banks are required to retain "duplicate" EDF's copy submitted by exporters with "extra" invoice's copy for negotiation / collection within maximum 21 days.
- (iii) Banks are required to instruct to branch / correspondence office outside India to deliver parcel to consignee for payment / acceptance of respective bills.
- (iv) Banks are permitted to countersign EDF as covering parcels addressed direct to consignees.
- (v) Banks are required to open irrevocable LC for 100% value for goods' exports in exporters' favor.
- (vi) Banks are required to authenticate under stamp + signatures for alternation in name + also consignee's address on EDF "all".

106. What is Exporter's role for export through postal?

- Exporters are requiring to furnish form under "proper" authentication for advance payments / LC / bank certifications for standing + also etc. "both"

107. What is Bank's role for deep sea fishing exports?

- Banks are required to regulate requirement for filling EDF where Deep-sea fishing outside Indian Territory limit is existed in accordance to conditions notified vide Notification No. FEMA.23/2000/RB dated May 3, 2000



108. What is **Exporter's role for deep sea fishing exports?**

- Exporters are required to obey norms prescribed by Ministry of Agriculture (MoA) Govt. of India for EDF's filling notified vide Regulation 3 of Notification No. FEMA.23/2000-RB dated May 3, 2000
- (i) Exporters are required to submit EDF duly signed by master of vessels in lieu of Custom's Certification for catch's composition + quantity + exports value + date for catch's transfer + also etc. "all".
- (ii) Exporters are required in EDF for date of catch's transfer + also for Date of Shipment with suitable remarks.
- (iii) Exporters are required to ensure that EDF number is included in Bill of Landing (BoL) / transshipment's receipt issued by vessel's carrier.
- (iv) Exporters are required to ensure that EDF is duly supported with certificates obtained from international cargo surveyor.
- (v) Exporters are required to ensure that prescribed period for realization + repatriation is matched with reference date for catch's transfer duly certified by Master of Vessel / invoice's date whichever is earlier.
- (vi) Exporters are required to ensure that EDF in original + duplicate "both" are showing number + date for Letter of Permit (LoP) issued by MoA for vessel's operations.
- (vii) Exporters are required to complete EDF in original + duplicate "both" + also to submit to custom office at vessel's registered port / other port approved by MoA. Original EDF is required to retain by custom office for data's capturing in Customs Electronic Data Interchange (CEDI)
- (viii) Exporters are required to obtain running serial number on original + duplicate "both" EDF's copies + also to treat duplicate copy as exports value's certification
- (ix) Exporters are required to obey rules + regulations + directions issued by RBI for EDF's submission + also etc. "all".



109. What is Exporter's role for submitting shipping bills?

- (i) Exporters are required to submit shipping bill in duplicate to Custom's Commissioner.
- (ii) Exporters are required to submit 1 shipping bill's copy marked as exchange control copy within 21 days from export's date "after" obtaining verified + also authenticated shipping bill "both" from Custom's Commissioner.

110. What is Bank's role for submitting shipping bills?

- (i) Banks are required to accept Exchange Control (EC) shipping bill's copy as submitted by exporters for collection / negotiation of shipping documents.
- (ii) Banks are required to retain + to dispose "duplicate" shipping bill's copy along with invoice's copy + EDF + etc. "all" to submit to RBI "if required".
- (iii) (a) Banks are required to co-ordinate exports proceeds' distributions as received by exporters from buyers where insurance claims have been received by exporters from Export Credit Guarantee Corporation (ECGC) / private insurance companies.
- (b) Banks are required to obtain certificate from ECGC / private insurance companies for verifying amount paid to exporter for insurance claim.

111. What is Exporter's role for Software Exports?

- (i) (a) Software exporters are permitted to file single / bulk SOFTEX forms in excel format statement with competent authority for certification through their units in STPI / SEZ
- (b) Software exporters are required to file SOFTEX forms in "duplicate" in accordance to revise procedures prescribed as these forms are being transmitted in electronic format to RBI. STPI / SEZ + also to retain 1 copy and to handover "duplicate" copy to exporters "after" due certification.



- (c) Software exporters are permitted to provide 100% information's for invoices in bulk statement in excel format when invoices' amounts are not exceeding USD 25000
- (ii) Exporters are permitted to file "common" SOFTEX Forms to declare single / bulk software exports.

112. What is RBI's role for Software Exports?

- (i) RBI has extended facility for online generation of EDF numbers + also SOFTEX Forms numbers "both" for single / bulk to use in off-site software exports.
- (ii) Facility for "manual" allotment of single / bulk SOFTEX forms number by RBI's ROs are stopped.

113. What is Bank's role for Random verifications?

- Banks are required to ensure through random check of relevant "duplicate" forms by their internal / concurrent auditors for non-realization / short realization are allowed within powers as delegated to banks + also approved by RBI "both" wherever needed "if any".

114. What is Exporter's role for credit in EEFC account?

- Exporters are required to provide exports declarations in "duplicate" forms when sales proceeds are credited in EEFC account in following Performa:
Proceeds amounting to representing percent of exports realization credited to EEFC account maintained by exporters with.....

115. What is Airline company's role for Airway bills?

- Airline company's Master Airway Bill is required to issue to Consolidating Cargo Agent when air cargo is shipped under consolidation. Consolidating Cargo agent is required to issue his own House Airway Bills (HAWBs) to exporters.

116. What is Bank's role for Airway bills?

- Banks are permitted to negotiate HAWBs when relative LC is "specifically" providing for documents' negotiation in lieu of Airway Bills issued by airline company.



117. What is Bank's role for shipping bills?

- (i) Banks are permitted to accept Forwarder's Cargo Receipts (FCR) issued by IATA approved agents in lieu of BoL for negotiation / collection of shipping documents for exports transactions backed by LC when LC is "specifically" providing for negotiation in lieu of BoL beside sale contract with buyers are not providing for FCR's acceptance as shipping bill in lieu of BoL.
- (ii) Banks are permitted at their discretion to accept FCR issued by reputed shipping companies / IATA approved agents for purchase / discount / collection of shipping documents when exports transactions are not backed by LC for sale contract with buyers for FCR's acceptance as shipping document in lieu of BoL.
- (iii) FCR's acceptance for purchase / discount is required to take credit decision by banks for satisfying for transaction's bona fides + buyer's track record + also suppliers since FCRs are not negotiable documents "all".

118. What is Exporter's role for delay in submitting documents?

- Exporters are required to submit exports documents maximum in 21 days from export's date.

119. What is Bank's role for delay in submitting documents?

- Banks are permitted to carry matter when shipping documents are not submitted maximum in 21 days "without" RBI's approval where banks are satisfied with delay's reasons.

120. What is Bank's role for returning EDF's copies?

- Generally, banks are not returning EDF's "duplicate" copies + shipping documents received for negotiation / collection / etc. "except" received for error's rectification + also re-submission "both".



121. What is Bank's role for delivering BoL?

- Banks are permitted to deliver 1 negotiable BoL's copy to Master of carrying vessel / trade representative for exports to landlocked countries where shipment is covered by irrevocable LC + documents conform strictly in accordance to LC's terms.

122. What is Bank's role for maintaining exports bills register?

- (i) Banks are required to maintain Exports Bills Register in physical / electronic form in accordance with Export Data Processing and Monitoring System (EDPMS).
- (ii) Bill numbers are required to give to 100% exports transactions based on financial year i.e. April to March + also same to report in EDPMS "both".

123. What is Bank's role for overdue outstanding bills?

- (i) (a) Banks are required to closely watch bill's realization when bills are outstanding beyond due date for realization. Moreover, matter is required to promptly taken up with exporters.
- (b) Banks are required to report to RBI's ROs when exporters are failed to arrange export's realization in India / failed to take permission for delay realization's extension.
- (ii) Banks are required to hold EDF's "duplicate" copies / SOFTEX forms till 100% realization "except" when balance's undrawn are permitted.
- (iii) (a) Generally Banks are required to follow-up for exports realization vigorously
- (b) RBI is permitted to invoke "penal" provisions under FEMA, 1999 when banks are satisfied / proved for laxity in realization's follow-up.
- (iv) (a) Banks are required to report in RBI's EDPMS for 100% realization from "new" export's transactions for shipping documents received "after" Feb 28, 2014
- (b) Banks are required to report in RBI's XOS for 100% realization from "old" export's transactions for shipping documents received "up to" Feb 28, 2014



124. What is Bank's role for cash discount in invoice's value?

- (i) Occasionally exporters are permitted to approach banks for reduction in invoice's value for cash discount to buyers for usance bill's prepayments.
- (ii) (a) Banks are permitted to allow for cash discount maximum "proportionate" to interest for usance's unexpired period.
- (b) Cash discount is required to calculate at interest's rate stipulated in exports contract / available at prime rate / LIBOR for invoice's currency when interest's rate is not stipulated in contract.

125. What is Bank's role for reduction in invoice's value?

- (i) Banks are permitted to reduce invoice value "after" bills have been negotiated / send for collection when banks are satisfied for request's genuineness subject to satisfactions of certain conditions like:
 - (a) Where reduction is not exceeding 25% of invoice value.
 - (b) Where reduction is not for commodities' exports + also reduction is required subject to floor price stipulations "both".
 - (c) Where exporters are not in exporters RBI's caution list
 - (d) Where exporters are required to surrender "proportionate" exports incentives availed "if any".
- (ii) Banks are permitted for reduction in invoice price "without" % ceiling when exporters are engaged in exports business for minimum 3 years + also exporters track records satisfactory.
- (iii) Banks are required to ensure that exporters' exports outstanding are not exceeding 5% of "annual" exports realization in preceding 3 financial years.
- (iv) Outstanding's computation is not to include countries facing externalization problems

126. What is Bank's role for remitting against importer's claims?

- (i) Banks are permitted to remit for exports claims when exports proceeds are realized + repatriated in India + also exporters not in caution list issued by RBI "all".



- (ii) Banks are required to instruct to exporters to surrender "proportionate" exports incentives "if any" received by them.

127. What is Bank's role for changing importer's name?

- (i) Banks are permitted to change buyer's names with RBI's approval when goods are shipped + also "original" buyer has defaulted in payments "both".
- (ii) Banks are required to ensure that reduction in values are not exceeding 25% of invoice value + also realization of exports proceeds are not delayed beyond 12 months from export's date.

128. What is Bank's role for 1st Extension of time?

- Generally, RBI has permitted to banks for extending exports proceeds realizations' period beyond maximum 180 days 1st time subject to satisfaction of certain conditions like:
 - (i) Where exports transactions are not under investigations by Enforcement Directorate (ED) / Central Bureau of Investigation (CBI) / other investigation agencies.
 - (ii) Where banks are satisfied that exporters are unable to realize exports proceeds beyond reasons in their control.
 - (iii) Where exporters have submitted declaration that exports proceeds will be realized in extended period.
 - (iv) Where total exporters' outstanding are not exceeding 10% of average exports realizations in preceding 3 financial years / not exceeding USD 1 million whichever is higher.
 - (v) Banks are required to report in XOS statement when outstanding are exceeding 6 months.
 - (vi) Banks are permitted to allow extension's time when exporters have filed court suits outside India against buyers beside outstanding's quantum.



129. What is Bank's role for 2nd Extension of time?

- (i) Banks are permitted to permit 2nd extension's time "after" obtaining approval from RBI's RO when exporters are not able to realize exports proceeds for reasons beyond their controls within time allowed in 1st extension
- (ii) Banks are required to ensure that necessary applications are filed with RBI's RO in "duplicate".

130. What is Bank's role for self-write off?

- (i) Banks are permitted to allow self-write off when exporters have surrendered exports incentives + also subject to satisfactions of certain conditions notified vide A.P. (DIR Series) Circular No. 03 dated July 22nd 2010:
 - (a) Self write-off by "ordinary" exporters is not permitted when self-write off are exceeding 5% of total exports proceeds realized in previous "calendar" year
 - (b) Self write-off by "star holder" exporters are not permitted when self-write off are exceeding 10% of total exports proceeds realized in previous "calendar" year
 - (c) Self Write off by banks are not permitted when self-write off are exceeding 10% of total exports proceeds realized in previous "calendar" year
- (ii) These limits for write off are "cumulatively" available in 1 "calendar" year

131. What are Bank's conditions for self-write off?

- Self-write off are permitted when outstanding is minimum for 1 year + exporters have submitted satisfactory documentary evidences for 100% best human possible efforts made to realize dues + also subject to certain circumstances like:
 - (i) Where buyers are declared as insolvent + also submitted certificate obtained from official liquidator for no recovery's possibility for exports proceeds.
 - (ii) Where buyers are not traceable "after" reasonably long-time tracking.



- (iii) Where exported goods are auctioned / destroyed by Port / Customs / Health authorities outside India.
- (iv) Where unrealized amounts are representing balances due "after" intervention of Indian Embassy / Foreign Chamber of Commerce / similar Organizations
- (v) Where unrealized amounts are representing balance undrawn of exports bill not exceeding 10% of invoice value + also unrealized amounts are outstanding despite 100% best human efforts made by exporters "both".
- (vi) (a) Where resorting's cost for legal actions is disproportionate to unrealized amount
or
(b) Where exporters are not able to execute court degree against buyer due to reasons beyond their human control.
- (vii) (a) Where bills were drawn for differences between LC's value and actual export's value / differences between provisional and actual freight charges
and
(b) Where amounts are remained unrealized due to bill's dishonored by buyers + also no realization's prospects "both".

132. What are Proportionate incentives for self-write off?

- Banks are permitted to allow write off unrealized outstanding balance "after" obtaining evidences from exporters for "proportionate" surrender of exports incentives when "proportionate" surrender of exports incentives are covered under A. P. (DIR. Series) Circular No. 03 dated July 22, 2010.

133. What is Exporter's role for write off permitted?

- (i) Exporters are permitted to self-write off / to approach to banks along with shipping documents + also appropriate supporting documentary evidences "both" when exporters are not able for realizing outstanding exports dues despite their 100% best human efforts.



- (ii) Exporters are required to submit certificates to banks when obtained from practicing Chartered Accountants (CA) in India for certain information's like:
- (a) Exports realization in preceding "calendar" year
 - (b) Amount of write-off availed in current "calendar" year "if any"
 - (c) Relevant EDF to be written off
 - (d) Bill No
 - (e) Invoice value
 - (f) Commodity exported
 - (g) Country of export
 - (h) Surrendered "proportionate" exports benefits as availed by exporters.

134. What is Exporter's role for write off not permitted?

- (i) Where exports are made to countries those are having externalization problems i.e. buyers have deposited export's value in local currency + also banks located outside India are not allowed to repatriate by country's central banking authority i.e. RBI in India.
- (ii) Where EDFs are under investigation for civil / criminal suits by agencies like:
 - (a) Enforcement Directorate (ED)
 - (b) Directorate of Revenue Intelligence (DRI)
 - (c) Central Bureau of Investigation (CBI) + also etc. "both".
- (iii) Banks are required to report write off of exports bills through EDPMS to RBI.
- (iv) Banks are required to put in system for their "internal" inspectors / auditors + also "external" auditors "both" appointed by banks to carry "random" check / "percentage" check for write-off against outstanding exports bills.
- (vi) Banks are required to refer to RBI's RO where cases are not covered under abovementioned instructions / prescribed exceeding limits.

135. What are Unrealized claimed for write off?

- (i) Banks are permitted to allow write offs when exporters have filed their request applications for write offs with support for documentary evidences from ECGC / private insurance companies regulated by IRDA + also ECGC / private insurance companies are required to confirm claim's amount settled by them.
- (ii) Write off is permitted for unrealized claimed from ECGC / private insurance companies
- (iii) Write-offs are not required to restrict in limit for 10% indicated above.

136. What is Proportionate incentive's surrender for write off?

- (i) Proportionate amounts for incentive's surrender are required to take in accordance with Foreign Trade Policy (FTP).
- (ii) Claims settled in INR by ECGC / private insurance companies are not required to treat exports realization in foreign exchange.

137. What are Export promotion schemes for Write-off?

- Realization of exports proceeds are not required to insist under Exports Promotion Schemes (EPS) announced by FTP 2015-2020 for exports proceeds' realization subject to satisfaction of certain conditions like:
 - (i) Where write offs are allowed by banks based on merits in accordance with RBI's guidelines.
 - (ii) Where exporters are required to produce certificates obtained from Foreign Mission of Govt. of India located outside India for non-recovery from buyers.
 - (iii) Relaxation of write offs are not available for exporters when they have made "self-write offs".

138. What is Bank's role for losses in Transit?

- (i) Banks are required to ensure that insurance claims lodged + also received "both" by exporters when "actual" payments are not received by exporters for lost shipments in transit.



- (ii) Banks are required to ensure that claim's amounts for lost shipments in transit are not 100% settled by shipping companies / airlines under carrier's liability + also to ensure that claim's amounts are required to repatriate in India "both".

139. What is Bank's role for claim's collection outside India?

- Banks are required to make arrangements through their branches / correspondent office located outside India to collect 100% claim's amount for lost shipments.

140. What is Exporter's role for losses in Transit?

- Exporters are required to submit certificates to banks for claim's amount received from ECGC / private insurance companies.

141. What is Bank's role for Netting off?

- Banks are permitted to allow netting off for exports receivables against imports payables for units located in SEZ subject to satisfaction of certain conditions like:
 - (i) Banks are permitted to allow netting off for exports receivables against imports payables for "same" Indian entity + also netting is affected on units' balance sheet date "both" when units are located in SEZs.
 - (ii) Banks are required to ensure that details for goods' exports are documented in EDF / DTR + also details for goods / services' imports are recorded through form A1 / A2. EDF is required to treat as complete by banks "after" 100% proceeds adjusted.
 - (iii) Banks are required to report imports + also exports "both" transactions in R>Returns under FET-ERS.

142. What is Exporter's role for Netting off?

- (i) Exporters are not permitted for netting off against imports / exports transactions with ACU countries
- (ii) Exporters are required to submit necessary documents to banks.



143. What is Bank's role for Set-off?

- Banks are permitted to set-off for exports receivables against imports payables subject to satisfaction of certain conditions like:
 - (i) Imports are required in accordance with FTP applicable in India.
 - (ii) Invoices + BoL + Airway Bills + also BoE's Exchange Control copies "all" for home consumption are required to submit by importers to banks.
 - (iii) Payment for imports are required outstanding on date fixed for set off in importers' books.
 - (iv) Banks are required to release EDF "after" 100% exports proceeds are adjusted.
 - (v) Set-offs for exports receivables against imports payables are permitted with "same" buyers + "same" suppliers + also consent "all" for set-off are obtained.
 - (vi) Set-offs of exports receivables against imports payables are not permitted with ACU countries.

144. What is Exporter's role for Set-off?

- (i) Exporters are required to submit documents to banks.
- (ii) Exporters are required to report "separately" in return's for Imports + also exports "both" transactions.

145. What are Payments for Agent's Commissions?

- Banks are permitted to allow payments for agent's commission through remittance / deduction from invoice value for application submitted by exporters subject to satisfactions of certain conditions for agency commission's remittance:
 - (i) Banks are required to ensure amount for agent's commissions are declared in EDF / SOFTEX form + also accepted by Customs authorities / Ministry of Information Technology, Government of India / EPZ authorities "both".
 - (ii) Banks are permitted to allow payments for agent's commissions when commissions are not declared in EDF / SOFTEX form "after" satisfying with



reasons *as explained by exporters for not declaring commissions in EDF / SOFTEX form. However valid agreement / written understanding is required to exist between exporters and beneficiaries.*

(iii) Banks are required to ensure that shipments are made.

146. What are Payments for Agent's Commissions under CTA?

- Banks are permitted to allow payments for commissions when exports are covered under CTA through Escrow Accounts designated in USD subject to satisfaction of certain conditions like:

- (i) Where payments for commissions are satisfying 100% conditions.
- (ii) Where commission is not payable through Escrow Account holders.
- (iii) Where commission is not allowed through deduction from invoice value.

147. What are Prohibited payments for Agent's Commissions?

- (i) Banks are prohibited for exports commission's payments through Indian partners against equity participation in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) outside India
- (ii) Banks are prohibited for exports commission's payments when exports are under Rupee Credit Route (RCR)
- (iii) Banks are not prohibited for exports commission's payments when tea + tobacco "both" not exceeding 10% of invoice value.

148. What are Remittances for refund against exports?

- Banks are permitted to allow remittances outside India when exports proceeds are "originally" realized where exported goods are required to re-import in India due to poor goods' quality subject to satisfaction of certain conditions like:

- (i) Where banks have exercised due diligence of track record for exporters.
- (ii) Where banks have verified bona-fides for transactions



- (iii) Where banks have obtained certificate from exporters issued by DGFT / Custom authorities that incentives are not received / "proportionate" incentives are surrendered "if received".
- (iv) Where banks are required to obtain undertaking from exporters that goods are required to re-import in maximum 3 months from remittance's date.
- (v) Where banks are required to ensure that 100% procedures applicable for "normal" imports are obeyed

149. What are Names for exporters' caution list?

- (i) Banks are required to ensure that exporters' names not existed in caution list issued by RBI in accordance to Regulation 17 of Exports Regulations.
- (ii) Banks are permitted to approve EDF for exporters those names are placed in caution list issued by RBI when exporters have submitted evidences for payments received in advance / recoverable LCs in exporters' favor for 100% proposed exports' value.
- (iii) Banks are also permitted to approve EDF for exporters when usance bills are drawn against LCs for 100% exports value + also usance bills are required to mature maximum within 12 months from shipment's date.
- (iv) Banks are required to obtain approvals from RBI's RO for issuing bank guarantees when exporters' names are existed in caution list issued by RBI.

150. What is Master Circular for exports of goods and services?



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2011-12/10

Master Circular No.10 /2011-12
(Updated as on February 9, 2012)

July 01, 2011

To,

All Category – I Authorised Dealer Banks

Madam / Sir,

Master Circular on Export of Goods and Services

Export of Goods and Services from India is allowed in terms of clause (a) of sub-section (1) and sub-section (3) of Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000 viz. Foreign Exchange Management (Current Account) Rules, 2000, as amended from time to time.

2. This Master Circular consolidates the existing instructions on the subject of "Export of Goods and Services from India" at one place. The list of underlying circulars/notifications consolidated in this Master Circular is furnished in Appendix.

3. This Master Circular is being issued with a sunset clause of one year. This circular will stand withdrawn on July 01, 2012 and be replaced by an updated Master Circular on the subject.

Yours faithfully,

(Rashmi Fauzdar)
Chief General Manager



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PART-1

A. Introduction

(i) Export trade is regulated by the Directorate General of Foreign Trade (DGFT) and its regional offices, functioning under the Ministry of Commerce and Industry, Department of Commerce, Government of India. Policies and procedures required to be followed for exports from India are announced by the DGFT, from time to time.

(ii) AD Category – I banks may conduct export transactions in conformity with the Foreign Trade Policy in vogue and the Rules framed by the Government of India and the Directions issued by Reserve Bank from time to time. In exercise of the powers conferred by clause (a) of sub-section (1) and sub-section (3) of Section 7 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank has notified the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 relating to export of goods and services from India, hereinafter referred to as the 'Export Regulations'. These Regulations have been notified vide [Notification No. FEMA 23/2000-RB dated May 3, 2000](#), as amended from time to time.

(iii) The Directions contained in this Circular should be read with the Rules notified by the Government of India, Ministry of Finance, vide Notification No.G.S.R.381 (E) dated May 3, 2000, (Annex - 1) as also Regulations notified by Reserve Bank vide its [Notification No. FEMA 23/2000-RB dated May 3, 2000](#), as amended from time to time (Annex - 2).

(iv) In terms of Regulation 4 of the Foreign Exchange Management (Guarantees) Regulations, 2000, notified vide [Notification No. FEMA 8/2000-RB dated May 3, 2000](#), AD Category – I banks have been permitted to issue guarantees on behalf of exporter clients on account of exports out of India subject to specified conditions.

(v) There is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.40 of the Foreign Trade Policy (August 27, 2009 - March 31, 2014), "All export contracts and

invoices shall be denominated either in freely convertible currency or in Indian Rupees but export proceeds shall be realised in freely convertible currency. However, export proceeds against specific exports may also be realised in rupees provided it is through a freely convertible Vostro account of a non-resident bank situated in any country, other than a member country of the ACU or Nepal or Bhutan". Indian Rupee is not a freely convertible currency, as yet.

(vi) Any reference to the Reserve Bank should first be made to the Regional Office of the Foreign Exchange Department situated in the jurisdiction where the applicant person resides, or the firm / company functions, unless otherwise indicated. If, for any particular reason, they desire to deal with a different office of the Foreign Exchange Department, they may approach the Regional Office of its jurisdiction for necessary approval.

(vii) "Financial Year" (April to March) is reckoned as the time base for all transactions pertaining to trade related issues.

PART 2

B. General guidelines for Exports

B.1 Exemption from Declarations

GR Exemption

The requirement of declaration of export of goods and software in the prescribed form will not apply to the cases indicated in Regulation 4 of [Notification No. FEMA 23/2000-RB dated May 3, 2000](#) (Annex 2). The exporters shall, however, be liable to realise and repatriate export proceeds as per FEMA Regulations.

Grant of GR waiver

- (i) AD Category – I banks may consider requests for grant of GR waiver from exporters for export of goods free of cost, for export promotion up to 2 per cent of the average annual exports of the applicant during the preceding three financial years subject to a ceiling of Rs.5 lakhs. For status holder exporters, the limit as per the present Foreign Trade Policy is Rs.10 lakhs or 2 per cent of the average annual export realization during the preceding three licensing years (April-March), whichever is higher.
- (ii) Export of goods not involving any foreign exchange transaction directly or indirectly requires the waiver of GR/PP procedure from the Reserve Bank.

B.2 Manner of Receipt and Payment

- (i) The amount representing the full export value of the goods exported shall be received through an AD Bank in the manner specified in the Foreign Exchange Management (Manner of Receipt & Payment) Regulations, 2000 notified vide [Notification No. FEMA.14/2000-RB dated May 3, 2000](#) (Annex-3) in the following manner:
 - a) Bank draft, pay order, banker's or personal cheques.
 - b) Foreign currency notes/foreign currency travellers' cheques from the buyer during his visit to India.
 - c) Payment out of funds held in the FCNR/NRE account maintained by the buyer
 - d) International Credit Cards of the buyer.

Note: When payment for goods sold to overseas buyers during their visits is received in this manner, GR/SDF (duplicate) should be released by the AD Category – I banks only on receipt of funds in their Nostro account or if the AD Category – I bank concerned is not the Credit Card servicing bank, on production of a certificate by the exporter from the Credit Card servicing bank in India to the effect that it has received the equivalent amount in foreign exchange, AD Category – I banks may also receive payment for exports made out of India by debit to the credit card of an importer where the reimbursement from the card issuing bank/ organisation will be received in foreign exchange.

(ii) Trade transactions can also be settled in the following manner:

- a) All transactions between a person resident in India and a person resident in Nepal or Bhutan may be settled in Indian Rupees. However, in case of export of goods to Nepal, where the importer has been permitted by the Nepal Rashtira Bank to make payment in free foreign exchange, such payments shall be routed through the ACU mechanism.
- b) In precious metals i.e. Gold / Silver / Platinum by the Gem & Jewellery units in SEZs and EOUs, equivalent to value of jewellery exported on the condition that the sale contract provides for the same and the approximate value of the precious metals is indicated in the relevant GR / SDF / PP Forms.*

(iii) Processing of export related receipts through Online Payment Gateway Service Providers (OPGSPs)

Authorised Dealer Category – I (AD Category – I) banks have been allowed to offer the facility of repatriation of export related remittances by entering into standing arrangements with Online Payment Gateway Service Providers (OPGSPs) subject to the following conditions –

- a. The AD Category-I banks offering this facility shall carry out the due diligence of the OPGSP.

- b. This facility shall only be available for export of goods and services of value not exceeding USD 3000 (US Dollar three thousand). (effective from October 14, 2011).
- c. AD Category-I banks providing such facilities shall open a NOSTRO collection account for receipt of the export related payments facilitated through such arrangements. Where the exporters availing of this facility are required to open notional accounts with the OPGSP, it shall be ensured that no funds are allowed to be retained in such accounts and all receipts should be automatically swept and pooled into the NOSTRO collection account opened by the AD Category-I bank.
- d. A separate NOSTRO collection account may be maintained for each OPGSP or the bank should be able to delineate the transactions in the NOSTRO account of each OPGSP.
- e. The following debits will only be permitted to the NOSTRO collection account opened under this arrangement:
 - I. Repatriation of funds representing export proceeds to India for credit to the exporters' account;
 - II. (b) Payment of fee/commission to the OPGSP as per the predetermined rates / frequency/ arrangement; and
 - III. (c) Charge back to the importer where the exporter has failed in discharging his obligations under the sale contract.
- f. The balances held in the NOSTRO collection account shall be repatriated and credited to the respective exporter's account with a bank in India immediately on receipt of the confirmation from the importer and, in no case, later than seven days from the date of credit to the NOSTRO collection account.
- g. AD Category -I banks shall satisfy themselves as to the bonafides of the transactions and ensure that the purpose codes reported to the Reserve Bank in the online payment gateways are appropriate.
- h. AD Category -I banks shall submit all the relevant information relating to any transaction under this arrangement to the Reserve Bank, as and when advised to do so.

- i. Each NOSTRO collection account should be subject to reconciliation and audit on a quarterly basis.
- j. Resolution of all payment related complaints of exporters in India shall remain the responsibility of the OPGSP concerned.
- k. OPGSPs who are already providing such services as per the specific holding-on approvals issued by the Reserve Bank shall open a liaison office in India within three months from November 16, 2010, after duly finalizing their arrangement with the AD-Category-I banks and obtaining approval from the Reserve Bank for this purpose. In respect of all new arrangements, the OPGSP shall open a liaison office with the approval of the Reserve Bank before operationalising the arrangement. AD Category-I banks desirous of entering into such an arrangement/s should approach the Reserve Bank for obtaining one time permission in this regard and thereafter report the details of each such arrangement as and when entered into.

(iv) Settlement system under ACU Mechanism

- a) In order to facilitate transactions / settlements, effective January 01, 2009, participants in the Asian Clearing Union will have the option to settle their transactions either in ACU Dollar or in ACU Euro. Accordingly, the Asian Monetary Unit (AMU) shall be denominated as 'ACU Dollar' and 'ACU Euro' which shall be equivalent in value to one US Dollar and one Euro, respectively.
- b) Further, AD Category – I banks are allowed to open and maintain ACU Dollar and ACU Euro accounts with their correspondent banks in other participating countries. All eligible payments are required to be settled by the concerned banks through these accounts.
- c) Relaxation from ACU Mechanism- Indo-Myanmar Trade - Trade transactions with Myanmar can be settled in any freely convertible currency in addition to the ACU mechanism.
- d) In view of the difficulties being experienced by importers/exporters in payments to / receipts from Iran, it has been decided that with effect from December 27, 2010, all eligible current account transactions including trade

transactions with Iran should be settled in any permitted currency outside the ACU mechanism, until further notice.

B.3 Realisation and Repatriation of export proceeds

It is obligatory on the part of the exporter to realise and repatriate the full value of goods or software to India within a stipulated period from the date of export, as under :

- (i) By Units in Special Economic Zones (SEZs): No specific time period has been stipulated;
- (ii) By Status Holder Exporters as defined in the Foreign Trade Policy : Within a period of twelve months from the date of export;
- (iii) By 100 % Export Oriented Units (EOUs) and units set up under Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Biotechnology Parks (BTPs) schemes : Within a period of twelve months from the date of export on or after September 1, 2004;
- (iv) Goods exported to a warehouse established outside India : As soon as it is realised and in any case within fifteen months from the date of shipment of goods; and
- (v) In all other cases: With effect from June 3, 2008, this period of realization and repatriation to India has been enhanced to twelve months from the date of export till **September 30, 2012**. (effective from October 1, 2011).

B.4 Foreign Currency Account

- (i) Participants in international exhibition/trade fair have been granted general permission vide Regulation 7(7) of the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations, 2000 notified vide [Notification No. FEMA 10/2000-RB dated May 3, 2000](#) for opening a temporary foreign currency account abroad. Exporters may deposit the foreign exchange obtained by sale of goods at the international exhibition/trade fair and operate the account during their stay outside India provided that the balance in the account is repatriated to India through normal banking channels within a period of one month from the date of

closure of the exhibition/trade fair and full details are submitted to the AD Category – I banks concerned.

- (ii) Reserve Bank may consider applications in Form EFC (Annex 6) from exporters having good track record for opening a foreign currency account with banks in India and outside India subject to certain terms and conditions. Applications for opening the account with a branch of an AD Category – I bank in India may be submitted through the branch at which the account is to be maintained. If the account is to be maintained abroad the application should be made by the exporter giving details of the bank with which the account will be maintained.
- (iii) An Indian entity can also open, hold and maintain a foreign currency account with a bank outside India, in the name of its overseas office/branch, by making remittance for the purpose of normal business operations of the said office/branch or representative subject to conditions stipulated in Regulation 7 of [Notification No. FEMA 10/2000-RB dated May 3, 2000](#) and as amended from time to time.
- (iv) A unit located in a Special Economic Zone (SEZ) may open, hold and maintain a Foreign Currency Account with an AD Category – I bank in India subject to conditions stipulated in Regulation 6 (A) of [Notification No. FEMA 10/2000-RB dated May 3, 2000](#) and as amended from time to time.
- (v) A person resident in India being a project / service exporter may open, hold and maintain foreign currency account with a bank outside or in India, subject to the standard terms and conditions in the Memorandum PEM.

B.5 Diamond Dollar Account (DDA)

- (i) Under the scheme of Government of India, firms and companies dealing in purchase / sale of rough or cut and polished diamonds / precious metal jewellery plain, minakari and / or studded with / without diamond and / or other stones, with a track record of at least 2 years in import / export of diamonds / coloured gemstones / diamond and coloured gemstones studded jewellery / plain gold jewellery and having an average annual

turnover of Rs. 3 crores or above during the preceding three licensing years (licensing year is from April to March) are permitted to transact their business through Diamond Dollar Accounts.

- (ii) They may be allowed to open not more than five Diamond Dollar Accounts with their banks.
- (iii) Eligible firms and companies may apply for permission to their AD Category – I banks in the format prescribed.

B.6 Exchange Earners' Foreign Currency (EEFC) Account

- (i) A person resident in India may open with, an AD Category – I bank in India, an account in foreign currency called the Exchange Earners' Foreign Currency (EEFC) Account, in terms of Regulation 4 of the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations, 2000 notified under Notification No. FEMA 10/2000-RB dated May 3, 2000 as amended from time to time.

Resident individuals are permitted to include resident close relative(s) as defined in the Companies Act 1956 as a joint holder(s) in their EEFC bank accounts on former or survivor basis. However, such resident Indian close relative, being made eligible to become joint account holder, shall not be eligible to operate the account during the life time of the resident account holder (effective from September 15, 2011).

- (ii) All categories of foreign exchange earners are allowed to credit up to 100 per cent of their foreign exchange earnings to their EEFC Accounts.
- (iii) This account shall be maintained only in the form of non-interest bearing current account. No credit facilities, either fund-based or non-fund based, shall be permitted against the security of balances held in EEFC accounts by the AD Category – I banks.
- (iv) The eligible credits represent –

(a) inward remittance received through normal banking channel, other than the remittance received pursuant to any undertaking given to the Reserve Bank or which represents foreign currency loan raised or investment received from outside India or those received for meeting specific obligations by the account holder.

(b) Payments received in foreign exchange by an unit in Domestic Tariff Area (DTA) for supplying goods to an unit in Special Economic Zone out of its foreign currency account.

- (v) AD Category – I banks may permit their exporter constituents to extend trade related loans / advances to overseas importers out of their EEFC balances without any ceiling subject to compliance of provisions of [Notification No. FEMA 3/2000-RB dated May 3, 2000](#) as amended from time to time.
- (vi) AD Category – I banks may permit exporters to repay packing credit advances whether availed in Rupee or in foreign currency from balances in their EEFC account and / or Rupee resources to the extent exports have actually taken place.

B.7 Setting up of Offices Abroad and Acquisition of Immovable Property for Overseas Offices

- (i) At the time of setting up of the office, AD Category – I banks may allow remittances towards initial expenses up to fifteen per cent of the average annual sales/income or turnover during the last two financial years or up to twenty-five per cent of the net worth, whichever is higher.
- (ii) For recurring expenses, remittances up to ten per cent of the average annual sales/income or turnover during the last two financial years may be sent for the purpose of normal business operations of the office (trading / non-trading) / branch or representative office outside India subject to the following terms and conditions:

- a) the overseas branch/office has been set up or representative is posted overseas for conducting normal business activities of the Indian entity;
 - b) the overseas branch/office/representative shall not enter into any contract or agreement in contravention of the Act, Rules or Regulations made there under;
 - c) the overseas office (trading / non-trading) / branch / representative should not create any financial liabilities, contingent or otherwise, for the head office in India and also not invest surplus funds abroad without prior approval of the Reserve Bank. Any funds rendered surplus should be repatriated to India.
- (iii) The details of bank accounts opened in the overseas country should be promptly reported to the AD Bank.
 - (iv) AD Category – I banks may also allow remittances by a company incorporated in India having overseas offices, within the above limits for initial and recurring expenses, to acquire immovable property outside India for its business and for residential purpose of its staff.
 - (v) The overseas office / branch of software exporter company/firm may repatriate to India 100 per cent of the contract value of each 'off-site' contract.
 - (vi) In case of companies taking up 'on site' contracts, they should repatriate the profits of such 'on site' contracts after the completion of the said contracts.
 - (vii) An audited yearly statement showing receipts under 'off-site' and 'on-site' contracts undertaken by the overseas office, expenses and repatriation thereon may be sent to the AD Category – I banks.

B.8 Advance Payments against Exports

- (1) In terms of Regulation 16 of [Notification No. FEMA 23/2000-RB dated May 3, 2000](#), where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that –

- (i) the shipment of goods is made within one year from the date of receipt of advance payment;
- (ii) the rate of interest, if any, payable on the advance payment does not exceed London Inter-Bank Offered Rate (LIBOR) + 100 basis points; and
- (iii) the documents covering the shipment are routed through the AD Category – I bank through whom the advance payment is received.

Provided that in the event of the exporter's inability to make the shipment, partly or fully, within one year from the date of receipt of advance payment, no remittance towards refund of unutilized portion of advance payment or towards payment of interest, shall be made after the expiry of the said period of one year, without the prior approval of the Reserve Bank.

(2) Where the export agreement provides for shipment of goods extending beyond the period of one year from the date of receipt of advance payment, the exporter shall require the prior approval of the Reserve Bank.

(3) AD Category – I banks may allow the purchase of foreign exchange from the market for refunding advance payment credited to EEFC account only after utilizing the entire balances held in the exporter's EEFC accounts maintained at different branches/banks.

Note: AD Category – I banks may also be guided by the Master Circular on Guarantees and Co-acceptances issued by DBOD.

B.9 GR Approval for Trade Fair/Exhibitions abroad

Firms / Companies and other organizations participating in Trade Fair/Exhibition abroad can take/export goods for exhibition and sale outside India without the prior approval of the Reserve Bank. Unsold exhibit items may be sold outside the exhibition/trade fair in the same country or in a third country. Such sales at discounted value are also permissible. It would also be permissible to 'gift' unsold goods up to the value of USD 5000 per exporter, per exhibition/trade fair. AD

Category – I banks may approve GR Form of export items for display or display-cum-sale in trade fairs/exhibitions outside India subject to the following:

- (i) The exporter shall produce relative Bill of Entry within one month of re-import into India of the unsold items.
- (ii) The sale proceeds of the items sold are repatriated to India in accordance with the Foreign Exchange Management (Realisation, Repatriation, and Surrender of Foreign Exchange) Regulations, 2000.
- (iii) The exporter shall report to the AD Category – I banks the method of disposal of all items exported, as well as the repatriation of proceeds to India.
- (iv) Such transactions approved by the AD Category – I banks will be subject to 100 per cent audit by their internal inspectors/auditors.

B.10 GR approval for Export of Goods for re-imports

- (i) AD Category – I banks may consider request from exporters for granting GR approval in cases where goods are being exported for re-import after repairs / maintenance / testing / calibration, etc., subject to the condition that the exporter shall produce relative Bill of Entry within one month of re-import of the exported item from India.
- (ii) Where the goods being exported for testing are destroyed during testing, AD Category – I banks may obtain a certificate issued by the testing agency that the goods have been destroyed during testing, in lieu of Bill of Entry for import.

B.11 Part Drawings /Undrawn Balances

- (i) In certain lines of export trade, it is the practice to leave a small part of the invoice value undrawn for payment after adjustment due to differences in weight, quality, etc., to be ascertained after arrival and inspection, weighment or analysis of the goods. In such cases, AD Category – I banks may negotiate the bills, provided:
 - a) The amount of undrawn balance is considered normal in the particular line of export trade, subject to a maximum of 10 per cent of the full

export value.

- b) An undertaking is obtained from the exporter on the duplicate of GR/SDF/PP forms that he will surrender/account for the balance proceeds of the shipment within the period prescribed for realization.
- (ii) In cases where the exporter has not been able to arrange for repatriation of the undrawn balance in spite of best efforts, AD Category – I banks, on being satisfied with the bona fides of the case, should ensure that the exporter has realised at least the value for which the bill was initially drawn (excluding undrawn balances) or 90 per cent of the value declared on GR/PP/SDF form, whichever is more and a period of one year has elapsed from the date of shipment.

B.12 Consignment Exports

- (i) When goods have been exported on consignment basis, the AD Category-I bank, while forwarding shipping documents to his overseas branch/ correspondent, should instruct the latter to deliver them only against trust receipt/undertaking to deliver sale proceeds by a specified date within the period prescribed for realization of proceeds of the export. This procedure should be followed even if, according to the practice in certain trades, a bill for part of the estimated value is drawn in advance against the exports.
- (ii) The agents/consignees may deduct from sale proceeds of the goods expenses normally incurred towards receipt, storage and sale of the goods, such as landing charges, warehouse rent, handling charges, etc. and remit the net proceeds to the exporter.
- (iii) The account sales received from the Agent/Consignee should be verified by the AD Category – I banks. Deductions in Account Sales should be supported by bills/receipts in original except in case of petty items like postage/cable charges, stamp duty, etc.
- (iv) In case of goods exported on consignment basis, freight and marine insurance must be arranged in India.

AD Category – I banks may allow the exporters to abandon the books, which remain unsold at the expiry of the period of the sale contract. Accordingly, the exporters may show the value of the unsold books as deduction from the export proceeds in the Account Sales.

B.13 Opening / Hiring of Ware houses abroad

AD Category – I banks may consider the applications received from exporters and grant permission for opening / hiring warehouses abroad subject to the following conditions:

- (i) Applicant's export outstanding does not exceed 5 per cent of exports made during the previous financial year.
- (ii) Applicant has a minimum export turnover of USD 100,000/- during the last financial year.
- (iii) Period of realisation should be as applicable.
- (iv) All transactions should be routed through the designated branch of the AD Banks.
- (v) The above permission may be granted to the exporters initially for a period of one year and renewal may be considered subject to the applicant satisfying the requirement above.
- (vi) AD Category – I banks granting such permission/approvals should maintain a proper record of the approvals granted.

B.14 Direct dispatch of documents by the exporter

- (i) AD Category – I banks should normally dispatch shipping documents to their overseas branches/correspondents expeditiously. However, they may dispatch shipping documents direct to the consignees or their agents resident in the country of final destination of goods in cases where:
 - a) Advance payment or an irrevocable letter of credit has been received

for the full value of the export shipment and the underlying sale contract/letter of credit provides for dispatch of documents direct to the consignee or his agent resident in the country of final destination of goods.

- b) The AD Category – I banks may also accede to the request of the exporter provided the exporter is a regular customer and the AD Category – I bank is satisfied, on the basis of standing and track record of the exporter and arrangements have been made for realisation of export proceeds.
 - c) Documents in respect of goods or software are accompanied with a declaration by the exporter that they are not more than Rs. 25,000/- in value and not declared on GR/SDF/PP/SOFTEX form.
- (ii) AD Category – I banks may also permit 'Status Holder Exporters' (as defined in the Foreign Trade Policy), and units in Special Economic Zones (SEZ) to dispatch the export documents to the consignees outside India subject to the terms and conditions that:
- a) The export proceeds are repatriated through the AD banks named in the GR Form.
 - b) The duplicate copy of the GR form is submitted to the AD banks for monitoring purposes, by the exporters within 21 days from the date of shipment of export.
- (iii) AD Category – I banks may regularize cases of dispatch of shipping documents by the exporter direct to the consignee or his agent resident in the country of the final destination of goods, up to USD 1 million or its equivalent, per export shipment, subject to the following conditions:
- a) The export proceeds have been realised in full.
 - b) The exporter is a regular customer of AD Category – I bank for a period of at least six months.

- c) The exporter's account with the AD Category – I bank is fully compliant with the Reserve Bank's extant KYC / AML guidelines.
- d) The AD Category – I bank is satisfied about the bonafides of the transaction.

In case of doubt, the AD Category – I bank may consider filing Suspicious Transaction Report (STR) with FIU_IND (Financial Intelligence Unit in India).

B.15 Invoicing of Software Exports

- (i) For long duration contracts involving series of transmissions, the exporters should bill their overseas clients periodically, i.e., at least once a month or on reaching the 'milestone' as provided in the contract entered into with the overseas client and the last invoice / bill should be raised not later than 15 days from the date of completion of the contract. It would be in order for the exporters to submit a combined SOFTEX form for all the invoices raised on a particular overseas client, including advance remittances received in a month.
- (ii) Contracts involving only 'one-shot operation', the invoice/bill should be raised within 15 days from the date of transmission.
- (iii) The exporter should submit declaration in Form SOFTEX in triplicate in respect of export of computer software and audio / video / television software to the designated official concerned of the Government of India at STPI / EPZ / FTZ / SEZ for valuation / certification not later than 30 days from the date of invoice / the date of last invoice raised in a month, as indicated above. The designated officials may also certify the SOFTEX Forms of EOUs, which are registered with them.
- (iv) The invoices raised on overseas clients as at (i) and (ii) above will be subject to valuation of export declared on SOFTEX form by the designated official concerned of the Government of India and consequent amendment made in the invoice value, if necessary.

B.16 Short Shipments and Shut out Shipments

- (i) When part of a shipment covered by a GR form already filed with Customs is short-shipped, the exporter must give notice of short-shipment to the Customs in the form and manner prescribed. In case of delay in obtaining certified short-shipment notice from the Customs, the exporter should give an undertaking to the AD banks to the effect that he has filed the short-shipment notice with the Customs and that he will furnish it as soon as it is obtained.
- (ii) Where a shipment has been entirely shut out and there is delay in making arrangements to re-ship, the exporter will give notice in duplicate to the Customs in the form and manner prescribed, attaching thereto the unused duplicate copy of GR form and the shipping bill. The Customs will verify that the shipment was actually shut out, certify the copy of the notice as correct and forward it to the Reserve Bank together with unused duplicate copy of the GR form. In this case, the original GR form received earlier from Customs will be cancelled. If the shipment is made subsequently, a fresh set of GR form should be completed

B.17 Counter-Trade Arrangement

Counter trade proposals involving adjustment of value of goods imported into India against value of goods exported from India in terms of an arrangement voluntarily entered into between the Indian party and the overseas party through an Escrow Account opened in India in US Dollar will be considered by the Reserve Bank subject to following conditions :

- (i) All imports and exports under the arrangement should be at international prices in conformity with the Foreign Trade Policy and Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.
- (ii) No interest will be payable on balances standing to the credit of the Escrow Account but the funds temporarily rendered surplus may be held in a short-term deposit up to a total period of three months in a year (i.e., in a block of 12

months) and the banks may pay interest at the applicable rate.

- (iii) No fund based/or non-fund based facilities would be permitted against the balances in the Escrow Account.
- (iv) Application for permission for opening an Escrow Account may be made by the overseas exporter / organisation through his / their AD Category – I bank to the Regional Office concerned of the Reserve Bank.

B.18 Export of Goods on Lease, Hire, etc.

Prior approval of the Reserve Bank is required for export of machinery, equipment, etc., on lease, hire basis under agreement with the overseas lessee against collection of lease rentals/hire charges and ultimate re-import. Exporters should apply for necessary permission, through an AD Category – I banks, to the Regional Office concerned of the Reserve Bank, giving full particulars of the goods to be exported.

B.19 Export on Elongated Credit Terms

Exporters intending to export goods on elongated credit terms may submit their proposals giving full particulars through their banks for consideration to the Regional Office concerned of the Reserve Bank.

B.20 Export of goods by Special Economic Zones (SEZs)

Units in SEZs are permitted to undertake job work abroad and export goods from that country itself subject to the conditions that:

- (i) Processing / manufacturing charges are suitably loaded in the export price and are borne by the ultimate buyer.
- (ii) The exporter has made satisfactory arrangements for realisation of full export proceeds subject to the usual GR procedure.

AD Category – I banks may permit units in DTAs to purchase foreign exchange for making payment for goods supplied to them by units in SEZs.

B.21 Project Exports and Service Exports

Export of engineering goods on deferred payment terms and execution of turnkey projects and civil construction contracts abroad are collectively referred to as 'Project Exports'. Indian exporters offering deferred payment terms to overseas buyers and those participating in global tenders for undertaking turnkey/civil construction contracts abroad are required to obtain the approval of the AD Category – I banks/ EXIM Bank/ Working Group at post-award stage before undertaking execution of such contracts. Regulations relating to 'Project Exports' and 'Service Exports' are laid down in the revised Memorandum of Instructions on Project and Service Exports (PEM- October 2003 as amended from time to time).

In order to provide greater flexibility to project exporters and exporters of services in conducting their overseas transactions, the guidelines stipulated vide paragraphs B.10 (i) (f), C 1(ii), D.1 (i), D.3 and D.4(iv) of the PEM have been modified as set out below. Project/Service exporters have also been extended the facility of deployment of temporary cash balance as set out here under;

(i) Inter-Project Transfer of Machinery [B 10 (i) (f) & D 4 (iv)]

The stipulation regarding recovery of market value (not less than book value) of the machinery, etc., from the transferee project has been withdrawn. Further, exporters may use the machinery / equipment for performing any other contract secured by them in any country subject to the satisfaction of the sponsoring AD Category – I bank(s) / EXIM Bank / Working Group and also subject to the reporting requirement and would be monitored by the AD Category – I bank(s) / EXIM Bank / Working Group.

(ii) Inter-Project Transfer of Funds [D 1 (i) & D 3]

AD Category – I bank(s) / EXIM Bank / Working Group may permit exporters to open, maintain and operate one or more foreign currency account/s in a currency(ies) of their choice with inter-project transferability of funds in any currency

or country. The Inter-project transfer of funds will be monitored by the AD Category – I bank(s) / EXIM Bank / Working Group.

(iii) Deployment of Temporary Cash Surpluses

Project / Service exporters may deploy their temporary cash surpluses, generated outside India, in the following instruments / products, subject to monitoring by the AD Category – I bank(s) / EXIM Bank / Working Group :

- (a) investments in short-term paper abroad including treasury bills and other monetary instruments with a maturity or remaining maturity of one year or less and the rating of which should be at least A-1/AAA by Standard & Poor or P-1/Aaa by Moody's or F1/AAA by Fitch IBCA etc. ,
- (b) deposits with branches / subsidiaries outside India of AD Category – I banks in India.

(iv) Repatriation of Funds in case of On-site Software Contracts [C 1 (ii)]

The requirement of repatriation of 30 per cent of contract value in respect of on-site contracts by software exporter company / firm has been dispensed with. They should, however, repatriate the profits of on-site contracts after completion of the contracts as per para B.7 (vii), *ibid*.

B.22 Export of Currency

In terms of Foreign Exchange Management (Export and Import of Currency) Regulations, 2000 notified vide Notification No. FEMA 6/ 2000-RB dated 3rd May 2000, as amended from time to time, any export of Indian currency of value exceeding Rs.7,500/- except to the extent permitted under any general permission granted under the Regulations, will require prior permission of the Reserve Bank.

B.23 Forfeiting

Export-Import Bank of India (EXIM Bank) and AD Category – I banks have been permitted to undertake forfeiting, for financing of export receivables. Remittance of commitment fee / service charges, etc., payable by the exporter as approved by the EXIM Bank / AD Category – I banks concerned may be done through an AD bank.

Such remittances may be made in advance in one lump sum or at monthly intervals as approved by the authority concerned.

B.24 Exports to neighbouring countries by Road, Rail or River

The following procedure should be adopted by exporters for filing original copies of GR/SDF forms where exports are made to neighboring countries by road, rail or river transport:

- (i) In case of exports by barges/country craft/road transport, the form should be presented by exporter or his agent at the Customs station at the border through which the vessel or vehicle has to pass before crossing over to the foreign territory. For this purpose, exporter may arrange either to give the form to the person in charge of the vessel or vehicle or forward it to his agent at the border for submission to Customs.
- (ii) As regards exports by rail, Customs staff has been posted at certain designated railway stations for attending to Customs formalities. They will collect the GR/SDF forms for goods loaded at these stations so that the goods may move straight on to the foreign country without further formalities at the border. The list of designated railway stations can be obtained from the Railways. For goods loaded at stations other than the designated stations, exporters must arrange to present GR/SDF forms to the Customs Officer at the Border Land Customs Station where Customs formalities are completed.

B.25 Border Trade with Myanmar

This is governed by the Agreement on Border Trade between India and Myanmar. People living along both sides of the India-Myanmar border are permitted to exchange certain specified locally produced commodities (Annex 5) under the barter trade arrangement. They can also trade in freely convertible currency. AD banks should follow the guidelines stipulated in A.P.(DIR Series) Circular No.17 dated October 16, 2000.

B.26 Repayment of State Credits

Export of goods and services against repayment of state credits granted by erstwhile USSR will continue to be governed by the extant directions issued by the Reserve Bank, as amended from time to time.

B.27 Counter –Trade Arrangements with Romania

The Reserve Bank will consider counter trade proposals from Indian exporters with Romania involving adjustment of value of exports from India against value of imports made into India in terms of a voluntarily entered arrangement between the concerned parties, subject to the condition, among others that the Indian exporter should utilize the funds for import of goods from Romania into India within six months from the date of credit to Escrow Accounts allowed to be opened.

PART – 3

C. Operational Guidelines for AD Category – I banks

C.1 Citing of Specific Identification Numbers

- (i) In all applications / correspondence with the Reserve Bank, the specific identification number as available on the GR, PP and SOFTEX forms should invariably be cited.
- (ii) In the case of declarations made on SDF form, the port code number and shipping bill number should be cited.

C.2 GR/SDF/PP/SOFTEX procedure

In terms of Regulation 6 of Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 notified vide [Notification No. FEMA.23/2000-RB dated 3rd May 2000](#), as amended from time to time export declaration forms should be disposed of as under:

C.3 (A) GR forms

- (i) GR forms should be completed by the exporter in duplicate and both the copies submitted to the Customs at the port of shipment along with the shipping bill.
- (ii) Customs will give their running serial number on both the copies after admitting the corresponding shipping bill. The Customs serial number will have ten numerals denoting the code number of the port of shipment, the calendar year and a six- digit running serial number.
- (iii) Customs will certify the value declared by the exporter on both the copies of the GR form at the space earmarked and will also record the assessed value.
- (iv) They will then return the duplicate copy of the form to the exporter and retain the original for transmission to the Reserve Bank.
- (v) Exporters should submit the duplicate copy of the GR form again to Customs along with the cargo to be shipped.

- (vi) After examination of the goods and certifying the quantity passed for shipment on the duplicate copy, Customs will return it to the exporter for submission to the AD Category – I banks for negotiation or collection of export bills.
- (vii) Within 21 days from the date of export, exporter should lodge the duplicate copy together with relative shipping documents and an extra copy of the invoice with the AD Category – I banks named in the GR form.
- (viii) After the documents have been negotiated / sent for collection, the AD Category – I banks should report the transaction to the Reserve Bank in statement ENC under cover of appropriate R-Supplementary Return.
- (ix) The duplicate copy of the form together with a copy of invoice etc. shall be retained by the AD Category – I banks and may not be submitted to the Reserve Bank.
- (x) In the case of exports made under deferred credit arrangement or to joint ventures abroad against equity participation or under rupee credit agreement, the number and date of the Reserve Bank approval and/or number and date of the relative RBI circular should be recorded at the appropriate place on the GR form.
- (xi) Where Duplicate copy of GR form is misplaced or lost, AD Category – I banks may accept another copy of duplicate GR form duly certified by Customs.

Note: At present, GR Forms [to be completed in duplicate for export otherwise than by Post including export of software in physical form i.e. magnetic tapes / discs and paper media] can be obtained by the exporters from the Regional Offices of the Reserve Bank. As part of simplifying the procedures, GR Forms are now made available on-line on the Reserve Bank's website www.rbi.org.in.

(Link:- Notification→FEMA→Forms→For Printing of GR Form)

Accordingly, the exporters have the option to use the GR Forms available on-line as well.

C.3 (B) Mid-Sea Trans-shipment of catch by Deep Sea Fishing Vessels (effective from November 21, 2011).

Since deep sea fishing involves continuous sailing outside the territorial limit, trans-shipment of catches takes place in the high sea leading to procedural constraints in

regulatory reporting requirement viz. the Declaration of Export in terms of Notification No.FEMA.23/2000/RB dated May 3, 2000.

For mid-sea trans-shipment of catches by Indian owned vessels, as per the norms prescribed by the Ministry of agriculture, Government of India, the GR declaration procedure in this regard has been rationalized in consultation with the Government of India as outlined below should be followed by the exporter in conformity with Regulation 3 of Notification No.FEMA.23/2000-RB dated May 3, 2000.

- (i) The exporters may submit the GR form, duly signed by the Master of the Vessel in lieu of Custom Certification, indicating the composition of the catch, quantity, export value, date of transfer of catch, etc.
- (ii) The date of transfer of catch may be indicated in the column for 'Date of Shipment' with suitable remarks.
- (iii) In SDF form, Bill of Lading No. and date shall be mentioned in lieu of the Shipping Bill No. and date.
- (iv) Bill of Lading / Receipt of Trans-shipment issued by the carrier vessel should include the GR Form Number.
- (v) The GR Forms should be duly supported by a certificate from an international cargo surveyor.
- (vi) The prescribed period of realization and repatriation should be reckoned with reference to the date of transfer of catch as certified by the Master of the Vessel or the date of the invoice, whichever is earlier.
- (vii) The GR Form, both original and duplicate, should indicate the number and date of Letter of Permit issued by Ministry of Agriculture for operation of the vessel.
- (viii) The exporter will complete the GR Form in duplicate and both the copies may be submitted to the Customs at the registered port of the vessel **or any other port as approved by Ministry of Agriculture**. GR (Original) will be retained by the Customs for capturing of data in Customs' Electronic Data Interchange.
- (ix) Customs will give their running serial number on both the copies of GR Form and will return the duplicate copy to the exporter as the value certification of the export has already been done as mentioned above.
- (x) Rules, Regulations and Directions issued in respect of the procedure for submission of the GR form by exporter to the AD Category-I banks, and

the disposal of these forms by these banks will be same as applicable to the other exporters.

C.4 SDF

The following system may be followed in case of SDF:

- (i) The SDF should be submitted in duplicate (to be annexed to the relative shipping bill) to the Commissioner of Customs concerned.
- (ii) After verifying and authenticating the declaration in SDF, the Commissioner of Customs will hand over to the exporter, one copy of the shipping bill marked 'Exchange Control Copy' to which form SDF has been appended for being submitted to the AD Category – I banks within 21 days from the date of export.
- (iii) The AD Category – I banks should accept the Exchange Control (EC) copy of the shipping bill and SDF appended thereto, submitted by the exporter for collection/negotiation of shipping documents.
- (iv) The manner of disposal of EC copy of Shipping Bill (and form SDF appended thereto) is the same as that for GR forms. The duplicate copy of the form together with a copy of invoice etc. shall be retained by the AD Category – I banks and may not be submitted to the Reserve Bank.

In cases where ECGC and private insurance companies regulated by Insurance Regulatory and Development Authority (IRDA) initially settles the claims of exporters in respect of exports insured with them and subsequently receives the export proceeds from the buyer/buyer's country through the efforts made by them, the share of exporters in the amount so received is disbursed through the bank which had handled the shipping documents. In such cases, ECGC and private insurance companies regulated by IRDA will issue a certificate to the bank, which had handled the relevant shipping documents after full proceeds have been received. The certificate will indicate the number of declaration form, name of the exporter, name of the AD Category – I banks, date of negotiation, bill number, invoice value and the amount actually received by ECGC and private insurance companies regulated by IRDA.

C.5 PP Forms

The manner of disposal of PP forms is the same as that for GR forms. Postal Authorities will allow export of goods by post only if the original copy of the form has been countersigned by an AD Category – I bank. Therefore, PP forms should be first presented by the exporter to an AD Category – I bank for countersignature.

- (i) The AD Category – I banks will countersign the forms after ensuring that the parcel is being addressed to their branch or correspondent bank in the country of import and return the original copy to the exporter, who should submit the form to the post office with the parcel.
- (ii) The duplicate copy of the PP form will be retained by the AD banks to whom the exporter should submit relevant documents together with an extra copy of invoice for negotiation/collection, within the prescribed period of 21 days.
- (iii) The concerned overseas branch or correspondent should be instructed to deliver the parcel to consignee against payment or acceptance of relative bill.
- (iv) AD Category – I banks may, however, countersign PP forms covering parcels addressed direct to the consignees, provided:
 - a) An irrevocable letter of credit for the full value of the export has been opened in favour of the exporter and has been advised through the AD Category – I banks concerned.

Or
 - b) The full value of the shipment has been received in advance by the exporter through an AD Category – I banks.

Or
 - c) The AD Category – I bank is satisfied, on the basis of the standing and track record of the exporter and the arrangements made for realization of the export proceeds, that he could do so.

In such cases, particulars of advance payment/letter of credit / AD Category – I

bank's certification of standing, etc., of the exporter should be furnished on the form under proper authentication.

- (v) Any alteration in the name and address of consignee on the PP form should also be authenticated by the AD Category – I banks under his stamp and signature.

C.6 Random verification

In all the above procedures, AD Category – I bank should ensure, by random check of the relevant duplicate forms by their internal / concurrent auditors, that non-realization or short realization allowed, if any, is within the powers delegated to them or has been duly approved by the Reserve Bank, wherever necessary.

C.7 Certification for EEFC Credits

Where a part of the export proceeds are credited to an EEFC account, the export declaration (duplicate) form may be certified as under:

“Proceeds amounting to representing per cent of the export realisation credited to the EEFC account maintained by the exporter with.....”

C.8 Consolidation of Air Cargo/ Sea Cargo

(a) Consolidation of Air Cargo

- i. Where air cargo is shipped under consolidation, the airline company's Master Airway Bill will be issued to the Consolidating Cargo Agent. The Cargo agent in turn will issue his own House Airway Bills (HAWBs) to individual shippers.
- ii. AD Category – I banks may negotiate HAWBs only if the relative letter of credit specifically provides for negotiation of these documents in lieu of Airway Bills issued by the airline company.

(b) Consolidation of Sea Cargo

- i. AD Category – I banks may accept Forwarder's Cargo Receipts (FCR) issued by steamship companies or their agents (instead of 'IATA' approved agents), in lieu of bills of lading, for negotiation / collection of shipping documents, of export transactions backed by letters of credit, only if the relative letter of credit specifically provides for negotiation of this document, in lieu of bill of lading.
- ii. Further, relative sale contract with the overseas buyer should also provide that FCR may be accepted in lieu of bill of lading as a shipping document.

C.9 Delay in submission of shipping documents by exporters

In cases where exporters present documents pertaining to exports after the prescribed period of 21 days from date of export, AD Category – I banks may handle them without prior approval of the Reserve Bank, provided they are satisfied with the reasons for the delay.

C.10 Check-list for Scrutiny of Forms

AD Category – I banks may ensure:

- (i) The number on the duplicate copy of a GR form presented to them is the same as that of the original which is usually recorded on the Bill of Lading/Shipping Bill and the duplicate has been duly verified and authenticated by appropriate Customs authorities.
- (ii) The Shipping Bill No. on the SDF form should be the same as that appearing on the Bill of Lading.
- (iii) In the case of c.i.f., c.& f. etc. contracts where the freight is sought to be paid at destination, that the deduction made is only to the extent of freight declared on GR/SDF form or the actual amount of freight indicated on the Bill of Lading/Airway Bill, whichever is less.
- (iv) The documents submitted do not reveal any material inter se discrepancies in

regard to description of goods exported; export value or country of destination.

- (v) Where the marine insurance is taken by the exporters on buyer's account to verify, that the actual amount paid is received from the buyer through invoice and the bill.
- (vi) To accept the Bill of Lading/Airway Bill issued on 'freight prepaid' basis where the sale contract is on f.o.b., f.a.s. etc. basis provided the amount of freight has been included in the invoice and the bill.
- (vii) To negotiate the documents, in cases where the documents are being negotiated by a person other than the exporter who has signed GR/PP/SDF /SOFTEX Form for the export consignment concerned, after ensuring compliance with Regulation 12 of Foreign Exchange Management (Export of Goods and Services) Regulations, 2000.
- (viii) To accept the variations in the value declared to the customs authorities and that is reflected on the export documents which stem from the terms of contract, on production of documentary evidence after verifying the arithmetical accuracy of the calculations and on conforming the terms of underlying contracts. Some such instances (where the values declared to the customs authorities and that shown on the documents may differ) are enumerated hereunder:
 - a) The export realizable value may be more than what was originally declared to/accepted by the Customs on the GR/SDF form in certain circumstances such as where in c.i.f. or c. & f. contracts, part or whole of any freight increase taking place after the contract was concluded is agreed to be borne by buyers or where as a result of subsequent devaluation of the currency of the contract, buyers have agreed to an increase in price.
 - b) In certain lines of export trade, the final settlement of price may be dependent on the results of quality analysis of samples drawn at the time of shipment; but the results of such analysis will become available only after the shipment has been made. Sometimes, contracts may provide for payment of penalty for late shipment of goods in conformity

with trade practice concerning the commodity. In these cases, while exporters declare to the Customs the full export value based on the contract price, invoices submitted along with shipping documents for negotiation/ collection may reflect a different value arrived at after taking into account the results of analysis of samples or late shipment penalty, as the case may be.

- c) To accept for negotiation or collection the bills for exports by sea or air which fall short of the value declared on GR/SDF forms on account of trade, only if the discount has been declared by the exporter on relative GR/SDF form at the time of shipment and accepted by Customs.

C.11 Return of Documents to Exporters

The duplicate copies of GR/SDF/PP forms and shipping documents, once submitted to the AD Category – I banks for negotiation, collection, etc., should not ordinarily be returned to exporters, except for rectification of errors and resubmission.

C.12 Handing Over Negotiable Copy of Bill of Lading to Master of Vessel/Trade Representative

AD Category – I banks may deliver one negotiable copy of the Bill of Lading to the Master of the carrying vessel or trade representative for exports to certain landlocked countries if the shipment is covered by an irrevocable letter of credit and the documents conform strictly to the terms of the Letter of Credit which, inter alia, provides for such delivery.

C.13 Export Bills Register

- (i) AD Category – I banks should maintain Export Bills Register, in physical or electronic form. Details of GR /SDF /PP /SOFTEX form number, due date of payment, the fortnightly period of R Supplementary Return with which the ENC statement covering the transaction was sent to the Reserve Bank, should be available.
- (ii) AD Category – I banks should ensure that all types of export transactions are

entered in the Export Bills Register and are given bill numbers on a financial year basis (i.e. April to March).

- (iii) The bill numbers should be recorded in ENC statement and other relevant returns submitted to the Reserve Bank.

C.14 Follow-up of Overdue Bills

- (i) AD Category – I banks should closely watch realization of bills and in cases where bills remain outstanding, beyond the due date for payment or 12 months from the date of export, the matter should be promptly taken up with the concerned exporter. If the exporter fails to arrange for delivery of the proceeds within 12 months or seek extension of time beyond 12 months, the matter should be reported to the Regional Office concerned of the Reserve Bank stating, where possible, the reason for the delay in realizing the proceeds.
- (ii) The duplicate copies of GR / SDF / PP / SOFTEX Forms should, continue to be held by AD Category – I banks until the full proceeds are realised, except in case of undrawn balances.
- (iii) AD Category – I banks should follow up export outstandings with exporters systematically and vigorously so that action against defaulting exporters does not get delayed. Any laxity in the follow up of realization of export proceeds by AD Category – I banks will be viewed seriously by the Reserve Bank, leading to the invocation of the penal provision under FEMA, 1999.
- (iv) The stipulation of twelve months or extended period thereof for realization of export proceeds is not applicable for units located in Special Economic Zones (SEZs). The units in SEZs will however continue to follow the GR/SDF/ PP / SOFTEX export procedure outlined above.
- (v) AD Category – I banks should furnish to the Regional Office concerned of the Reserve Bank, on a half-yearly basis, a consolidated statement in Form XOS (Annex 7) giving details of all export bills outstanding beyond six months from the date of export as at the end of June and December every year. The statement should be submitted in triplicate within fifteen days from the close of

the relative half-year.

C.15 Reduction in Invoice Value on Account of Prepayment of Usance Bills

Occasionally, exporters may approach AD Category – I banks for reduction in invoice value on account of cash discount to overseas buyers for prepayment of the usance bills. AD Category – I banks may allow cash discount to the extent of amount of proportionate interest on the unexpired period of usance, calculated at the rate of interest stipulated in the export contract or at the prime rate/LIBOR of the currency of invoice where rate of interest is not stipulated in the contract.

C.16 Reduction in Invoice Value in other cases

- (i) If, after a bill has been negotiated or sent for collection, its amount is to be reduced for any reason, AD Category – I banks may approve such reduction, if satisfied about genuineness of the request, provided:
 - a. The reduction does not exceed 25 per cent of invoice value:
 - b. It does not relate to export of commodities subject to floor price stipulations
 - c. The exporter is not on the exporters' caution list of the Reserve Bank, and
 - d. The exporter is advised to surrender proportionate export incentives availed of, if any.
- (ii) In the case of exporters who have been in the export business for more than three years, reduction in invoice value may be allowed, without any percentage ceiling, subject to the above conditions as also subject to their track record being satisfactory, i.e., the export outstandings do not exceed 5 per cent of the average annual export realization during the preceding three financial years.
- (iii) For the purpose of reckoning the percentage of export bills outstanding to the average export realizations during the preceding three financial years,

outstanding of exports made to countries facing externalization problems may be ignored provided the payments have been made by the buyers in the local currency.

C.17 Export Claims

- (i) AD Category – I banks may remit export claims on application, provided the relative export proceeds have already been realised and repatriated to India and the exporter is not on the caution list of the Reserve Bank.
- (ii) In all such cases of remittances, the exporter should be advised to surrender proportionate export incentives, if any, received by him.

C.18 Change of buyer/consignee

Prior approval of the Reserve Bank is not required if, after goods have been shipped, they are to be transferred to a buyer other than the original buyer in the event of default by the latter, provided the reduction in value, if any, involved does not exceed 25 per cent of the invoice value and the realization of export proceeds is not delayed beyond the period of 12 months from the date of export.

C.19 Extension of time and Self write-off by the exporters

- (i) For export proceeds due within the prescribed period during a financial year all exporters (Including Status Holder exporters) have been allowed to write-off (including reduction in invoice value) outstanding export dues and extend the prescribed period of realization beyond 12 months or further period as applicable, provided
 - (a) The aggregate value of such export bills written-off (including reduction in invoice value) and bills extended for realization does not exceed 10 per cent of the export proceeds due during the financial year; and
 - (b) such export bills are not a subject to investigation by Directorate of Enforcement / Central Bureau of Investigation or any other Investigating Agencies.

- (ii) Exporters dealing with more than one AD Category – I banks can avail of this facility through each AD Category – I bank, i.e., the limit of 10 per cent for self write-off (including reduction in invoice value) and extension of time for realization of export proceeds would be applicable for export bills lodged for realization with that AD Category – I banks.
- (iii) Exporters operating under a consortium of banks or with multiple banks will also have the option of computing the 10 per cent limit on an aggregate basis with all the banks, provided the lead bank of the consortium or in case of multiple banking, a nodal bank, undertakes to verify the exporters' annual performance on behalf of all the banks.
- (iv) Within a month from the close of the financial year, exporters should submit a statement (Annex 4), giving details of export proceeds due, realised and not realised to the AD Category – I banks concerned.
- (v) The AD Category – I banks will be required to verify the statement with their records and review the export performance of the exporter during the financial year to ascertain that in cases where the 10 per cent limit of self extension, write-off (including reduction in invoice value) and non-realization has been breached, the exporter has sought necessary approval for write-off, reduction in invoice value or extension of time, as the case may be, for the excess over the 10 per cent limit before the end of the financial year. Export bills due in the financial year for which the exporter has extended the period of realization on his own (within the 10 per cent limit) or sought extension of time from the AD Category – I banks but unrealised as at the end of financial year will be computed for export proceeds due in the following financial year.
- (vi) In cases where exporters have failed to comply with the above requirement, AD Category – I banks may promptly advise the exporter concerned to seek extension of time/reduction in invoice value/write-off in respect of non-realization in excess of the 10 per cent limit, failing which, the AD Category – I banks may inform the exporter about the withdrawal of this facility of self write-off / extension of time, within a month, under advice to the Regional Office concerned of the Reserve Bank.

C.20 Extension of Time

- (i) The Reserve Bank of India has permitted the AD Category – I banks to extend the period of realization of export proceeds beyond 12 months from the date of export, up to a period of six months, at a time, irrespective of the invoice value of the export subject to the following conditions:
 - a) The export transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies,
 - b) The AD Category – I bank is satisfied that the exporter has not been able to realise export proceeds for reasons beyond his control,
 - c) The exporter submits a declaration that the export proceeds will be realised during the extended period,
 - d) While considering extension beyond one year from the date of export, the total outstanding of the exporter does not exceed USD one million or 10 per cent of the average export realizations during the preceding three financial years, whichever is higher.
 - e) All the export bills outstanding beyond six months from the date of export may be reported in XOS statement. However, where extension of time has been granted by the AD Category – I banks, the date up to which extension has been granted may be indicated in the 'Remarks' column.
 - f) In cases where the exporter has filed suits abroad against the buyer, extension may be granted irrespective of the amount involved / outstanding.
- (ii) In cases where an exporter has not been able to realise proceeds of a shipment made within the extended period for reasons beyond his control, but expects to be able to realise proceeds if further extension of the period is allowed to him, as well as in respect of cases not covered under Para (i) above necessary application (in duplicate) should be made to the Regional

Office concerned of the Reserve Bank in form ETX through his AD Category – I bank with appropriate documentary evidence.

C.21 Write off by AD Category – I banks

- (i) An exporter who has not been able to realise the outstanding export dues despite best efforts, may approach the AD Category – I banks, who had handled the relevant shipping documents, with appropriate supporting documentary evidence with a request for write off of the unrealised portion. AD Category – I banks may accede to such requests subject to the under noted conditions:
- a. The relevant amount has remained outstanding for one year or more;
 - b. The aggregate amount of write off allowed by the AD Category – I banks during a financial year does not exceed 10 per cent of the total export proceeds realised by the concerned exporter through the concerned AD Category – I banks during the previous financial year;
 - c. Satisfactory documentary evidence is furnished in support of the exporter having made all efforts to realise the dues;
 - d. The case falls under any of the under noted categories:
 - i. The overseas buyer has been declared insolvent and a certificate from the official liquidator indicating that there is no possibility of recovery of export proceeds produced.
 - ii. The overseas buyer is not traceable over a reasonably long period of time.
 - iii. The goods exported have been auctioned or destroyed by the Port/Customs/Health authorities in the importing country.
 - iv. The unrealised amount represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar Organisation.
 - v. The unrealised amount represents the undrawn balance of an export bill (not exceeding 10 per cent of the invoice value)

remained outstanding and turned out to be un-realizable despite all efforts made by the exporter.

- vi. The cost of resorting to legal action would be disproportionate to the unrealised amount of the export bill or where the exporter even after winning the Court case against the overseas buyer could not execute the Court decree due to reasons beyond his control.
 - vii. Bills were drawn for the difference between the letter of credit value and actual export value or between the provisional and the actual freight charges but the amount have remained unrealised consequent on dishonour of the bills by the overseas buyer and there are no prospects of realization.
-
- e. The case is not the subject matter of any pending civil or criminal suit.
 - f. The exporter has not come to the adverse notice of the Directorate of Enforcement or the Central Bureau of Investigation or any such other law enforcement agency.
 - g. The exporter has surrendered proportionate export incentives, if any, availed of in respect of the relative shipments. The AD Category – I banks should obtain documents evidencing surrender of export incentives availed of before permitting the relevant bills to be written off.

Where there is no further amount to be realised against the GR/SDF/PP form covered by the write off, AD Category – I banks should certify the duplicate form as under:

“Write off of (Amount in words and figures) permitted in terms of extant Directions to AD Category – I banks.”

Date

Stamp & Signature of AD Category – I bank

- (ii) Status Holders exporters, as defined under in the Foreign Trade Policy, and manufacturer exporters exporting more than 50 per cent of their production, and recognized as such by DGFT, may be permitted to “write off” outstanding

export dues to the extent of 5 per cent of their average annual realization during the preceding three financial years or 10 per cent of the export proceeds due during the financial year, whichever is higher. This limit will be cumulatively available in a financial year and subject to the following conditions:

- a. The exporter should submit to the AD Category – I banks concerned, a Chartered Accountant's certificate indicating –
 - i. the export realization in the preceding three financial years and also the amount of "write off " already availed of during the year, if any,
 - ii. the relevant GR/SDF/PP Nos. to be written off, Bill No., invoice value, commodity exported, country of export,
 - iii. the export benefits, if any, availed of by the exporter have been surrendered.
- b. The following do not qualify for the "write off" facility:
 - i. Exports made to countries with externalization problem i.e. where the overseas buyer has deposited the value of export in local currency but the amount has not been allowed to be repatriated by the central banking authorities of the country.
 - ii. GR/SDF/PP forms which are under investigation by agencies like, Directorate of Enforcement, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are subject matter of civil/ criminal suit.
- c. After the "write off" has been permitted AD Category – I banks may certify the duplicate form as under:-

"Write off of (Amount in words and figures) permitted in terms of A. P. (DIR Series) Circular No.30 dated April 4, 2001."

Date

Stamp & Signature of AD Category – I bank

- (iii) AD Category – I banks may forward a statement in form EBW to the Regional Office of the Reserve Bank under whose jurisdiction they are functioning, indicating details of write offs etc., every half year ended 30th June and 31st December within 15 days from the date of completion of the relevant half year.
- (iv) AD Category – I banks are to put in place a system under which their internal inspectors or auditors carryout random sample check/per cent check of outstanding export bills written off.

C.22 Write off in cases of Payment of Claims by ECGC and private insurance companies regulated by Insurance Regulatory and Development Authority (IRDA)

- (i) AD Category – I banks shall, on an application received from the exporter supported by documentary evidence from the ECGC and private insurance companies regulated by IRDA confirming that the claim in respect of the outstanding bills has been settled by them, write off the relative export bills and delete them from the XOS statement.
- (ii) Such write-off will not be restricted to the limit of 10 per cent indicated above.
- (iii) Surrender of incentives, if any, in such cases will be as provided in the Foreign Trade Policy.
- (iv) The claims settled in rupees by ECGC and private insurance companies regulated by IRDA should not be construed as export realization in foreign exchange.

C.23 Write off in other cases

Cases which are not covered by the above instructions will require prior approval from the Regional Office concerned of the Reserve Bank.

C.24 Write-off – Relaxation

As announced in the Foreign Trade Policy (FTP), 2009-14, realisation of export proceeds shall not be insisted upon under any of the Export Promotion Schemes

under the said FTP, subject to the following conditions:

- (i) the write off on the basis of merits is allowed by the Reserve Bank or by AD Category – I bank on behalf of the Reserve Bank, as per extant guidelines;
- (ii) the exporter produces a certificate from the Foreign Mission of India concerned, about the fact of non-recovery of export proceeds from the buyer; and
- (iii) this would not be applicable in self write off cases.

The above relaxation is applicable for the exports made with effect from August 27, 2009.

The AD Category – I banks are advised not to insist on the surrender of proportionate export incentives, other than under the Duty Drawback Scheme, if availed of, by the exporter under any of the Export Promotion Schemes under FTP 2009-14, subject to fulfillment of conditions as stated above. The drawback amount has to be recovered even if the claim is settled by the Export Credit Guarantee Corporation of India Limited (ECGC) or the write –off is allowed by the Reserve Bank.

C.25 Shipments Lost in Transit

When shipments from India for which payment has not been received either by negotiation of bills under letters of credit or otherwise are lost in transit, the AD Category – I banks must ensure that insurance claim is made as soon as the loss is known.

In cases where the claim is payable abroad, the AD Category - banks must arrange to collect the full amount of claim due on the lost shipment, through the medium of their overseas branch/correspondent and release the duplicate copy of GR/SDF/PP form only after the amount has been collected.

A certificate for the amount of claim received should be furnished on the reverse of the duplicate copy.

AD Category – I banks should ensure that amounts of claims on shipments lost in transit which are partially settled directly by shipping companies/airlines under

carrier's liability abroad are also repatriated to India by exporters.

C.26 (A) 'Netting off' of export receivables against import payments – Units in Special Economic Zones (SEZs)

AD Category - I banks may allow requests received from exporters for 'netting off' of export receivables against import payments for units located in Special Economic Zones subject to the following:

- (i) The 'netting off' of export receivables against import payments is in respect of the same Indian entity and the overseas buyer / supplier (bilateral netting) and the netting may be done as on the date of balance sheet of the unit in SEZ.
- (ii) The details of export of goods are documented in GR (O) forms / DTR as the case may be while details of import of goods / services are recorded through A1 / A2 form as the case may be. The relative GR / SDF forms will be treated as complete by the designated AD Category – I banks only after the entire proceeds are adjusted / received.
- (iii) Both the transactions of sale and purchase in 'R' - Returns under FET-ERS are reported separately.
- (iv) The export / import transactions with ACU countries are kept outside the arrangement.
- (v) All the relevant documents are submitted to the concerned AD Category – I banks who should comply with all the regulatory requirements relating to the transactions.

C.26 (B) – Set-off of export receivables against import payables : (effective from November 17, 2011).

AD category –I banks may deal with the cases of set-off of export receivables against import payables, subject to following terms and conditions:

- a. The import is as per the Foreign Trade Policy in force.
- b. Invoices/Bills of Lading/Airway Bills and Exchange Control copies of Bills of Entry for home consumption have been submitted by the importer to the Authorized Dealer bank.
- c. Payment for the import is still outstanding in the books of the importer.

- d. Both the transactions of sale and purchase may be reported separately in 'R' Returns.
- e. The relative GR forms will be released by the AD bank only after the entire export proceeds are adjusted / received.
- f. The " set-off" of export receivables against import payments should be in respect of the same overseas buyer and supplier and that consent for "set-off" has been obtained from him.
- g. The export / import transactions with ACU countries should be kept outside the arrangement.
- h. All the relevant documents are submitted to the concerned AD bank who should comply with all the regulatory requirements relating to the transactions.

C.27 Agency Commission on Exports

- (i) AD Category – I banks may allow payment of commission, either by remittance or by deduction from invoice value, on application submitted by the exporter. The remittance on agency commission may be allowed subject to the following conditions:
 - a) Amount of commission has been declared on GR/SDF/PP/SOFTEX form and accepted by the Customs authorities or Ministry of Information Technology, Government of India / EPZ authorities as the case may be. In cases where the commission has not been declared on GR/SDF/PP/SOFTEX form, remittance may be allowed after satisfying the reasons adduced by the exporter for not declaring commission on Export Declaration Form, provided a valid agreement/written understanding between the exporters and/or beneficiary for payment of commission exists.
 - b) The relative shipment has already been made.
- (ii) AD Category – I banks may allow payment of commission by Indian exporters, in respect of their exports covered under counter trade arrangement through Escrow Accounts designated in US Dollar, subject to the following conditions:
 - (a) The payment of commission satisfies the conditions as at (a) and (b)

stipulated in paragraph (i) above.

- (b) The commission is not payable to Escrow Account holders themselves.
- (c) The commission should not be allowed by deduction from the invoice value.
- (iii) Payment of commission is prohibited on exports made by Indian Partners towards equity participation in an overseas joint venture / wholly owned subsidiary as also exports under Rupee Credit Route except commission up to 10 per cent of invoice value of exports of tea & tobacco.

C.28 Refund of Export Proceeds

AD Category – I banks, through whom the export proceeds were originally realised may consider requests for refund of export proceeds of goods exported from India and being re-imported into India on account of poor quality. While permitting such transactions, AD Category – I banks are required to :

- (i) exercise due diligence regarding the track record of the exporter
- (ii) verify the bonafides of the transactions
- (iii) obtain from the exporter a certificate issued by DGFT / Custom authorities that no incentives have been availed by the exporter against the relevant export or the proportionate incentives availed, if any, for the relevant export have been surrendered
- (iv) obtain an undertaking from the exporter that the goods will be re-imported within three months from the date of remittance and
- (v) ensure that all procedures as applicable to normal imports are adhered to.

C.29 Exporters' Caution List

- (i) AD Category – I banks will also be advised whenever exporters are cautioned in terms of provisions contained in Regulation 17 of "Export Regulations" (Annex 2). They may approve GR/SDF/PP forms of exporters who have been placed on caution list if the exporters concerned produce evidence of having received an advance payment or an irrevocable letter of credit in their favour

covering the full value of the proposed exports.

- (ii) Such approval may be given even in cases where usance bills are to be drawn for the shipment provided the relative letter of credit covers the full export value and also permits such drawings and the usance bill mature within twelve months from the date of shipment.
- (iii) AD Category – I banks should obtain prior approval of the Reserve Bank for issuing guarantees for caution-listed exporters.

PART – 4

Annex-1

Foreign Exchange Management (Current Account Transactions) Rules, 2000

Notification No. G.S.R.381(E) dated 3rd May 2000 (as amended from time to time)*:
In exercise of the powers conferred by Section 5 and sub-section (1) and clause (a) of sub-section (2) of Section 46 of the Foreign Exchange Management Act, 1999, and in consultation with the Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following rules, namely:--

- 1. Short title and commencement.**---(1) These rules may be called the Foreign Exchange Management (Current Account Transactions) Rules, 2000;
(2) They shall come into effect on the 1st day of June 2000.

2. Definitions---In these rules, unless the context otherwise requires :

- (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
- (b) “Drawal” means drawal of foreign exchange from an authorised person and includes opening of Letter of Credit or use of International Credit Card or International Debit Card or ATM Card or any other thing by whatever name called which has the effect of creating foreign exchange liability;
- (c) “Schedule” means a schedule appended to these rules;
- (d) The words and expressions not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Prohibition on drawal of Foreign Exchange---Drawal of foreign exchange by any person for the following purpose is prohibited, namely:

- a. a transaction specified in the Schedule I; or
- b. a travel to Nepal and/or Bhutan; or
- c. a transaction with a person resident in Nepal or Bhutan.

Provided that the prohibition in clause (c) may be exempted by RBI subject to such

terms and conditions as it may consider necessary to stipulate by special or general order.

4. Prior approval of Government of India---No person shall draw foreign exchange for a transaction included in the Schedule II without prior approval of the Government of India;

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.

5. Prior approval of Reserve Bank

No person shall draw foreign exchange for a transaction included in the Schedule III without prior approval of the Reserve Bank;

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.

6. (1) Nothing contained in Rule 4 or Rule 5 shall apply to drawal made out of funds held in Exchange Earners' Foreign Currency (EEFC) account of the remitter.

(2) Notwithstanding anything contained in sub-rule (1) above, restrictions imposed under rule 4 or rule 5 shall continue to apply where the drawal of foreign exchange from the Exchange Earners Foreign Currency (EEFC) Account is for the purpose specified in items 10 and 11 of Schedule II, or item 3, 4, 11, 16 & 17 of Schedule III as the case may be.

7. Use of International Credit Card while outside India

Nothing contained in Rule 5 shall apply to the use of International Credit Card for making payment by a person towards meeting expenses while such person is on a visit outside India.

Schedule I

Transactions which are Prohibited (see rule 3)

1. Remittance out of lottery winnings.
2. Remittance of income from racing/riding etc. or any other hobby.
3. Remittance for purchase of lottery tickets, banned /proscribed magazines, football pools, sweepstakes, etc.
4. Payment of commission on exports made towards equity investment in Joint Ventures / Wholly Owned Subsidiaries abroad of Indian companies.
5. Remittance of dividend by any company to which the requirement of dividend balancing is applicable.
6. Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of invoice value of exports of tea and tobacco.
7. Payment related to "Call Back Services" of telephones.
8. Remittance of interest income on funds held in Non-Resident Special Rupee (Account) Scheme.

Schedule II

Transactions which require prior approval of the Central Government

(see Rule 4)

Purpose of Remittance	Ministry / Department of Govt. of India whose approval is required
1. Cultural Tours	Ministry of Human Resources Development, (Department of Education and Culture)
2. Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding USD 10,000) by a State Government and its Public Sector Undertakings	Ministry of Finance, (Department of Economic Affairs)
3. Remittance of freight of vessel chartered by a PSU	Ministry of Surface Transport, (Chartering Wing)
4. Payment of import through ocean transport by a Govt. Department or a PSU on c.i.f. basis (i.e. other than f.o.b. and f.a.s. basis)	Ministry of Surface Transport, (Chartering Wing)
5. Multi-modal transport operators making remittance to their agents abroad	Registration Certificate from the Director General of Shipping
6. Remittance of hiring charges of transponders by (a) TV Channels (b) Internet Service providers	Ministry of Information and Broadcasting Ministry of Communication and Information Technology
7. Remittance of container detention	Ministry of Surface Transport (Director

charges exceeding the rate prescribed by Director General of Shipping	General of Shipping)
8. omitted	
9. Remittance of prize money/sponsorship of sports activity abroad by a person other than International / National / State Level sports bodies, if the amount involved exceeds USD 100,000.	Ministry of Human Resources Development (Department of Youth Affairs and Sports)
10. Omitted	
11. Remittance for membership of P&I Club	Ministry of Finance (Insurance Division)

Schedule III

(See Rule 5)

1. Omitted
2. Release of exchange exceeding US\$ 10,000 or its equivalent in one financial year, for one or more private visits to any country (except Nepal and Bhutan).
3. Gift remittance exceeding US\$ 5,000 per financial year per remitter or donor other than resident individual
4. (i) Donation exceeding US\$ 5000 per financial year per remitter or donor other than resident individual

(ii) Donations by Corporate, exceeding one per cent of their foreign exchange earnings during the previous three financial years or US\$ 5,000,000, whichever is less, for:-

- (a) creation of Chairs in reputed educational institutes,
- (b) to funds (not being an investment fund) promoted by educational institutes; and
- (c) to a technical institution or body or association in the field of activity of the donor Company.

Explanation: For the purpose of the item numbers 3 and 4, remittance of gift and donation by resident individuals are subsumed under the Liberalised Remittance Scheme.

5. Exchange facilities exceeding USD 100,000 for persons going abroad for employment.
6. Exchange facilities for emigration exceeding USD 100,000 or amount prescribed by country of emigration.
7. Remittance for maintenance of close relatives abroad,@@
 - i. exceeding net salary (after deduction of taxes, contribution to provident fund and other deductions) of a person who is resident but not permanently resident in India and –
 - (a) is a citizen of a foreign State other than Pakistan; or
 - (b) is a citizen of India, who is on deputation to the office or branch or subsidiary or joint venture in India of such foreign company.
 - ii. exceeding USD 100,000 per year, per recipient, in all other cases.

Explanation: For the purpose of this item, a person resident in India on account of his employment or deputation of a specified duration (irrespective

of length thereof) or for a specific job or assignments, the duration of which does not exceed three years, is a resident but not permanently resident.

8. Release of foreign exchange, exceeding USD 25,000 to a person, irrespective of period of stay, for business travel, or attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment/check-up.

9. Release of exchange for meeting expenses for medical treatment abroad exceeding the estimate from the doctor in India or hospital/doctor abroad.

10. Release of exchange for studies abroad exceeding the estimate from the institution abroad or USD 100,000, per academic year, whichever is higher.

11. Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or 5% of the inward remittance whichever is more.

12. Omitted

13. Omitted

14. Omitted

15. Remittances exceeding US\$ 10,000,000 per project for any consultancy services in respect of infrastructure projects and US\$ 1,000,000 per project, for other consultancy services procured from outside India.

Explanation:- For the purposes of this item number 'infrastructure project' is those related to –

(i) Power,

(ii) Telecommunication,

(iii) Railways,

(iv) Roads including bridges,

(v) Sea port and air port,

(vi) Industrial parks, and

(vii) Urban Infrastructure (water supply, sanitation and sewage)

16. Omitted

17. Remittances exceeding five per cent of investment brought into India or US\$ 1,00,000 whichever is higher, by an entity in India by way of reimbursement of pre-incorporation expenses.

18. Omitted

(Amendments)

Notification GSR.663 (E) dated August 17, 2000,
S.O.301(E) dated March 30, 2001,
GSR.442(E) dated November 2, 2002,
GSR.831(E) dated December 20, 2002,
GSR.33(E) dated January 16, 2003,
GSR.397(E) dated May 14, 2003,
GSR.731(E) dated September 11, 2003,
GSR.849(E) dated October 29, 2003,
GSR.608(E) dated September 13, 2004,
G.S.R.512(E) dated July 28,2005,
G.S.R.412(E) dated July 11, 2006,
G.S.R.511(E) dated July 28, 2006,
G.S.R.349 (E) dated May 22, 2009 and
G.S.R.382 (E) dated May 05, 2010.

Please Note:-

@@ May be read with A.P. (DIR Series) Circular No.26 dated January 14, 2010.

Notification No. FEMA 23 /2000-RB dated 3rd May 2000

In exercise of the powers conferred by clause (a) of sub-section (1) and subsection (3) of section 7, sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following regulations relating to export of goods and services from India, namely:

1. Short title and commencement :-

- (i) These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000.
- (ii) They shall come into force on 1st day of June, 2000.

2. Definitions :-

In these Regulations, unless the context requires otherwise, -

- (i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999) ;
- (ii) 'Authorized dealer' means a person Authorized as an Authorized Dealer under sub-section (1) of section 10 of the Act, and includes a person carrying on business as a factor and Authorized as such under the said section 10 ;
- (iii) 'EXIM Bank' means the Export-Import Bank of India established under the Export-Import Bank of India Act, 1981 (28 of 1981);
- (iv) 'export' includes the taking or sending out of goods by land, sea or air, on consignment or by way of sale, lease, hire-purchase, or under any other arrangement by whatever name called, and in the case of software, also includes transmission through any electronic media ;
- (v) 'export value' in relation to export by way of lease or hire-purchase or under any other similar arrangement, includes the charges, by whatever name called, payable in respect of such lease or hire-purchase or any other similar arrangement;
- (vi) 'form' means form annexed to these Regulations;
- (vii) 'schedule' means schedule appended to these Regulations;
- (viii) 'software' means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called in or on any medium other than in or on any physical medium ;

(ix) 'specified authority' means the person or the authority to whom the declaration as specified in Regulation 3 is to be furnished;

(x) 'Working Group' means the Group constituted by the Reserve Bank for the purpose of considering proposals of export of goods and services on deferred payment terms or in execution of a turnkey project or a civil construction contract;

(xi) the words and expressions used but not defined in these Regulations shall have the same meanings respectively assigned to them in the Act.

3. Declaration as regards export of goods and services :-

(1) Every exporter of goods or software in physical form or through any other form, either directly or indirectly, to any place outside India, other than Nepal and Bhutan, shall furnish to the specified authority, a declaration in one of the forms set out in the Schedule and supported by such evidence as may be specified, containing true and correct material particulars including the amount representing-

(i) the full export value of the goods or software; or

(ii) if the full export value is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions expects to receive on the sale of the goods or the software in overseas market, and affirms in the said declaration that the full export value of goods (whether ascertainable at the time of export or not) or the software has been or will within the specified period be, paid in the specified manner.

(2) Declarations shall be executed in sets of such number as specified.

(3) For the removal of doubt, it is clarified that, in respect of export of services to which none of the Forms specified in these Regulations apply, the exporter may export such services without furnishing any declaration, but shall be liable to realise the amount of foreign exchange which becomes due or accrues on account of such export, and to repatriate the same to India in accordance with the provisions of the Act, and these Regulations, as also other rules and regulations made under the Act.

4. Exemptions :-

Notwithstanding anything contained in Regulation 3, export of goods or services may be made without furnishing the declaration in the following cases, namely:

- a) trade samples of goods and publicity material supplied free of payment;
- b) personal effects of travellers, whether accompanied or unaccompanied;
- c) ship's stores, trans-shipment cargo and goods supplied under the orders of Central Government or of such officers as may be appointed by the Central Government in this behalf or of the military, naval or air force authorities in India for military, naval or air force requirements;
- d) goods or software accompanied by a declaration by the exporter that they are not more than twenty five thousand USD in value;
- e) by way of gift of goods accompanied by a declaration by the exporter that they are not more than five lakhs rupees in value;
- f) aircrafts or aircraft engines and spare parts for overhauling and/or repairs abroad subject to their re-import into India after overhauling /repairs, within a period of six months from the date of their export;
- g) goods imported free of cost on re-export basis;
- h) goods not exceeding USD 1000 or its equivalent in value per transaction exported to Myanmar under the Barter Trade Agreement between the Central Government and the Government of Myanmar;
- i) The following goods which are permitted by the Development Commissioner of the Export Processing Zones, *Electronic Hardware Technology Parks*, *Electronic Software Technology Parks* or Free Trade Zones to be re-exported, namely:
 - 1) imported goods found defective, for the purpose of their replacement by the foreign suppliers/collaborators;
 - 2) goods imported from foreign suppliers/collaborators on loan basis;
 - 3) goods imported from foreign suppliers/collaborators free of cost, found surplus after production operations.
- (ia) *goods listed at items (1), (2) and (3) of clause (i) to be re-exported by units in Special Economic Zones, under intimation to the Development Commissioner of Special Economic Zones/concerned Assistant Commissioner or Deputy Commissioner of Customs;*
- j) replacement goods exported free of charge in accordance with the provisions of EXIM Policy in force, for the time being.
- k) *goods sent outside India for testing subject to re-import into India;*

l) defective goods sent outside India for repair and re-import provided the goods are accompanied by a certificate from an Authorised Dealer in India that the export is for repair and re-import and that the export does not involve any transaction in foreign exchange;

m) exports permitted by the Reserve Bank, on application made to it, subject to the terms and conditions, if any, as stipulated in the permission.

5. Indication of importer-exporter code number :-

The importer-exporter code number allotted by the Director General of Foreign Trade under Section 7 of the Foreign Trade (Development & Regulation) Act, 1992 (22 of 1992) shall be indicated on all copies of the declaration forms submitted by the exporter to the specified authority and in all correspondence of the exporter with the Authorised Dealer or the Reserve Bank, as the case may be.

6. Authority to whom declaration is to be furnished and the manner of dealing with the declaration

A. Declaration in Form GR/SDF

(1) (i) The declaration in form GR /SDF shall be submitted in duplicate to the Commissioner of Customs.

(ii) After duly verifying and authenticating the declaration form, the Commissioner of Customs shall forward the original declaration form/data to the nearest office of the Reserve Bank and hand over the duplicate form to the exporter for being submitted to the Authorised dealer.

B. Declaration in Form PP

(2) (i) The declaration in form PP shall be submitted in duplicate to the Authorised Dealer named in the form.

(ii) The Authorised Dealer shall, after countersigning the declaration form, hand over the original form to the exporter who shall submit it to the postal authorities through which the goods are being dispatched. The postal authorities after dispatch of the goods shall forward the declaration form to the nearest office of the Reserve Bank.

C. Declaration in Form SOFTEX

(3) (i) The declaration in form SOFTEX in respect of export of computer software and audio/video/television software shall be submitted in triplicate to the designated official of Ministry of Information Technology, Government of India at the Software Technology Parks of India (STPIs) or at the Free Trade Zones (FTZs) or Export Processing Zones (EPZs) or Special Economic Zones (SEZs) in India.

(ii) After certifying all three copies of the SOFTEX form, the said designated official shall forward the original directly to the nearest office of the Reserve Bank and return the duplicate to the exporter. The triplicate shall be retained by the designated official for record.

D. Duplicate Declaration Forms to be retained with Authorised Dealers

On the realization of the export proceeds, the duplicate copies of export declaration forms viz. GR, PP and Softex and Exchange Control Copies of the shipping bills together with related Statutory Declaration Forms shall be retained by the Authorised Dealer.

7. Evidence in support of declaration :-

The Commissioner of Customs or the postal authority or the official of Ministry of Information Technology to whom the declaration form is submitted, may, in order to satisfy themselves of due compliance with Section 7 of the Act and these regulations, require such evidence in support of the declaration as may establish that -

- a) the exporter is a person resident in India and has a place of business in India;
- b) the destination stated on the declaration is the final place of the destination of the goods exported;
- c) the value stated in the declaration represents -
 - 1) the full export value of the goods or software; or
 - 2) where the full export value of the goods or software is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions expects to receive on the sale of the goods in the overseas market.

Explanation :

For the purpose of this regulation, 'final place of destination' means a place in a country in which the goods are ultimately imported and cleared through Customs of that country.

8. Manner of payment of export value of goods :-

Unless otherwise Authorised by the Reserve Bank, the amount representing the full export value of the goods exported shall be paid through an Authorised Dealer in the manner specified in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2000.

Explanation :

For the purpose of this regulation, re-import into India, within the period specified for realization of the export value, of the exported goods in respect of which a declaration was made under Regulation 3, shall be deemed to be realization of full export value of such goods.

9. Period within which export value of goods/software to be realised :-

(1) The amount representing the full export value of goods or software exported shall be realised and repatriated to India **within** twelve months from the date of export :

Provided that where the goods or software are exported by the units in Special Economic Zones, the stipulation of the period of realization and repatriation to India of full export value of goods or software shall not apply³.

Provided that where the goods are exported to a warehouse established outside India with the permission of the Reserve Bank, the amount representing the full export value of goods exported shall be paid to the Authorised Dealer as soon as it is realised and in any case within fifteen months from the date of shipment of goods;

Provided further that the Reserve Bank, or subject to the directions issued by that Bank in this behalf, the Authorised Dealer may, for a sufficient and reasonable cause shown, extend the said period of twelve months or fifteen months, as the case may be.

(2) (a) Where the export of goods or software has been made by a Status Holder Exporter, as defined in the EXIM Policy in force , then notwithstanding anything contained in sub-regulation (1), the amount representing the full export value of goods or software shall be realised and repatriated to India within twelve months from the date of export;

Provided that the Reserve Bank may for a sufficient and reasonable cause shown, extend the said period of twelve months

(b) The Reserve Bank may for reasonable and sufficient cause direct that **the said exporters** shall cease to be governed by sub-regulation (2):

Provided that no such direction shall be given unless the unit has been given a reasonable opportunity to make a representation in the matter;

*I On such direction, **the said exporters** shall be governed by the provisions of sub-regulation (1), until directed otherwise by the Reserve Bank.*

Explanation :

For the purpose of this regulation, the “date of export” in relation to the export of software in other than physical form, shall be deemed to be the date of invoice covering such export.

10. Export on Elongated Credit Terms :-

No person shall enter into any contract to export goods on the terms which provide for a period longer than twelve months for payment of the value of the goods to be exported :

Provided that the Reserve Bank may, for reasonable and sufficient cause shown, grant approval to enter into a contract on such terms.

11. Submission of export documents :-

The documents pertaining to export shall, within 21 days from the date of export as, as the case may be, from the date of certification of SOFTEX form, be submitted to the Authorised Dealer mentioned in the relevant declaration form:

Provided that, subject to the directions issued by the Reserve Bank from time to time, the Authorised Dealer may accept the documents pertaining to export submitted after the expiry of the specified period of 21 days, for reasons beyond the control of the exporter.

12. Transfer of documents :-

Without prejudice to Regulation 3, an Authorised Dealer may accept, for negotiation or collection, shipping documents including invoice and bill of exchange covering exports, from his constituent (not being a person who has signed the declaration in terms of Regulation 3) :

Provided that before accepting such documents for negotiation or collection, the Authorised Dealer shall -

a) Where the value declared in the declaration does not differ from the value shown in the documents being negotiated or sent for collection, or

b) Where the value declared in the declaration is less than the value shown in the documents being negotiated or sent for collection, require the constituent concerned also to sign such declaration and thereupon such constituent shall be bound to comply with such requisition and such constituent signing the declaration shall be considered to be the exporter for the purposes of these Regulations to the extent of the full value shown in the documents being negotiated or sent for collection and shall be governed by these Regulations accordingly.

13. Payment for the Export :-

In respect of export of any goods or software for which a declaration is required to be furnished under Regulation 3, no person shall except with the permission of the Reserve Bank or, subject to the directions of the Reserve Bank, permission of an Authorised dealer, do or refrain from doing anything or take or refrain from taking any action which has the effect of securing -

(i) That the payment for the goods or software is made otherwise than in the specified manner; or

(ii) That the payment is delayed beyond the period specified under these Regulations; or

(iii) That the proceeds of sale of the goods or software exported do not represent the full export value of the goods or software subject to such deductions, if any, as may be allowed by the Reserve Bank or, subject to the directions of the Reserve Bank, by an Authorised dealer;

Provided that no proceedings in respect of contravention of these provisions shall be instituted unless the specified period has expired and payment for the goods or software representing the full export value, or the value after deductions allowed under clause (iii), has not been made in the specified manner within the specified period.

14. Certain Exports requiring prior approval :-

A. Export of goods on lease, hire, etc.

No person shall, except with the prior permission of the Reserve Bank, take or send out by land, sea or air any goods from India to any place outside India on lease or hire or under any arrangement or in any other manner other than sale or disposal of such goods.

B. Exports under trade agreement/rupee credit etc.

(i) Export of goods under special arrangement between the Central Government and Government of a foreign state, or under rupee credits extended by the Central Government to Govt. of a foreign state shall be governed by the terms and conditions set out in the relative public notices issued by the Trade Control Authority in India and the instructions issued from time to time by the Reserve Bank.

(ii) An export under the line of credit extended to a bank or a financial institution operating in a foreign state by the EXIM Bank for financing exports from India, shall be governed by the terms and conditions advised by the Reserve Bank to the Authorised Dealers from time to time.

C. Counter Trade

Any arrangement involving adjustment of value of goods imported into India against value of goods exported from India, shall require prior approval of the Reserve Bank.

15. Delay in Receipt of Payment :-

Where in relation to goods or software export of which is required to be declared on the specified form, the specified period has expired and the payment therefor has not been made as aforesaid, the Reserve Bank may give to any person who has sold the goods or software or who is entitled to sell the goods or software or procure the sale thereof, such directions as appear to it to be expedient, for the purpose of

securing, (a) the payment therefore if the goods or software has been sold and (b) the sale of goods and payment thereof, if goods or software has not been sold or re-import thereof into India as the circumstances permit, within such period as the Reserve Bank may specify in this behalf ;

Provided that omission of the Reserve Bank to give directions shall not have the effect of absolving the person committing the contravention from the consequences thereof.

16. Advance payment against exports :-

(1) Where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that -

i) The shipment of goods is made within one year from the date of receipt of advance payment;

ii) The rate of interest, if any, payable on the advance payment does not exceed London Inter-Bank Offered Rate (LIBOR) + 100 basis points, and

iii) The documents covering the shipment are routed through the Authorised Dealer through whom the advance payment is received;

Provided that in the event of the exporter's inability to make the shipment, partly or fully, within one year from the date of receipt of advance payment, no remittance towards refund of unutilised portion of advance payment or towards payment of interest, shall be made after the expiry of the said period of one year, without the prior approval of the Reserve Bank.

(2) Notwithstanding anything contained in clause (i) of sub-regulation (1), where the export agreement provides for shipment of goods extending beyond the period of one year from the date of receipt of advance payment, the exporter shall require the prior approval of the Reserve Bank.

17. Issue of directions by Reserve Bank in certain cases :-

(1) Without prejudice to the provisions of Regulation 3 in relation to the export of goods or software which is required to be declared, the Reserve Bank may, for the purpose of ensuring that the full export value of the goods or, as the case may be, the value which the exporter having regard to the prevailing market conditions expects to receive on the sale of goods or software in the overseas market, is received in proper time and without delay, by general or special order, direct from time to time that in respect of export of goods or software to any destination or any class of export transactions or any class of goods or software or class of exporters, the exporter shall, prior to the export, comply with the conditions as may be specified in the order, namely ;

a) that the payment of the goods or software is covered by an irrevocable letter of credit or by such other arrangement or document as may be indicated in the order ;

b) that any declaration to be furnished to the specified authority shall be submitted to the Authorised Dealer for its prior approval, which may, having regard to the circumstances, be given or withheld or may be given subject to such conditions as may be specified by the Reserve Bank by the directions issued from time to time.

c) that a copy of the declaration to be furnished to the specified authority shall be submitted to such authority or organisation as may be indicated in the order for certifying that the value of goods or software specified in the declaration represents the proper value thereof.

(2) No direction under sub-regulation (1) shall be given by the Reserve Bank and no approval under clause (b) of that sub-regulation shall be withheld by the Authorised Dealer unless the exporter has been given a reasonable opportunity to make a representation in the matter.

18. Project exports

Where an export of goods or services is proposed to be made on deferred payment terms or in execution of a turnkey project or a civil construction contract, the exporter shall, before entering into any such export arrangement, submit the proposal for prior approval of the approving authority, which shall consider the proposal in accordance with the guidelines issued by the Reserve Bank from time to time.

Explanation:

For the purpose of this Regulation, 'approving authority' means the Working Group or the EXIM Bank or the Authorised Dealer.

(P.R. GOPALA RAO)
Executive Director

Schedule
(Refer to Regulation 3)

Form **GR:** To be completed in duplicate for export otherwise than by Post including export of software in physical form i.e. magnetic tapes/discs and paper media.

Form **SDF:** To be completed in duplicate and appended to the shipping bill, for exports declared to Customs Offices notified by the Central Government which have introduced Electronic Data Interchange (EDI) system for processing shipping bills notified by the Central Government.

Form **PP:** To be completed in duplicate for export by Post.

Form **SOFTEX:** To be completed in triplicate for declaration of export of software otherwise than in physical form, i.e. magnetic tapes/discs, and paper media.

Amended vide Notification No. FEMA 36/2001-RB dated February 27, 2001
G.S.R..119(E)/March 21,2001

Amended vide Notification No. FEMA 57/2002-RB dated April 1,2002
G.S.R..473(E)/July 8,2002

Amended vide Notification No. FEMA 99/2003-RB dated August 27,2003
G.S.R..773(E)/September 29,2003

Amended vide Notification No. FEMA 107/2003-RB dated October 29, 2003
G.S.R..900(E)/December 22,2003

Amended vide Notification No FEMA 114/2004-RB dated March 13, 2004
G.S.R..279(E)/April 23,2004

Amended vide Notification No. FEMA 116/2004-RB dated March 25, 2004
G.S.R..352(E)/June 8,2004

Amended vide Notification No FEMA 176/2008-RB dated July 23,2008
G.S.R..576(E)/August 5,2008

Forms: -GR, SDF, PP and SOFTEX

EXCHANGE CONTROL DECLARATION (GR) FORM NO.

ORIGINAL

Exporter	Invoice No. & Date	SB No. & Date
	AR4/AR4A No. & Date	
	Q/Cert. No. & Date	Importer-Exporter Code No.
Consignee	Export Trade Control	

		If export under:	
		Deferred Credit	
		Joint Venture	
		Rupee Credit	
		Others	
		RBI's Approval/Cir. No. & Date	
Custom House Agent	L/C. No.		
Pre-Carriage by	Place of Receipt by Pre-Carrier	Type of shipment :	
		Outright Sale	
		Consignment Export	
Vessel/Flight No.	Rotation No.	Others (Specify)	
	Port of Loading	Nature of contract	CIF
		Other (Specify)	

	Port of Discharge	Country of Destination	Exchange Rate u/s 14 of CA
			Currency of invoice
S. No.	Marks & No.	Container Nos.	No. & Kind of Pkgs.
			Statistical Code & Description of
			Quantity
			Value FOB

				Goods		
	Net Weight					
	Gross Weight					

	Total FOB value (in words)	
--	----------------------------	--

Analysis of Export value	Currency	Amount	Full export value or where not ascertainable, the value which exporter expects to receive on the sale of goods.			
FOB Value						
Freight						
Insurance			Currency			
Commission Rate						
Discount			Amount			
Other Deductions						

EXCHANGE CONTROL DECLARATION (GR) FORM NO.

Is Export under L/C arrangements?	Yes		No		For customs
If yes, name of advising bank in India					Customs Assessable value Rs.
Bank through which payment is to be received					(Rupees)
					Export value Verified
					Customs Appraiser
Whether payment is to be received through the ACU Yes/No					Date of Shipment
					Customs Appraiser

Declaration under Foreign Exchange Management Act, 1999: I/We hereby declare that I/we am/are the Seller/Consignor of the goods in respect of which this declaration is made and that the particulars given above are true and that (a) *the value as contracted with the buyer is the same as the full export value declared overleaf/ (b) *the full export value of the goods is not ascertainable at the time of export and that the value declared is that which I/we, having regard to the prevailing market conditions, expect to receive on the sale of goods in the overseas market.

I/We undertake that I/we will deliver to the bank named herein the foreign exchange representing the full export value of the goods on or before @. _____ In the manner specified in the Regulations under the Act, I/we further declare that I/we am/are resident in India and I/we have a place of business in India.

I/We* am/are OR am/are not in Caution List of the Reserve Bank of India.

Date

(Signature of Exporter)

@ State appropriate date of delivery which must be within six months from the date of shipment, but for exports to warehouses established outside India with the permission of the Reserve Bank, the date of delivery must be within fifteen months.

*Strike out whichever is not applicable

Space for use by Reserve Bank of India

EXCHANGE CONTROL DECLARATION (GR) FORM NO.

Duplicate

Exporter	Invoice No. & Date	SB No. & Date
	AR4/AR4A No. & Date	
	Q/Cert. No. & Date	Importer-Exporter Code No.
Consignee	Export Control	Trade

	If export under:	
	Deferred Credit	
	Joint Venture	
	Rupee Credit	
	Others	
	RBI's Approval/Cir. No. & Date	
	Custom House Agent	L/C. No.
Pre-Carriage by	Place of Receipt by Pre-Carrier	Type of shipment :
		Outright Sale
		Consignment Export
Vessel/Flight No.	Rotation No.	Others (Specify)
	Port of Loading	Nature of contract
		CIF
		Other (Specify)

Port of Discharge			Country of Destination		Exchange Rate u/s 14 of CA Currency of invoice	
S. No.	Marks & No.	Container Nos.	No. & Kind of Pkgs.	Statistical Code & Description of	Quantity	Value FOB

				Goods		
	Net Weight					
	Gross Weight					

	Total FOB value (in words)	
--	----------------------------	--

Analysis of Export value	Currency	Amount	Full export value or where not ascertainable, the value which exporter expects to receive on the sale of goods.			
FOB Value						
Freight						
Insurance			Currency			
Commission Rate						
Discount			Amount			
Other Deductions						

EXCHANGE CONTROL DECLARATION (GR) FORM NO.

Is Export under L/C arrangements?	Yes		No		For customs
If yes, name of advising bank in India					Customs Assessable value Rs.
					(Rupees)
Bank through which payment is to be received					
					Export value Verified
					Customs Appraiser
					Cargo shipped in full/part
					Quantity
					Value
Whether payment is to be received through the ACU Yes/No					Date of Shipment
					Customs Appraiser

Declaration under Foreign Exchange Management Act, 1999: I/We hereby declare that I/we am/are the Seller/Consignor of the goods in respect of which this declaration is made and that the particulars given above are true and that (a) *the value as contracted with the buyer is the same as the full export value declared overleaf/ (b) *the full export value of the goods is not ascertainable at the time of export and that the value declared is that which I/we, having regard to the prevailing market conditions, expect to receive on the sale of goods in the overseas market.

I/We undertake that I/we will deliver to the bank named herein the foreign exchange representing the full export value of the goods on or before @. _____ In the manner specified in the Regulations under the Act, I/we further declare that I/we am/are resident in India and I/we have a place of business in India.

I/We* am/are OR am/are not in Caution List of the Reserve Bank of India.

Date _____

(Signature of Exporter)

@ State appropriate date of delivery which must be within six months from the date of shipment, but for exports to warehouses established outside India with the permission of the Reserve Bank, the date of delivery must be within fifteen months.

*Strike out whichever is not applicable

FOR AUTHORISED DEALER'S USE

Uniform Code
Number _____

*Indicate () in the box applicable

Date of negotiation	*(i)	(ii) receipt for collection,	Bill No
---------------------	------	------------------------------	---------

Type of Bill* (i) DA	(ii) DP	(iii) Others (Specify)
-------------------------	------------	---------------------------

Type of shipment : *(i) Firm Sale Contract	(ii) Consignment Basis
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(iii) Others (Specify)

The GR Form was included in the statement sent to the Reserve Bank with the R Return for the fortnight ending _____ sent on

We certify and confirm that we have received the total amount of _____ (Currency) (amount) as under being the proceeds of exports declared on this form.

Date of receipt	Currency	Credit to Nostro Account in _____ Country	Debit to NR Rupee Account of a Bank in country	Period of R Return with which the
-----------------	----------	---	--	-----------------------------------

		In our name	In the name of*	Held with us	Held with*	realization has been reported to RBI
(1)	(2)	(3)	(4)	(5)	(6)	(7)

*(Write the name of the concerned Indian Authorised Dealer Branch)

Any other manner of receipt
(Specify)

(Stamp & Signature of Authorised
dealer)

Date :

Address

:

SPACE FOR USE BY RESERVE BANK OF INDIA

SDF

[See Regulation 3(1)]

[In duplicate]

Shipping Bill
No.

Date :

Declaration under Foreign Exchange Management, Act, 1999 :

I/We hereby declare that I/We am/are the *Seller/Consignor of the goods in respect of which this declaration is made and that the particulars given in the Shipping Bill No. _____ dated _____ are true and that (a) *the value as contracted with the buyer is the same as the full export value declared in the above shipping bill (b) *the full export value of the goods is not ascertainable at the time of export and that the value declared is that which I/We, having regard to the prevailing market conditions, expect to receive on the sale of goods in the overseas market.

I/We undertake that I/We will deliver to the bank named herein _____. The foreign exchange representing the full export value of the goods on or before @ in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999. I/We further declare that I/We am/are resident in India and I/We have a place of business in India.

I/We* am/are OR am/are not in Caution List of the Reserve Bank of India.

Date:

(Signature _____ of
Exporter)

@ State appropriate date of delivery which must be within six months from the date of shipment but for exports to warehouses established outside India with permission of the Reserve Bank, the date of delivery must be within fifteen months.

*Strike out whichever is not applicable.

FOR AUTHORISED DEALER'S USE

Uniform Code
Number

Date of (i) negotiation

(ii) receipt collection for

(iii) Bill No.

*Type of Bill (i) DA (ii) DP (iii) Others (Specify)

*Types of shipment

(i) Firm Sale Contract

☐

(ii) Consignment Basis

☐

(iii) Others

☐

(Specify)

*Indicate () in the box applicable

The SDF Form was included in the Statement sent to Reserve Bank with the R Return for the fortnight ending sent on

We certify and confirm that we have received the total amount of (Currency amount) as under being the proceeds of exports declared on this form.

Date of receipt	Currency	Credit to Nostro Account in.Country		Debit to NR Rupee Account of a Bank in..... country		Period of R Return with which the realization has been reported to RBI
		In our name	In the name of**	Held with us	Held with**	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

** (Write the name of the concerned Indian Authorised Dealer Branch)

Any other manner of receipt (Specify)

(Stamp & Signature of Authorised dealer)

Date :

Address

:

SPACE FOR USE BY RESERVE BANK OF INDIA

FORM PP*

EXCHANGE CONTROL

Exporter's Declaration

ORIGINAL

Form Number :

(Please see 'Notes to Exporters')

1. (a) Name of the Post Office
- (b) Number and date of Parcel Receipt
2. Exporter's Name (for RBI use)
3. Importer/Exporter Code No.
4. Buyer's/Consignee's Name and address:
5. Country of destination
6. Nature of contract*(i) CIF/(ii) C&F/(iii) FOB/ (iv) Others (Specify):
7. Date of despatch .
8. Type of Shipment*(i) Outright Sale/(ii) Consignment export/(iii) Others (Specify)
9. Description of goods :
10. Quantity of goods: Unit† Quantity
11. Currency of Invoice

[†Ton/Kilogram/Litre/Cubic Metre/
Sq. Metre/Metre/Number/Others
(Specify)]

@	Where the full export value is not ascertainable value expected on sale of goods in the oversease market may be shown	12. Analysis of export value :		
		Particulars	Currency	Amount
		@Full Export value		
	No application for	F.O.B. Value		

permission for remittance/deduction From the declared value on account of agency Commission and/or discount will be Entertained by the Reserve Bank or Authorised Dealer unless these have been declared on this form	Freight		
	Insurance		
	Discount (Rate.....)		
	Agency Commission (Rate..)		

*see FEM (Export of Goods & Services) Regulation, 2000.

(For Customs Use) Export Value verified (Customs Appraiser)	13. Customs Assessable Value (Rupees)	
14. If the export is made under general permission of the Reserve Bank of India, Number and date of its approval		
15. If the export is made under L/C arrangements, name of advising bank in India		
16. State if the payment is to be received through the Asian Clearing Union: *Yes/No		
17. Name & address of bank through whom payment is to be received		

I/We hereby declare that I/we am/are the *SELLER/CONSIGNOR of the goods in respect of which the declaration is made and that the particulars given above are true and that *(a) the export value as contracted with the buyer is the same as the full export value declared above/(b) the full export value of goods is not ascertainable at the time of export and that the value declared is that which I/we, having regard to the prevailing market conditions, expect to receive on the sale of goods in the overseas market.

I/We undertake that I/we will deliver to the bank named above the foreign exchange representing the full export value of the goods on or before† _____ in the manner prescribed in rule 9 of the Foreign Exchange Regulation Rules, 1974. I/We further declare that I/we am/are resident in India and I/we have a place of business in India.

I/We* am/are not in the Caution List of the Reserve Bank of India.

†State approximate date of delivery which must be the due date for payment or within six months from the date of shipment, whichever is earlier.

*Strike out whichever is not applicable.

(For A.D.'s use)			
Stamp Signature Authorised dealer	& of		
Date :		(Signature of Exporter)	
Bank's Code No.	Uniform	Date:	
		Address :	

Notes to Exporters

- (1) This Form should not be pasted on the Parcel.
- (2) The PP Form procedure applies to postal exports to all territories outside India excluding Nepal and Bhutan. The PP Form should be completed in duplicate in all cases.
- (3) The Original should be submitted by the exporter to the Post Office after having it countersigned by an Authorised Dealer in foreign exchange. The Post Office through which the goods have been dispatched will forward the Original to the nearest office of Reserve Bank of India.
- (4) All documents relating to export of goods from India must be passed through the medium of an Authorised Dealer in foreign exchange in India within 21 days of the date of shipment of the goods.
- (5) The amount representing the full export value of goods must be realised on the due date for payment or within six months from the date of shipment, whichever is earlier.

Note : Government of India/Indian Financial institutions may conclude from time to time Special Trade Agreements with other countries providing for settlement of certain payments from the countries in a specified manner or for exports to be financed from Government to Government Credits. Reserve Bank will advise Authorised Dealers of such arrangements by issue of circulars. Methods of payment specified in the individual arrangements will have to be followed in such cases.

Space for use by Reserve Bank of India

FORM PP

EXCHANGE CONTROL

Exporter's Declaration

DUPLICATE

Form Number :

(Please see 'Notes to Exporters' overleaf)

1. (a) Name of the Post Office
- (b) Number and date of Parcel Receipt

2. Exporter's Name (for RBI use)
3. Importer/Exporter Code No.
4. Buyer's/Consignee's Name and address:
5. Country of destination
6. Nature of contract*(i) CIF/(ii) C&F/(iii) FOB/ (iv) Others (Specify):
7. Date of despatch.
8. Type of Shipment*(i) Outright Sale/(ii) Consignment export/(iii) Others (Specify)
9. Description of goods :
10. Quantity of goods : Unit†
... Quantity
11. Currency of Invoice
[†Ton/Kilogram/Litre/Cubic Metre/
Sq. Metre/Metre/Number/Others
(Specify)]

@	Where the full export value is not ascertainable value expected on sale of goods in the overseas market may be shown	12. Analysis of export value :		
		Particulars	Currency	Amount
		@Full Export value		
	No application for	F.O.B. Value		

permission for remittance/deduction From the declared value on account of agency Commission and/or discount will be Entertained by the Reserve Bank or Authorised Dealer unless these have been declared on this form	Freight		
	Insurance		
	Discount (Rate.....)		
	Agency Commission (Rate.....)		

(For Customs Use)
Export Value verified
(Customs Appraiser)

13. Customs Assessable Value
(Rupees)

14. If the export is made under general permission of the Reserve Bank of India, Number and date of its approval
15. If the export is made under L/C arrangements, name of advising bank in India
16. State if the payment is to be received through the Asian Clearing Union: *Yes/No
17. Name & address of bank through whom payment is to be received

I/We hereby declare that I/we am/are the *SELLER/CONSIGNOR of the goods in respect of which the declaration is made and that the particulars given above are true and that *(a) the export value as contracted with the buyer is the same as the full export value declared above/(b) the full export value of goods is not ascertainable at the time of export and that the value declared is that which I/we, having regard to the prevailing market conditions, expect to receive on the sale of goods in the overseas market.

I/We undertake that I/we will deliver to the bank named above the foreign exchange representing the full export value of the goods on or before† _____ in the manner prescribed in rule 9 of the Foreign Exchange Regulation Rules, 1974. I/We further declare that I/we am/are resident in India and I/we have a place of business in India.

I/We* am/are not in the Caution List of the Reserve Bank of India.

†State approximate date of delivery which must be the due date for payment or within six months from the date of shipment, whichever is earlier.

*Strike out whichever is not applicable.

(For A.D.'s use)

Stamp
Signature
Authorised
dealer

&
of

Date :

Bank's

Uniform

Code No.

(Signature of Exporter)

Date:

Address :

Note : All documents relating to export of goods from India must be passed through the medium of an Authorised Dealer in foreign exchange in India within 21 days of the date of shipment of the goods.

FOR AUTHORISED DEALER'S USE

Uniform Code Number : _____

Date of *(i) negotiation/(ii) receipt for collection _____ Bill No. _____

* Strike out whichever is not applicable

Type of Bill *DA/(ii)DP/ (iii) Others _____

Type of shipment : *(i) Firm Sale Contract/
(ii) Consignment Basis/ (iii) Others
(Specify)The PP Form was included in the
Statement sent to the Reserve Bank with
the R Return for the fortnight ending
sent on _____We certify and confirm that we have received the total amount of _____ (Currency)
(Amount) as under being the proceeds of exports declared on this form.

Date of receipt	Currency	Credit to Nostro Account in _____ (Country)		Debit to NR Rupee Account of a bank in (country)		Period to R Return with which the realization has been reported to RBI
		In our name	In the name of †	Held with us	Held with †	
1	2	3	4	5	6	7

(† Write the name of the concerned Indian Authorised Dealer branch).

Any other manner of receipt (specify)

(Stamp & Signature of Authorised Dealer)

Date : _____

Address : _____

Notes to Authorised Dealer :

1. Please ensure that the columns on the face of the PP Form have been completed by the exporter and that they have been duly authenticated by the Postal authorities wherever necessary.
2. On receipt of the full export value of the shipment declared on this Form, the Authorised Dealer will forward to the Reserve Bank this duplicate copy of the Form together with a copy of the Customs certified Shipper's Invoice, duly certified. In respect of shipments made on consignment basis, the Account Sales received from the consignee in original in support of the proceeds actually realised should also be forwarded along with this copy of the Form.

3. In case the net amount received falls short of the full export value declared on the Form for reasons other than deduction of bank charges, please indicate the authority conferred on the Authorised Dealers by or under the Exchange Control Manual or the Authorised Dealer's Circular or Circulars, as the case may be, or the Reserve Bank of India's approval number and date for reduction.

4. Space for use by Reserve Bank of India

EXCHANGE CONTROL

SOFTWARE EXPORT DECLARATION (SOFTEX) FORM

(For declaration of Software Exports through data-communication links
and receipt of Royalty on the Software Packages/Products exported)

FORM NO: AB

ORIGINAL

1. Name and address of the exporter
1. STPI Centre within whose jurisdiction the unit is situated
3. Import-Export Code Number
4. Category of exporter : STP/EHTP/EPZ/SEZ/100%
EOU/DTA unit
5. Buyer's name and address including country and their relationship with exporting unit (if any)
6. Date and Number of Invoice
7. a) Whether export contract/
purchase order already
registered with STPI. ☐ Yes ☐ No
(If 'No', please attach copy
of the contract/purchase
order)
- b) Does contract stipulate
payment of royalty ☐ Yes ☐ No

SECTION – A

(For exports through data communication link)

8. Name of Authorised datacom
STPI/VSNL/DOT/Internet/Others
service provider (Please specify)
9. Type of software exported (Please mark on the appropriate box on the left side).

(a) Computer Software

RBI Code

☐ Data Entry jobs and Conversion

9 0 6

Software Data Processing

☐ Software Development

9 0 7

☐ Software Product, Packages

9 0 8

☐ Others (Please specify)

9 0 9

(b) Other Software

☐ Video/TV Software

9 1 0

☐ Others (Please specify)

9 1 1

10. Analysis of Export Value

Currency Amount

(a) Full export value
of which :-
i) Net value of exports without
transmission charges

ii) Transmission charges
included in invoice

(b) Transmission charges (if payable
separately by the overseas client)

(c) Deduct: Agency commission,
at the rate of..... %

(d) Any other deductions as
permitted by RBI (please specify)

(e) Amount to be realised [(a+b) – (c+d)]

11. How export value will be realised (mode of realization) (Please mark on the appropriate box)

☐ (a) Under L/C

(a) Name and address of

Authorised Dealer

(b) Authorised Dealer Code No.

☐ (b) Bank Guarantee

(a) Name and address of

Authorised Dealer

(b) Authorised Dealer Code No.

☐ (c) Any other arrangement

(a) Name and address of

e.g. advance payment, etc.
including transfer/remittance
to bank account maintained

Authorised Dealer

(b) Authorised Dealer Code No.

overseas (Please specify)

SECTION – B

(For receipt of Royalty on Software Packages/Products exported)

12. Details of Software Package(s)/
Product(s) exported

(a) Date of export

(b) GR/SDF/PP/SOFTEX Form No. on
which exports were declared

(c) Royalty agreement details

☐ %age and amount of royalty

☐ Period of royalty agreement
(Enclose copy of Royalty
agreement, if not already registered)

13. How royalty value will be realised
(as defined in Royalty agreement)

14. Calculation of royalty amount
(Enclose copy of communication
from the foreign customer)

15. Name and address of designated Authorised
Dealer in India through whom payment has
been received/to be received A.D. Code No.

SECTION –C

16. Declaration by exporter

I/We hereby declare that I/we am/are the seller of the software in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer represents the export value contracted and declared above. I/we also declare that the software has been developed and exported by using Authorised and legitimate datacom links.

I/We undertake that I/we will deliver to the bank named above the foreign exchange representing the full value of the software exported as above on or before (i.e. within six months from the date of invoice/date of last invoice raised during a month), in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999.

Place:

Date:

Name : _____

Signature of the Exporter

Designation _____

Enclosure:

- (1) Copy of Export Contract [7(a)]
- (2) Copy of Royalty Agreement [12I]
- (3) Copy of communication from foreign customer [14]

Space for use of the competent authority (i.e. STPI/FTZ/EPZ/SEZ) on behalf of Ministry of Information Technology

Certified that the software described above was actually transmitted and the export/royalty value declared by the exporter has been found to be in order and accepted by us.

Place:

Date:

(Signature of Designated Official of STPI/FTZ/EPZ/SEZ
on behalf of Ministry of Information Technology)

Stamp

Name: _____

Designation: _____

EXCHANGE CONTROL

SOFTWARE EXPORT DECLARATION (SOFTEX) FORM

(For declaration of Software Exports through data-communication links
and receipt of Royalty on the Software Packages/Products exported)

FORM NO: AB

DUPLICATE

1. Name and address of the exporter
2. STPI Centre within whose jurisdiction the unit is situated
3. Import-Export Code Number
4. Category of exporter : STP/EHTP/EPZ/SEZ/100% EOU/DTA unit
5. Buyer's name and address including country and their relationship with exporting unit (if any)
6. Date and Number of Invoice
7.

a) Whether export contract/ purchase order already registered with STPI. (If 'No', please attach copy of the contract/purchase order)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Does contract stipulate payment of royalty	<input type="checkbox"/> Yes	<input type="checkbox"/> No

SECTION – A

(For exports through data communication link)

8. Name of Authorised datacom
STPI/VSNL/DOT/Internet/Others
service provider (Please specify)
9. Type of software exported
(Please mark on the appropriate box
on the left side).

(a) Computer Software

RBI Code

<input type="checkbox"/> Data Entry jobs and Conversion Software Data Processing	<div style="border: 1px solid black; padding: 2px 10px;">906</div>
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<input type="checkbox"/> Software Development	<div style="border: 1px solid black; padding: 2px 10px;">907</div>
---	--

<input type="checkbox"/> Software Product, Packages	<div style="border: 1px solid black; padding: 2px 10px;">908</div>
---	--

<input type="checkbox"/> Others (Please specify)	<div style="border: 1px solid black; padding: 2px 10px;">909</div>
--	--

(b) Other Software

<input type="checkbox"/> Video/TV Software	<div style="border: 1px solid black; padding: 2px 10px;">910</div>
--	--

<input type="checkbox"/> Others (Please specify)	<div style="border: 1px solid black; padding: 2px 10px;">911</div>
--	--

10. Analysis of Export Value

Currency Amount

- (a) Full export value
Of which :-
- i) Net value of exports without transmission charges
 - ii) Transmission charges included in invoice
- (b) Transmission charges (if payable separately by the overseas client)
- (c) Deduct: Agency commission, at the rate of..... %
- (d) Any other deductions as permitted by RBI (please specify)
- (e) Amount to be realised [(a+b) – (c+d)]

- ☐ (a) Under L/C
- a) Name and address of _____
Authorised Dealer
- b) Authorised Dealer Code No. _____
- ☐ (b) Bank Guarantee
- a) Name and address of _____
Authorised Dealer
- b) Authorised Dealer Code No. _____
- ☐ (c) Any other arrangement
- a) Name and address of _____
including transfer/
remittance to bank
to bank account
maintained
overseas (Please specify)
- b) Authorised Dealer Code No. _____

(For receipt of Royalty on Software Packages/Products exported)

- (a) Date of export _____
- (b) GR/SDF/PP/SOFTEX Form No. on _____
which exports were declared
- (c) Royalty agreement details
- ☐ %age and amount of royalty _____
- ☐ Period of royalty agreement _____
(Enclose copy of Royalty
agreement, if not already
registered)

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15. Name and address of designated _____
Authorised Dealer in India through
whom payment has been received/
to be received

A.D. Code No. _____

SECTION –C

16. Declaration by exporter

I/We hereby declare that I/we am/are the seller of the software in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer represents the export value contracted and declared above. I/we also declare that the software has been developed and exported by using Authorised and legitimate datacom links.

I/We undertake that I/we will deliver to the bank named above the foreign exchange representing the full value of the software exported as above on or before (i.e. within six months from the date of invoice/date of last invoice raised during a month), in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999.

Place: _____ Signature of the Exporter
Date: _____

Name : _____
Designation: _____



Enclosure:

- (1) Copy of Export Contract [7(a)]
- (2) Copy of Royalty Agreement [12I]
- (3) Copy of communication from foreign customer [14]

Space for use of the competent authority (i.e. STPI/FTZ/EPZ/SEZ) on behalf of Ministry of Information Technology

Certified that the software described above was actually transmitted and the export/royalty value declared by the exporter has been found to be in order and accepted by us.

Place:
Date:

(Signature of Designated Official of STPI/FTZ/EPZ/SEZ
on behalf of Ministry of Information Technology)



Name: _____
Designation: _____

For Authorised Dealer's use only

Certificate by Authorised Dealer

AD's Uniform Code No......

The SOFTEX Form included in the ENC statement sent to the Reserve Bank with the 'R' Return (NOSTRO/VOSTRO) for the period endingsent on
(Currency name)

We certify and confirm that we have received the total amount of.....
(Currency) (Amount)
as under being the proceeds of exports declared on this form.

Date of Receipt	Currency	Credit to Nostro Account in ----- (Country)		Debit to Non-Resident Rupee Account of a Bank in (country)		Period of R-Return with which the realization has been reported to RBI
		In our name	In the name of **	Held with us	Held with **	
1	2	3	4	5	6	7

(** Write the name of the concerned branch of Authorised Dealer)

Any other manner of receipt (Specify)

Place:_____

Date:_____

(Signature of Authorised Official)

Stamp

Name: _____

Designation : _____

Name & Address of
Authorised Dealer _____

EXCHANGE CONTROL

SOFTWARE EXPORT DECLARATION (SOFTEX) FORM

(For declaration of Software Exports through data-communication links
and receipt of Royalty on the Software Packages/Products exported)

FORM NO: AB

TRIPLICATE

1. Name and address of the exporter
2. STPI Centre within whose jurisdiction the unit is situated
3. Import-Export Code Number
4. Category of exporter : STP/EHTP/EPZ/SEZ/100% EOU/DTA unit
5. Buyer's name and address including country and their relationship with exporting unit (if any)
6. Date and Number of Invoice
7.

a) Whether export contract/ purchase order already registered with STPI. (If 'No', please attach copy of the contract/purchase order)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) Does contract stipulate payment of royalty	<input type="checkbox"/> Yes	<input type="checkbox"/> No

SECTION – A

(For exports through data communication link)

8. Name of Authorised datacom service provider
TPI/VSNL/DOT/Internet/Others

(Please specify)

9. Type of software exported (Please mark on the appropriate box on the left side).

(a) Computer Software

RBI Code

☐ Data Entry jobs and Conversion
Software Data Processing

906

☐ Software Development

907

☐ Software Product, Packages

908

☐ Others (Please specify)

909

(b) Other Software

☐ Video/TV Software

910

☐ Others (Please specify)

911

10. Analysis of Export Value

Currency Amount

(a) Full export value
of which :-

i) Net value of exports without
transmission charges

ii) Transmission charges
included in invoice

(b) Transmission charges (if payable
separately by the overseas client)

(c) Deduct: Agency commission,
at the rate of..... %

(d) Any other deductions as
permitted by RBI (please specify)

(e) Amount to be realized [(a+b) – (c+d)]

- ☐ (a) Under L/C
- a) Name and address of _____
Authorised Dealer
- b) Authorised Dealer Code No. _____
- ☐ (b) Bank Guarantee
- a) Name and address of _____
Authorised Dealer
- b) Authorised Dealer Code No. _____
- ☐ (c) Any other arrangement
- a) Name and address of _____
e.g. advance payment, etc. Authorised Dealer
- including transfer/
remittance to bank
- b) Authorised Dealer Code No. _____
- account maintained
overseas(Please specify)

(For receipt of Royalty on Software Packages/Products exported)

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SECTION –C

16. Declaration by exporter

I/We hereby declare that I/we am/are the seller of the software in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer represents the export value contracted and declared above. I/we also declare that the software has been developed and exported by using Authorised and legitimate datacom links.

I/We undertake that I/we will deliver to the bank named above the foreign exchange representing the full value of the software exported as above on or before (i.e. within six months from the date of invoice/date of last invoice raised during a month), specified in the Regulations made under the Foreign Exchange Management Act, 1999.

Signature of the Exporter

Place:

Date:

Stamp

Name: _____

Designation: _____

Enclosure:

- (1) Copy of Export Contract [7(a)]
- (2) Copy of Royalty Agreement [12I]
- (3) Copy of communication from foreign customer [14]

Space for use of the competent authority (i.e. STPI/FTZ/EPZ/SEZ) on behalf of Ministry of Information Technology

Certified that the software described above was actually transmitted and the export/royalty value declared by the exporter has been found to be in order and accepted by us.

Place:

Date:

(Signature of Designated Official of STPI/FTZ/EPZ/SEZ
on behalf of Ministry of Information Technology)

Stamp

Name: _____

Designation: _____

Notification No.FEMA 14 /2000-RB dated 3rd May 2000

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following regulations in respect of the manner of receipt and payment in foreign exchange, namely:

1. Short title and commencement:-

- i) These Regulations may be called the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2000.
- ii) They shall come into effect on 1st day of June, 2000.

2. Definitions:-

In these Regulations, unless the context requires otherwise, -

- (i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999) ;
- (ii) 'authorised dealer' means a person authorised as an authorised dealer under subsection (1) of Section 10 of the Act ;
- (iii) 'authorised bank' means a bank, other than an authorised dealer, authorised by the Reserve Bank to accept deposits from persons resident outside India ;
- (iv) 'FCNR/NRE account' means an FCNR or NRE account opened and maintained in accordance with the Foreign Exchange Management (Deposits) Regulations, 2000 ;
- (v) 'Permitted currency' means a foreign currency which is freely convertible;
- (vi) the words and expressions used but not defined in these Regulations shall have the same meanings respectively assigned to them in the Act.

3. Manner of Receipt in Foreign Exchange :-

- (i) Every receipt in foreign exchange by an authorised dealer, whether by way of remittance from a foreign country (other than Nepal and Bhutan) or by way of reimbursement from his branch or correspondent outside India against payment for export from India, or against any other payment, shall be as mentioned below:

Group	Manner of receipt of foreign exchange
(1) member countries in the Asian Clearing Union (except Nepal) namely, Bangladesh, Islamic Republic of Iran, Myanmar, Pakistan and Sri Lanka	a) payment for all eligible current transactions by debit to the Asian Clearing Union dollar account in India of a bank of the member country in which the other party to the transaction is resident or by credit to the Asian Clearing Union dollar account of the authorised dealer maintained with the correspondent bank in the member country; and b) payment in any permitted currency in all other cases
(2) all countries other than those mentioned in (1).	a) payment in rupees from the account of a bank situated in any country other than a member country of Asian Clearing Union or Nepal or Bhutan; or b) payment in any permitted currency.

“(1A) In respect of exports from India to Myanmar, payment may be received in any freely convertible currency or through ACU Mechanism from Myanmar”

(2) In respect of an export from India, payment shall be received in a currency appropriate to the place of final destination as mentioned in the declaration form irrespective of the country of residence of the buyer.

4. Payment for export in certain cases:-

Notwithstanding anything contained in Regulation 3, payment for export may also be received by the exporter as under, namely:

- i) in the form of a bank draft, cheque, pay order, foreign currency notes /travelers cheque from a buyer during his visit to India, provided the foreign currency so received is surrendered within the specified period to the authorised dealer of which the exporter is a customer ;
- ii) by debit to FCNR/NRE account maintained by the buyer with an authorised dealer or an authorised bank in India ;
- iii) in rupees from the credit card servicing bank in India against the charge slip signed by the buyer where such payment is made by the buyer through a

credit card ;

iv) from a rupee account held in the name of an Exchange House with an authorised dealer if the amount does not exceed two lakh rupees per export transaction ;

v) in accordance with the directions issued by the Reserve Bank to authorised dealers, where the export is covered by the arrangement between the Central Government and the Government of a foreign country or by the credit arrangement entered into by the EXIM Bank with a financial institution in a foreign state;

vi) in the form of precious metals i.e. gold/silver/platinum equivalent to value of jewellery exported by Gems and Jewellery units in Special Economic Zones and Export Oriented Units on the condition that the sale contract provides for the same and the value is declared in the relevant GR/SDF/PP forms.

5) Manner of payment in foreign exchange:-

- (1) A payment in foreign exchange by an authorised dealer, whether by way of remittance from India or by way of reimbursement to his branch or correspondent outside India (other than Nepal and Bhutan) against payment for import into India, or against any other payment, shall be as mentioned below:

Group	Manner of payment
(1) member countries in the Asian Clearing Union (except Nepal) namely, Bangladesh, Islamic Republic of Iran, Myanmar, Pakistan and SriLanka	a) payment for all eligible current transactions by credit to the Asian Clearing Union dollar account in India of a bank of the member country in which the other party to the transaction is resident or by debit to the Asian Clearing Union dollar account of the authorised dealer maintained with the correspondent bank in the member country; and b) payment in any permitted currency in other cases
(2) all countries other than those mentioned in (1).	a) payment in rupees from the account of a bank situated in any country other than a member country of Asian Clearing Union or Nepal or Bhutan; or

	b) payment in any permitted currency.
--	---------------------------------------

“ (1 A) In respect of imports into India from Myanmar, payment may be made in any freely convertible currency or through ACU Mechanism to Myanmar”

(2) In respect of import into India,

a) where the goods are shipped from a member country of Asian Clearing Union (other than Nepal) but the supplier is resident of a country other than a member country of Asian Clearing Union, payment may be made in a manner specified for countries in Group (2) of Regulation 5 ;

b) in all other cases, payment shall be made in a currency appropriate to the country of shipment of goods.

6. Manner of Payment in certain cases:-

Notwithstanding anything contained in Regulation 5 –

(1) where an import is covered by the special arrangement between the Central Government and the Government of a foreign state, the payment for import shall be made in accordance with the directions issued by the Reserve Bank to authorised dealer ;

(2) subject to the provisions of sub-regulation (1), a person resident in India may make payment in foreign exchange through an international card held by him :

Provided that –

a) the transaction for which the payment is so made is in conformity with the provisions of the Act, rules and regulations made thereunder; and

b) in the case of import for which the payment is so made, the import is also in conformity with the provisions of the Export-Import Policy for the time being in force.

Amended vide Notification No. FEMA 98/2003-RB dated August 27, 2003
G.S.R.G.S.R.772(E)/September 29,2003

Amended vide Notification No. FEMA 128/2005-RB dated January 11, 2005
G.S.R.53(E)/February 2,2005

Annex- 4

(C.19, Part-1, Self write-off and extension of time)

(PART A)

Annual statement to be furnished to Authorised Dealers by exporters
giving details of export performance during a calendar year as on 31 Dec.....

(Amount in Rs 000s)

Total Export Proceeds Due within the Prescribed period of 180 days or higher period as applicable	Total Export Proceeds realized within the prescribed period of 180 days or higher period as applicable	Export proceeds not realized within the Prescribed Period of 180 days or higher period as applicable
No.of GR/ SOFTEX/SDF / PP forms due Amount	No.of GR/ SOFTEX/SDF / PP forms Amount	No.of GR/ SOFTEX/ SDF /PP forms Amount
	<u>Fully Realised</u>	
	<u>Partly Realised</u>	

(PART B)

(Amount in Rs 000s)

Details of Export Bills not Realised (partly or fully) within the prescribed period	Details of Extension / Reduction in invoice value/ Write off by the Exporter himself	Extension/ Reduction in invoice value / Write off sought from AD
GR/SOFTEX/ SDF/PP No. Amount	Amount Revised due date @	Amount Revised due date @
(1)	(2)	(3)
Total		

NOTE : 1) The exporter should approach AD/RBI for extension of time in respect of bills in Column (3) in PART B.

2) Total of Bills in Column (2) in Part B should not exceed 10% of those in Column 1 of PART A

3) From 2005 onwards Bills in Column 1 of PART A will include those which have been extended for realization by the exporter himself or with the approval of AD/RBI.

4) In respect of export bills written off (including reduction in invoice value) evidence for surrender of export incentives to be enclosed.

@ For cases of extension

Exporters Signature :

Verified by Authorised Dealer

(para B 25, Part-1 of the Master Circular)

**Commodities identified for exchange by residents
living along the border between India and Myanmar**

1. Mustard/Rape Seed
2. Pulses and Beans
3. Fresh Vegetable
4. Fruits
5. Garlic
6. Onions
7. Chillies
8. Spices (excluding nutmeg, mace, cloves, Cassia)
9. Bamboo
10. Minor forest products excluding Teak
11. Betel Nuts and leaves
12. Food items for local consumption
13. Tobacco
14. Tomato
15. Reed Broom
16. Sesame
17. Resin
18. Corriander Seeds
19. Soyabean
20. Roasted Sunflower Seeds
21. Katha
22. Ginger
23. Any other commodities as may be mutually agreed upon between the two sides

Annex- 6

(para B 4, Part-1 of the Master Circular)

EFC

(Application for opening foreign currency account with
a bank in India or abroad by exporters)

Instructions:

1. The application should be completed in duplicate and submitted through the designated branch of a bank authorized to deal in foreign exchange in India with which the foreign currency account is to be maintained/which will monitor the account, to the Office of Reserve Bank under whose jurisdiction the exporter is located.
2. Before forwarding the application to Reserve Bank, authorised dealers should properly scrutinize it to ensure that it is complete in all respects.

Documentation:

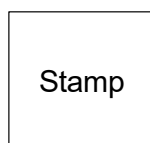
3. Exporter's declaration duly certified by his auditors, indicating export bills realized during the preceding 3 years and the export bills outstanding beyond the due date.
4. Auditor's certificate giving country-wise break-up of imports made during the preceding 3 years.
5. Certified copies of a letter from overseas bank indicating terms & conditions of the loan/overdraft/line of credit facilities offered.
6. Certified copies of Reserve Bank's approval in respect of foreign currency loans raised giving their maturity patterns.

1.	Name and address of the Exporter	
2.	Importer-exporter's code number	
3.	Name and address of the bank/ branch with which foreign currency account is proposed to be maintained.	
4.	In case the account is to be maintained with a bank out-side India, name and address of the branch of a bank in India which will monitor the transactions put through the foreign currency accounts.	

5.	Details of exports made and proceeds realized during the period the preceding 3 years and outstanding at the end of the period.	Financial Year	Total exports made (Rs.)	Amount realised (Rs.)	Outstanding at the end of the period (Rs.)
6.	Details of imports made Calendar Year Country Amount (Rs.) during the preceding 3 years, country-wise.	Financial Year	Country	Amount (Rs.)	
7.	In case the account is proposed to be opened with a bank abroad, indicate the details of arrangements made for availing of loans/ overdrafts/lines of credit from the bank with which the account will be maintained.				
8.	Quarterwise projections of export receipts to be credited to the account and payments in foreign exchange (itemwise) to be made from the account under various heads, during the next year.				
9.	Whether the applicant's name has been/was placed on exporters' caution list at any time.				
10.	Details of foreign currency loan raised by the exporter and their maturity patterns.				
11.	Any other information that the applicant may like to provide in support of this application.				

Place:

Date :



Stamp

(Signature of Applicant/Authorised Official)

Name:

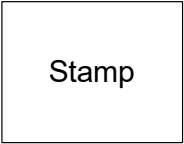
Designation:

(Space for Authorised Dealer's comments)

Comments of the branch of the bank in India with which the account is proposed to be maintained or which will monitor the operations on account maintained with a bank abroad, as the case may be.

Place:

Date :



.....

.....
(Signature of Applicant/Authorised
Official)

Name:

Designation:

.....
Name and Address

.....
of Authorised Dealer:
.....

Annex- 7

(para C.14, Part-1 of the Master Circular)

XOS**A.D. Code No.....**

**Statement of particulars of export bills outstanding
beyond prescribed period/ due date of realization
as at 30th June/ 31st December**

Part I – Outstanding export bills other than those on deferred payment terms

Sr. No.	Bill No. and date	Name & Address of export -ter	Expor - ter's Code No./ IE Code No.	Date of export	Due date of real-isa-tion	GR/P P/ SOFT EX form No.	Port of Ship-ment	Ship-ping bill No. and date	Name & add-ress of the over-seas buyer	Comm - odity
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.

Invoice value	Amount Realised	Amount Outstand-ing	Rupee equivalent of outstanding amount (To be classified as)			Remarks
Curr-ency and Amount	Curr-ency and Amount	Currency and Amount	Cash exports	Exports on Consign-ment basis	Undrawn balances	
12.	13.	14.	15.	16.	17.	18.

Total

Part II – Exports on deferred payment terms where installments (including interest) are outstanding beyond due date

Sr. No.	Name & Address of export -ter	Expor -ter's Code No./ IE Code No.	No. & date of RBI appro -val for defe-rrred pay-ment term	Date of export	GR Form No.	Port of Ship-ment	Ship- ping bill No. and date	Name & add-ress of the over-seas buyer	Comm-modity	Invoice value
										Curr-ency & Amount
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.

Value of goods covered under deferred payment terms (including interest)		Total Amount of deferred instalments (including interest) already received		Total Amount of instalments outstanding (including interest) beyond due date		Rupee equi- valent of outstand- ing amount	Whether ECGC cover obtained (Yes /No)	No. & date of bank certi- ficate issued	Rema -rks
Curr-ency	Amount	Curr-ency	Amount	Curr-ency	Amount				
12.		13.		14.		15.	16.	17.	18.

Total

Part III: Summary

Part I

Part II

	'Cash' exports	Export on consignment basis	Undrawn balances	Total	Exports on deferred payment basis
	Rs.	Rs.	Rs.	Rs.	Rs.

Outstandings as on

(End of previous half-year)

Add: Addition during the half- year under report

Less: Deletion during the half-year

Net position of outstanding as on

(End of half-year under report)

We certify that all export bills i.e. export bills purchased, negotiated and sent for collection, outstanding beyond the prescribed period / due date of realization of as at the end of half-year under report have been included in this statement.

Place: _____

Stamp

(Signature of Authorised Official)

Name: _____

Date : _____

Designation: _____

151. What are RBI's Circulars for exports of goods and services?

Appendix

**List of circulars which have been consolidated in the
Master Circular on Export of Goods and Services**

Sr.No.	Circular No	Date
1.	A.D. (MA Series) Circular No. 15	May 31, 1993
2.	A.P. (DIR Series) Circular No.12	September 9, 2000
3.	A.P.(DIR Series) Circular No.4	August 27, 2001
4.	A.P.(DIR Series) Circular No.5	August 27, 2001
5.	A.P.(DIR Series) Circular No.6	September 24, 2001
6.	A.P.(DIR Series) Circular No.9	October 25, 2001
7.	A.P.(DIR Series) Circular No.10	November 1, 2001
8.	A.P.(DIR Series) Circular No.20	January 28, 2002
9.	A.P.(DIR Series) Circular No.30	March 26, 2002
10.	A.P.(DIR Series) Circular No.34	April 1, 2002
11.	A.P.(DIR Series) Circular No.35	April 1, 2002
12.	A.P.(DIR Series) Circular No.38	April 12, 2002
13.	A.P.(DIR Series) Circular No.53	June 27, 2002
14.	A.P.(DIR Series) Circular No.54	June 29, 2002
15.	A.P.(DIR Series) Circular No.2	July 4, 2002
16.	A.P.(DIR Series) Circular No.10	August 14, 2002
17.	A.P.(DIR Series) Circular No.11	August 14, 2002
18.	A.P.(DIR Series) Circular No.12	August 28, 2002
19.	A.P.(DIR Series) Circular No.21	September 16, 2002
20.	A.P.(DIR Series) Circular No.28	October 3, 2002
21.	A.P.(DIR Series) Circular No.33	October 23, 2002
22.	A.P.(DIR Series) Circular No.34	October 31, 2002
23.	A.P.(DIR Series) Circular No.41	November 8, 2002
24.	A.P.(DIR Series) Circular No.61	December 14, 2002
25.	A.P.(DIR Series) Circular No.62	December 17, 2002
26.	A.P.(DIR Series) Circular No.78	February 14, 2003
27.	A.P.(DIR Series) Circular No.91	April 1, 2003
28.	A.P.(DIR Series) Circular No.94	April 26, 2003
29.	A.P.(DIR Series) Circular No.100	May 2, 2003
30.	A.P.(DIR Series) Circular No.104	May 31, 2003
31.	A.P.(DIR Series) Circular No.105	June 16, 2003



32.	<u>A.P.(DIR Series) Circular No.8</u>	August 16, 2003
33.	<u>A.P.(DIR Series) Circular No.12</u>	August 20, 2003
34.	<u>A.P.(DIR Series) Circular No.20</u>	September 23, 2003
35.	<u>A.P.(DIR Series) Circular No.22</u>	September 24, 2003
36.	<u>A.P.(DIR Series) Circular No.26</u>	October 3, 2003
37.	<u>A.P.(DIR Series) Circular No.30</u>	October 21, 2003
38.	<u>A.P.(DIR Series) Circular No.32</u>	October 28, 2003
39.	<u>A.P.(DIR Series) Circular No.40</u>	December 5, 2003
40.	<u>A.P.(DIR Series) Circular No.61</u>	January 31, 2004
41.	<u>A.P.(DIR Series) Circular No.68</u>	February 11, 2004
42.	<u>A.P.(DIR Series) Circular No.73</u>	February 20, 2004
43.	<u>A.P.(DIR Series) Circular No.94</u>	June 7, 2004
44.	<u>A.P.(DIR Series) Circular No.96</u>	June 15, 2004
45.	<u>A.P.(DIR Series) Circular No.97</u>	June 21, 2004
46.	<u>A.P.(DIR Series) Circular No.9</u>	September 1, 2004
47.	<u>A.P.(DIR Series) Circular No.10</u>	September 13, 2004
48.	<u>A.P.(DIR Series) Circular No.25</u>	November 1, 2004
49.	<u>A.P. (DIR Series) Circular No. 21</u>	January 10, 2006
50.	<u>A.P. (DIR Series) Circular No. 31</u>	April 21, 2006
51.	<u>A.P. (DIR Series) Circular No. 32</u>	April 21, 2006
52.	<u>A.P. (DIR Series) Circular No. 15</u>	November 30, 2006
53.	<u>A.P. (DIR Series) Circular No. 18</u>	December 4, 2006
54.	<u>A.P. (DIR Series) Circular No. 26</u>	January 8, 2007
55.	<u>A.P. (DIR Series) Circular No. 33</u>	February 28, 2007
56.	<u>A.P. (DIR Series) Circular No. 37</u>	April 5, 2007
57.	<u>A.P. (DIR Series) Circular No. 13</u>	October 6, 2007
58.	<u>A. P. (DIR Series) Circular No. 49</u>	June 3, 2008
59.	<u>A. P (DIR Series) Circular No. 50</u>	June 3, 2008
60.	<u>A. P (DIR Series) Circular No. 4</u>	August 4, 2008
61.	<u>A. P (DIR Series) Circular No. 6</u>	August 13, 2008
62.	<u>A. P (DIR Series) Circular No. 43</u>	December 26, 2008
63.	<u>A. P (DIR Series) Circular No. 51</u>	February 13, 2009
64.	<u>A. P (DIR Series) Circular No. 60</u>	March 26, 2009
65.	<u>A. P (DIR Series) Circular No. 70</u>	June 30, 2009

66	A. P (DIR Series) Circular No. 13	October 29, 2009
67	A. P (DIR Series) Circular No. 14	October 30, 2009
68	A. P (DIR Series) Circular No.03	July 22, 2010
69	A. P (DIR Series) Circular No. 17	November 16, 2010
70	A. P (DIR Series) Circular No. 30	December 23, 2010
71	A. P (DIR Series) Circular No. 31	December 27, 2010
72	A. P (DIR Series) Circular No. 47	March 31, 2011
73	A.P. (DIR Series) Circular No.15	September 15, 2011
74	A.P. (DIR Series) Circular No.35	October 14, 2011
75	A.P. (DIR Series) Circular No.40	November 01, 2011
76	A.P. (DIR Series) Circular No.47	November 17, 2011
77	A.P. (DIR Series) Circular No.48	November 21, 2011

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