

FOREIGN EXCHANGE

Tuesday, the 07th October 2025

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Divisional Manager



BANK A/C FOR NON-RESIDENT INDIANS

Particulars	NRO	NRE	FCNR (B)
Description	Non Resident Ordinary Account	Non Resident External Account	Foreign Currency Non Resident Bank Account
Who can open An account	NRI / PIO/OCI	NRI / PIO/OCI	NRI / PIO/OCI
Currency of A/c	Indian Rupees	Indian Rupees	USD, EUR, GBP, AUD, CAD
Type of A/c	SB, CA, RD , TD,	SB, CA, RD , TD,	ONLY TD
Source of funds	Local or Funds from abroad	Funds from abroad	Funds from abroad
Min. / Max. period	As per domestic term deposits	Min 1 yr Max 10 yrs	Min 1 yr Max 5 yrs IF KD-MIN 1 YR-1DAY
Joint A/c with close relatives	Permitted	Permitted (F & S)	Permitted (F & S)
Tax Benefits	TDS applicable based on COUNTRY	Exempted	Exempted
Repatriation	USD 1 Million per financial year after payment of eligible taxes.	Can Freely Repatriate	Can Freely Repatriate
TOD	NO LIMIT	RS 50000-2 WEEKS	

NRO a/c can be opened for tourist by inward remittance or sale of FC brought by him in India and balance in the a/c can be repatriated provided a/c maintained for a period not exceeding 6 months and no local fund credited except interest.
Individuals/Entities of Pakistan nationality/ origin and entities Bangladesh origin requires the prior approval from RBI.

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FOREIGN CURRENCY BANK A/C FOR RESIDENT INDIANS

Particulars	RFC	RFC(D)	EEFC	DDA (IC/477/2025)
Description	Resident Foreign Currency Account	Resident Foreign Currency (Domestic)	Exchange Earners Foreign Currency Account	Diamond Dollar Account
Who can open An account	For Returning Indians, i.e., those who were NRI / PIO for a minimum period of 1year.	Resident Individuals	A person resident in India which includes individuals, firms, Cos.	Firms And Companies Dealing In Purchase Of Rough Or Cut And Polished Diamonds /Precious Metal Jewellery With A Track Of At least 3 Years in Import/Export Of Daimonds /Colored Gem Stones/ Daimond /Plain Gold Jewellery & having an AVERAGE ANNUAL TURNOVER OF RS 3 crores and above during preceding 3 Licensing (financial) years .
Sources of Funds	By foreign inward remittances, transfer of FCNR (B) deposits, NRE deposits.	Foreign exchange acquired while on a visit to any place outside India.	Status Holder, Exporter, Individual, Professional All can retain upto 100% (Amt accruals in the a/c during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month)	Status Holder, Exporter, Individual, Professional All can retain upto 100% (Amt accruals in the a/c during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month)
Type of A/c's	SB, CA, TD TD - Minimum 1 month Max 3 Years (\$250,000/- & above shorter period of one week to less than one month)	Current A/c Confidential	Current A/c	Current A/c . Maximum only 5 Accounts can be opened



ACCOUNTS IN FOREIGN CURRENCY FOR SETTLEMENT (RBI amends FEMA 10 (R) (IC/67/2025))

- RBI amends FEMA 10 (R) 2015 permitting Indian exporters to open accounts in any foreign currency overseas for settlement of trade transactions including receiving export proceeds and using these proceeds to pay for imports, subject to conditions (IC/67/2025)
- Foreign Currency Accounts for Exporters :
- Indian Exporters can open, hold and maintain foreign currency accounts abroad to receive export proceeds.
- Funds can be used for imports or must be repatriated to India.
- Repatriation must occur by the end of the next month.
- All actions are subject to FEMA regulations.





RBI amends FEMA 5 (R) permitting as below as per (IC/68/2025)

- A person resident outside India, having business interest in India, may open a Special Non-Resident Rupee Account (SNRR account), with an authorised dealer in India or its **branch outside India**.
- The purpose is putting through permissible current and capital account transactions with a person resident in India in accordance with the rules and regulations framed under the Act, and for putting through any transaction with a person resident outside India.
- Transfer of funds between repatriable Rupee accounts is permitted.
- The tenure of SNRR account shall be concurrent to the tenure of the contract/period of operation/the business of the account holder.





Accounts maintained by Banks

NOSTRO

**OUR
Account
with YOU**

VOSTRO

**YOUR
Account
with US**

LORO

**THEIR
Account
with
THEM**

MIRROR

**Dummy
accounts
maintained by
banks to know
actual position
of NOSTRO A/c
for
reconciliation
purposes**



RBI amends FEMA 10 (R) to align the definition of 'startup' with the Govt. of India notification G.S.R. 127 (E) dated 19.02.2019 issued by the Department for Promotion of Industry and Internal Trade (DPIIT) as per IC/836/2024.

- **As amended, an entity shall be considered as a Startup:**
 - I. Up to a period of ten years from the date of incorporation/ registration.**
 - II. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.**
 - III. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.**

Explanation - An entity shall cease to be a Startup on completion of ten years from the date of its incorporation/ registration or if its turnover for any previous year exceeds one hundred crore rupees.

NORMAL TRANSIT PERIOD

FEDAI RULE NO 2

- It is not to be confused with the time taken for the arrival of the goods at the destination.
- Normal transit period comprises of the average period normally involved from the Date of negotiation/purchase/discount till the receipt of bill proceeds
- In the case of export usance bills- Not Applicable
- Bill drawn on DP/At Sight Basis and not under Letter of Credit (LC)
 1. Bill in Foreign Currencies – 25 days
 2. Bills in Rupees not under Letter of Credit – 20 days
- **EXTENDING Finance beyond NTP – Max 90 Days from date of shipment**

RATE MECHANISM

Mode of Delivery/Rate Adoption	Description for Mode of Delivery	Deal Date	Settlement Date
READY or CASH	Deal & Settlement on the same day	07.10.2025	07.10.2025
TOM	Deal done Today & Settlement on the next working day (T+1)	07.10.2025	08.10.2025
SPOT	Deal done Today & Settlement on the second working day (T+2)	07.10.2025	09.10.2025
FORWARD	Deal done today & Settlement Date Anything beyond SPOT (> T+ 2)	07.10.2025	After 09.10.2025 any date
<i>If the value of Currency is more than being quoted for SPOT, it is said to be at PREMIUM, which is the Interest rate differential in both currencies</i>		<i>If the Value of Currency is cheaper at a later date, than SPOT, it is said to be at DISCOUNT, which is the Interest rate differential in both currencies</i>	

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RATE MECHANISM

Banks normally come across different types of customer transactions. When a bank agrees to sell foreign exchange to one of its customers either the bank should buy foreign exchange from another customer or from Interbank Market. Rates are always quoted two ways, i) **Bid Rate**: It is the rate at which the buyer is ready to buy, ii) **Ask (Offer) Rate**: It is the rate at which the seller is ready to sell. The difference between bid and ask rate is called margin/ spread.

Rates applied to various Transactions:

Selling Rates	Transactions
TT Selling Rate	- Outward remittance in FCY. - Cancellation of purchase Ex: Bill purchased returned unpaid, Return/ Refund of inward remittances, etc. - Cancellation of forward purchase contract.
Bill Selling Rate	Transaction involving payment of Import Bills
Buying Rates	Transactions
TT Buying Rate	- Clean inward remittances for which cover payment has already been received. - Cancellation of outward remittances - Cancellation of forward sale contract.
Bill Buying Rate	Purchase/ discounting of bills.

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As per RBI amendment for FEMA 10 (R) 2015 permitted Indian exporters

- a) to open accounts in USD currency overseas for settlement of trade transactions**
- b) to open accounts in EURO currency overseas for settlement of trade transactions**
- c) to open accounts in GBP currency overseas for settlement of trade transactions**
- d) to open accounts in JPY currency overseas for settlement of trade transactions**
- e) All of the above**

Firms and Companies dealing in purchase of rough or cut and polished Diamonds /Precious Metal must have how many years of track record in import/export to open a Diamond Dollar Account?

- a) 1 year**
- b) 2 years**
- c) 3 years**
- d) 5 years**
- e) None of these**

Who can open a Special Non-Resident Rupee Account (SNRR)?

- a) Only Indian citizens
- b) Only NRIs
- c) A person resident outside India with business interest in India
- d) Any foreign tourist
- e) None of these

- As per RBI amendment for FEMA 5 (R) 2015 permitting a person resident outside India to open_____ account with overseas branches of Authorized Dealer banks for settlement of all permissible current account and capital account transactions with a person resident in India.
- EUR
- USD
- GBP
- INR
- CHF

FORWARD CONTRACT POLICY-POLICY/03/2025

- All forward contracts with retail clients shall be executed at the ongoing interbank / market rates and shall be time stamped
- A valid Legal Entity Identifier (LEI) shall be mandatory for all eligible entities/ corporates booking a forward contract (LEI – 20 Characters)
- If the forward contract remains outstanding on the third business day beyond maturity and no instruction is received for cancellation, Global Trade Processing Centre (GTPC), shall cancel the contract on the 3rd business day.

FORWARD CONTRACT POLICY-POLICY/03/2025

- **REVISED APPLICATION FORMS FOR BOOKING FORWARD CONTRACTS UPDATED WITH PRODUCT DISCLOSURE STATEMENT (PDS) AND RISK DISCLOSURE STATEMENT (RDS) (IC/805/2024)**
- Duly stamped (as per prevailing norms in respective States/UT) Application cum declaration form,
- Purchase : IF (GEN) 1750 (Exports) and Sale : IF (GEN) 1751 (Imports) at the time of booking should be obtained.
- If tenor of forward contract exceeds 13 months - Branches should enter into ISDA (International Swaps and Derivative Association) Master Agreement with customers.
- PDS containing standard information about Forward Contracts shall be made available to the user booking forward contracts
- RDS shall be provided to the user booking forward contract beyond 13 months.

MONITORING OF MARK TO MARKET (MTM) POSITION OF FORWARD CONTRACT (680/2025)

a. Initial margin (IM): Provides cover to the Bank from the likely risk arise due to the adverse moment of rates.

Tenor of Contract	Margin	
	Borrower	Non Borrower
Up to 1 year	0.5% to 2%	2%
Above 1 year	2% to 5%	5%

b. Mark-to-Market (MTM) margin: Whenever MTM loss reaches the limit of 75% of available margin, wherever IM is stipulated, branches shall take up with customer and ensure collection of additional margin.

c. Sanction Memorandum shall strictly contain the details of Initial margin stipulated/waived.

d. GTPC shall ensure that no Forward Contract is booked without proper margin maintenance in CBS-FCC.

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One of the Major Modifications out of the 10 enumerated in credit policy – (Unhedged Foreign Currency Exposure)

IC/223/2025

UFCE is the **risk of exchange loss** from an un-protected change in a foreign exchange rate.

Now they have clearly defined no **penal charges** for **Minimal Risk** and for **Low Risk** cost of Incremental Provisioning to be recovered if Potential loss to EBID Ratio is

50% to 75%	-	0.10%
> 75%	-	0.14%

No change is proposed for entities Rated A & below (externally) and Normal Risk & below (internally)

Reporting of transactions in gold derivatives undertaken by banks and the customers / constituents: (IC/55/2025)

RBI has decided to mandate reporting of transactions in gold derivatives undertaken by banks and their customers / constituents as under:

- Banks shall report all over the counter (OTC) transactions in gold derivatives undertaken by them in terms of the aforesaid regulations in domestic markets, International Financial Services Centre (IFSC) and outside India to the trade repository (TR) of Clearing Corporation of India Ltd. (CCIL) with effect from 01.02.2025.
- Banks shall report all the aforesaid transactions undertaken by them or their eligible customers/constituents to the TR before 12:00 noon of the following business day.
- Reporting Formats shall be as indicated by CCIL with the prior approval of the Reserve Bank

FINANCIAL ACTION TASK FORCE (FATF) IC/476/2025)

Anti-Money Laundering (AML)/Combating of financing of terrorism (CFT)

- FATF is the global money laundering and terrorist financing watchdog. Headquarters at Paris, France.
- Grey List – Jurisdiction under increased monitoring
- The FATF identifies jurisdictions with weak measures to combat money laundering and terrorist financing.
- **Black List** – High-risk Jurisdictions subject to a Call for Action. Significant strategic deficiencies to counter AML/CFT
- 1. Democratic People's Republic of Korea (DPRK) 2. Iran

FATF PUBLISHES THIS REPORT THREE TIMES IN A YEAR

Country listed to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction is MYANMAR .

Branches/GTPC shall not permit Capital Account Remittances directly or indirectly to countries in black list under LRS.

PRAVAAH- The Platform for Regulatory Application, Validation and Authorization (IC/341/2025).

- **This portal was launched by RBI on 28.05.2024.**
- **It is now mandatory with effect from May 01, 2025.**
- **PRAVAAH portal can be accessed at <https://pravaah.rbi.org.in>**
- **It helps for submitting applications for regulatory authorizations, licenses, and approvals to the Reserve Bank using the application forms already available in the portal.**



PRAVAAH : SOP FOR SEEKING RESERVE BANK OF INDIA (RBI) PERMISSION UNDER FOREIGN EXCHANGE MANAGEMENT ACT (FEMA), 1999 (IC/355/2025)

- **New Standard Operating Procedure (SOP)** for handling cases requiring RBI approval under FEMA, 1999, focusing on consistency, compliance, and efficiency.
- **Systems & Procedures (S&P) Section, Integrated Treasury Vertical, is the central Nodal Office for all forex matters requiring RBI clarification or permission.**
- **Branches** are responsible for initiating transactions, collecting comprehensive documentation, performing due diligence, and implementing RBI decisions.
- **All applications for regulatory authorizations, licenses, and approvals to the Reserve Bank must now be submitted through the PRAVAAH portal.**
- **TRADE RELATED MATTERS** : Branches and the GTPC Vertical submit requests with supporting documents to the S&P Section, IT Vertical, which then takes up the matter with the RBI, making submissions through the PRAVAAH portal via the RBS Section, Compliance & Risk Based Supervision Wing.
- .
- **All other submissions** pertaining to the Foreign Exchange Department, RBI, will be handled by the **S&P Section**.



If no cancellation instructions are received after the due date of FPC/FSC, the GTPC cancels a forward contract on:

- a) 1st business day
- b) 5th business day
- c) 3rd business day
- d) 5th working day
- e) 5th calendar day

If tenor of forward contract exceeds 13 months, which agreement must be entered into?

- a) FEMA Master Agreement
- b) RBI Forward Agreement
- c) ISDA Master Agreement
- d) Basel Master Agreement
- e) None of these

Which portal was launched by RBI on 28.05.2024 for any entity or individual to seek authorization, license or regulatory approval on any reference made by it to the Reserve Bank?

- a) PRAVAAH
- b) VIDYA
- c) RUPAY
- d) SURAKSHA
- e) None of these

REVISED APPLICATION FORMS FOR BOOKING FORWARD CONTRACTS ARE

- a) Purchase : IF (GEN) 1751 (Exports) and Sale : IF (GEN) 1750 (Imports)
- b) Purchase : IF (GEN) 1750 (Exports) and Sale : IF (GEN) 1751 (Imports)
- c) Purchase : IF (GEN) 1752 (Exports) and Sale : IF (GEN) 1753 (Imports)
- d) Purchase : IF (GEN) 1754 (Exports) and Sale : IF (GEN) 1755 (Imports)
- e) Purchase : IF (GEN) 1758 (Exports) and Sale : IF (GEN) 1759 (Imports)

RISK DISCLOSURE STATEMENT (RDS) shall be provided to the user booking forward contract beyond _ months.

- a) 10
- b) 11
- c) 14
- d) 6
- e) 13

In Forward contract booking whenever MTM (Mark to Market) loss reaches the limit of _% of available margin, wherever IM (Initial Margin) is stipulated, branches shall take up with customer and ensure collection of additional margin.

- a) 25
- b) 15
- c) 50
- d) 75
- e) 20

Under Unhedged Foreign Currency Exposure now no penal charges for Minimal Risk and for Low Risk cost of Incremental Provisioning to be recovered if Potential loss to EBID Ratio is 50% to 75% is _ and it is greater than 75% is _.

- a) 0.14% , 0.10%
- b) 0.10 % , 0.14%
- c) 0.05%, 0.15%
- d) 0.20%, 0.25%%
- e) 0.25%, 0.50%

Banks shall report all over the counter (OTC) transactions in gold derivatives undertaken by them in terms of the regulations in domestic markets, International Financial Services Centre (IFSC) and outside India to the trade repository (TR) of Clearing Corporation of India Ltd. (CCIL) with effect from _ and Banks shall report all the aforesaid transactions undertaken by them or their eligible customers/constituents to the TR before _ of the following business day.

- a) 01.01.2025, 9 am
- b) 01.04.2025, 5 pm
- c) 31.03.2025, 4 pm
- d) 30.06.2025, 12 noon
- e) 01.02.2025, 12 noon

As per ECGC Country Risk Classification, Which risk category C1 represents

- a) Insignificant
- b) Low Risk
- c) Moderately Low Risk
- d) Moderately High Risk
- e) Moderate Risk

LRS- LIBERALISED REMITTANCE SCHEME(IC/521/2024)

Individuals including minors(not available to Corporates, Partnership Firms, HUF, Trusts etc.,) can avail **forex facility with in overall limit of \$250,000** in a financial year for **following purposes** beyond that approval from RBI required:

Private Visit (other than Nepal and Bhutan)

Gift / Donation

Going abroad for employment

Emigration

- Maintenance of **close relatives** abroad (Section 2(77) Companies Act 2013 only 8)
- Business Trip
- **Medical treatment abroad**
- **Students for pursuing studies abroad.**
- **Any other current account transaction**

LRS- LIBERALISED REMITTANCE SCHEME....Contd

Exception:

For **emigration, medical treatment and studies abroad**, forex may be **availed in excess of** LRS limit if required supported by documents.

Branches to take permission from S & P Section, IT WING for remittance under LRS for Overseas Direct Investment (FX 47/2022)

- **Mandatory to have PAN number to make remittances.**
- **The resident individual seeking to make the remittance should furnish FORM A2 for purchase of foreign exchange under LRS.**
- **Form A2 in physical or digital form is mandatory for all cross-border remittances irrespective of the value of transaction (IC/522/2024).**
- **Availability of LRS limit to be verified by accessing CIMS portal of RBI (Centralised Information Management System) using the PAN Number.**

Tax Collected at Source on LRS w.e.f. 1.04.2025 (IC/260/2025)

- Under FEMA, LRS(Liberalised Remittance Scheme) allows resident individuals to remit USD 250,000 per financial year (April to March) for permissible current and capital account transactions.
- The threshold amount under Liberalized Remittance Scheme increased from Rs.7,00,000/- to Rs.10,00,000/-.

NATURE OF PAYMENT	Applicable TCS (Upto Rs.10 lacs remittance)	Applicable TCS (Above Rs.10 lacs remittance)
LRS for Education financed by Bank	NIL	NIL
LRS for Education/Medical	NIL	5%
LRS other purpose	NIL	20%
Purchase of Tour Program	5%	20%

ONLINE SUBMISSION OF FORM A2 (877/2024)

- Online submission of form A2 since February 11 , 2016, RBI has permitted AD banks offering internet banking facility to their customer to allow online submission of form A2.
- REMOVAL OF LIMITS :
- There shall not be any limit on the amount being remitted on the basis of 'online' Form A2 within the ambit of extant statutory and regulatory framework.

Non-Resident Account holders can register for UPI services with international mobile numbers of select countries to perform domestic transactions (IC/239/2025)

Customers can register for UPI with mobile numbers of 12 Countries.

(Singapore, Australia, Canada, Hongkong, Oman, Qatar, USA, Saudi Arabia, UAE, UK, Malaysia, France)

UPI-Pay Now: India- Singapore Cross Border Remittance System through UPI (IC/570/2025):

Canara Bank has launched instant cross border remittance solution between India and Singapore through UPI by linking UPI and **Pay Now**, a **Singapore based payment solution** has been enabled for **CROSS** border remittance facility in Canara ai1 app.

This enables users in India and Singapore to remit and receive money to each other instantly.



UPI-PayNow: India- Singapore Cross Border Remittance System through UPI – IC/570/2025

- 1. Foreign Inward Remittance (FIR)** - To receive funds from Singapore to India using UPI ID of Indian UPI User.
- 2. Foreign Outward Remittance (FOR)** - To remit funds to Singapore from India using Mobile Number of Singapore BCS Pay Now User.

The following are the **present remittance conditions permitted by NPCI** for India, Singapore cross border remittance system using UPI-Pay Now linkage.

S No	Conditions	Allowed limit
1	Maximum amount per day/per transaction for Foreign Inward Remittance (FIR) or Foreign Outward Remittance (FOR)	SGD 1000
2	Minimum amount per transaction for FIR or FOR	SGD 1
3	Maximum number of transactions per day	No limit

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UPI-PayNow: India- Singapore Cross Border Remittance System through UPI - IC/570/2025

S No.	Particulars	Amount
1	Bank's Commission for each transaction.	SGD 3.75 at Bank's TT Selling card rate.
2	GST on Commission	18% on SGD 3.75
3	TCS collected from upfront basis.	20% on Transaction Amount
4	GST on currency conversion or Currency Conversion Tax (CCT).	18% of one per cent of the gross amount of purchase or sale of foreign currency, subject to a minimum of Rs.45/- as per circular: 317/2017

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Foreign Currency for Travellers

How much of Foreign Currency can be carried in Cash for Travel Abroad?.

Travellers Proceeding to IRAQ or LIBYA	Not Exceeding USD 5000 per visit or its equivalent.
Travellers Proceeding to Islamic Republic of IRAN, RUSSIAN Federation & other Republic of Commonwealth of Independent states (Ex Ukraine, Uzbekistan, Tajkistan, Turkmenistan, Moldova, Kazakhstan, Kyrgyzstan, Belarus, Armenia, Azerbaijan)	Full Exchange may be released
Travellers proceeding to any other Country	Not Exceeding USD 3000 per visit or its equivalent.
Travellers proceeding to HAJ/ Umrah Pilgrimage	Full amount of entitlement in Cash or up to the cash limit as specified by the HAJ Committee of India, may be released.

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Foreign Currency for Travellers

What if the foreign currency is Unspent/Unused ?

Resident Individual is required to surrender the foreign exchange **within a period of 180 days** from the date of purchase/return of the travel.

How much foreign Currency can be retained ?

A returning traveller is **permitted to retain** with him/her , currency notes **upto an aggregate amount of USD 2000** or its equivalent and **Foreign Coins** without any ceiling beyond 180 days.

How much Foreign Currency can be brought in while visiting India?

A person coming into India from abroad can bring with him **foreign exchange without any limit**. If the aggregate value of foreign exchange in **the form of currency notes or bank notes brought in exceeds USD 10,000** or its equivalent &/or the value of **Foreign Currency alone exceeds USD 5,000 or its equivalent** , it should be declared to the **Customs Authorities** at the Airport in the **Currency Declaration Form (CDF)** on arrival in INDIA.

Travellers Carrying of Currency Notes Of Government Of India & Reserve Bank Of India Notes

Any person resident in India may take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding **Rs.25,000/-**

Any person resident outside India, not being a citizen of Pakistan and Bangladesh and also not a traveler coming from and going to Pakistan and Bangladesh, and visiting India may take outside India currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding **Rs.25,000/- while exiting only through an airport.**

- Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding **Rs.25,000/-**

(20)



Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2025, (IC/119/2025 & IC/208/2025)

TRADE TRANSACTIONS :-

Receipt/Payment for export to or import from the countries viz., Nepal, Bhutan & Maldives. :

Nepal and Bhutan - in Indian Rupees provided that in case of exports from India where the importer in Nepal permitted by the Nepal Rashtra Bank to make payment in foreign currency, such receipts towards the amount of the export may be in foreign currency.

- Member countries of ACU, other than Nepal and Bhutan – In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country, through ACU mechanism, or as per the directions issued by the Reserve Bank to authorized dealers from time to time.
- For all other transactions, receipt and payment may be made in a manner as Countries other than member countries of ACU i.e., In Indian Rupees or in any foreign currency.
- Asian Clearing Union (ACU) Mechanism – Indo - Maldives Trade: IC/208/2025
- India's bilateral trade transactions with Maldives may also be settled in INR and/or MVR (Maldivian Rufiyaas) in addition to the ACU mechanism.



What is the overall forex limit under LRS per individual per financial year?

- a) \$100,000
- b) \$200,000
- c) \$250,000
- d) \$500,000
- e) \$ 50,000

From 01.04.2025, the threshold for TCS (Tax collected at Source) under LRS increased from ₹7 lakh to:

- a) ₹8 lakh
- b) ₹9 lakh
- c) ₹10 lakh
- d) ₹12 lakh
- e) ₹7.50 lakh

Which of the following is incorrect about TCS rates under LRS w.e.f 01.04.2025?

- a) For education financed by a bank, TCS above ₹10 lakh is nil
- b) For education/medical expenses, TCS above ₹10 lakh is 5%
- c) For other purposes above ₹10 lakh, TCS is 15%
- d) For tour program purchases above ₹10 lakh, TCS is 20%
- E) All are incorrect

How many countries are permitted for UPI services with international mobile numbers to perform domestic transactions by Non-Resident account holders?

- a) 10
- b) 12
- c) 15
- d) 20
- E) 9

Which of the following is incorrect about UPI-Pay Now (India-Singapore Cross Border Remittance System through UPI)?

- a) Maximum transaction per day is SGD 1000
- b) Minimum per transaction amount is SGD 1
- c) There is no limit on daily number of transactions
- d) It is available only via Canara Net Banking
- e) All are correct

As per IC/877/2024, What is the present limit on the amount being remitted on the basis of 'online' Form A2 within the ambit of extant statutory and regulatory framework.

- a) USD 25000
- b) USD 250000
- c) USD 5000
- d) USD 10000
- e) No limit

To which country, Non-Resident Account Holders cannot register for UPI services with International mobile numbers to perform domestic transactions.

- a) Hongkong
- b) Canada
- c) Qatar
- d) Kuwait
- e) None of the above

Due diligence in relation to non-resident guarantees availed by persons resident in India as per IC/804/2024)

- The Reserve Bank of India (RBI) has come across instances of guarantees (including Standby Letters of Credit [SBLCs] and / or performance guarantees) issued by persons resident outside India, favoring persons resident in India, **which are not permitted under the extant FEMA regulations.**
- Branches/Offices shall ensure that guarantee contracts advised by them to or on behalf of their resident constituents are in accordance with the FEMA regulations.

Importer Exporter Code (IEC)

- **Import Export Code Number (IEC):** Every person / firm / company engaged in Export Business has to obtain and IEC number.
- IEC Code is issued by **Director General of Foreign Trade (DGFT)**
- An IEC holder has to ensure that the details in IEC is updated electronically **every Year**.
- De-activation of Importer Exporter Code)
- De-activated IECs may be re-activated by the IEC holder by updating details in DGFT website.

EXPORTS



EXPORT FINANCE

Pre-Shipment Finance

Packing Credit Loan in PCRS/PCFC

Post Shipment Finance

Purchase->Clean Bill 'At Sight'
Discount->Clean Bill 'On Usance'
Negotiation->Bill Backed with LC both 'At Sight' & 'On Usance'

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TIME LIMITS FOR EXPORTS

Time Limit for Receiving Export Payment:-

The Value of the goods and software exports made by the exporters is required to be realized fully and repatriated to the country within a period of 9 months from the date of exports.

Maximum Permissible Period for Export Credit:-

Pre-shipment Export Credit -> 1 Year (MAX)

Post-shipment Export Credit -> 9 months (MAX)

The amount representing the full export value of goods exported to a warehouse established outside India , the proceeds shall be realized within 15 months

In case of export of software-> The date of Invoice to be reckoned as Date of Export

In case of other cases -> The date of Shipment is the Date of Export.

Delinking of export bill has to be done on 15th day after normal transit period in case of sight bill and 15th day after notional due date /actual due date in case of usance bill. On the date of delinking of export bill, the rate applied is TT selling rate.

The exporter has to submit the shipping documents to the Authorised Dealer within 21 calendar days of the shipment.



Exports through warehouses at 'Bharat Mart' in UAE – relaxations (IC/385/2025)

- 'Bharat Mart', a multimodal logistics network-based marketplace in United Arab Emirates (UAE) will provide Indian traders, exporters, and manufacturers access to the markets in UAE as well as worldwide, RBI decided to provide the following relaxations:
 - AD banks may allow exporters to realize and repatriate full export value of goods exported to 'Bharat Mart' within nine months from the date of sale of the goods from the warehouse.
 - AD banks may allow the following without any pre-conditions, after verifying the reasonableness of the same:
 - 1. Opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter with a valid Importer Exporter Code.
 - 2. Remittances by the Indian exporter for initial as well as recurring expenses for setup and continuing business operations of its offices.



EDPMS: Export Data Processing and Monitoring Systems launched by RBI on February 28, 2014 for effective monitoring and follow up of export transaction

IDPMS : Import Data Processing and Monitoring Systems launched by RBI on October 10, 2016 to facilitate data processing for import payments.

TRRACS: Trade Regulatory Reporting And Compliance System - Software solution to the issues faced by branches in EDPMS, IDPMS and eBRC (Electronic Bank Realisation Certificate)

SIMPLIFIED PROCEDURES FOR HANDLING E-COMMERCE EXPORTS (649/2024)

- ☐ Reconciliation of Export Data Processing and Monitoring System (EDPMS) entries related to e-commerce exports using simplified procedures. **CGM/ GM/ DGM overseeing EDPMS Section, Integrated Treasury Vertical** shall be the authority for sanctioning this facility subject to the exporter satisfies the following conditions :
 - Exporter customer's account is satisfactorily operated for **six months** and the customer's account is fully compliant with extant KYC/AML guidelines issued by Reserve Bank.
 - The subject Exporter, their promoter/director and any of their transactions are **not under investigation by agencies** like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc.
 - Exporter is not appearing in the caution list of RBI.
 - The **maximum value of Courier Shipping Bills (CSBs) that can be handled under simplified procedures is capped at INR 1 Lakh.**
- ☐ Bulk Upload Facility in the Flex cube Corporate (FCC) module for handling e-commerce export transactions.

Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit (IC/728/2024), (IC/665/2024) & (IC/594/2024)

- IES scheme on Pre and Post Shipment Rupee Export Credit has been extended for three months up to 31/12/2024.
- **MSME Manufacturer exporters are only eligible.**
- MSME manufacturer exporters who have already availed equalisation benefits of **Rs.50 Lakhs or more** in the Financial Year 2024-25 till 30/09/2024 will not be eligible for any further benefit in the extended period.
- From 01/10/2024, Fiscal benefits of each eligible MSME manufacturer exporter, on aggregate, **will be restricted to Rs.50 Lakhs for the Financial Year 2024-25** till 31/12/2024.
- Exporters who have availed IES benefit of more than Rs.50 Lakhs during Financial Year till 30/09/2024 there is no need to refund the IES benefit to RBI **as the existing cap of Rs. 5 Crore per Importer Exporter Code (IEC) imposed till 30/09/2024 holds good.**



EXPORTS- ADVANCE PAYMENT(IC/382/2025)

If shipment of goods is not made within the stipulated period from the date of receipt of advance payment.

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

- **The shipment of goods is made within one year from the date of receipt of advance payment;**
- **The rate of interest, if any, payable on the advance payment does not exceed Alternate Reference Rate (ARR) + 100 basis points; & in terms of longterm export contracts ARR + 200 BP**
- 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.**

Evidence of Exports:-

- In case of Physical Exports: **Export Declaration Form**
- In case of Non Physical Form: **SOFTEX Form** (Where exports are made in non-physical form, i.e., software or data through internet / datacom channels etc..)



Foreign Exchange Management (Export of Goods & Services) Amendment Regulations, 2025-Exemptions from Export Declarations IC/635/2025)

- 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.
- Now, the RBI has issued Notification No. FEMA 23(R)/(6)/2025-RB dated 24.06.2025, amending the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, thereby
- **Exempting the export declaration requirement for the temporary export of offshore support vessels, tugs, tugboats and dredgers subject to their re-import into India.**

Foreign Exchange Management (Export of Goods & Services) Amendment Regulations, 2025-Exemptions from Export Declarations IC/635/2025)

- Export of goods / software 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;
 - **ca) Tugs or Tug Boats, Dredgers and Vessels used for providing offshore support services, subject to their re-import into India;**
 - d) by way of gift of goods accompanied by a declaration by the exporter that they are not more than **five lakh rupees in value**
 - e) aircrafts or aircraft engines and spare parts for overhauling and/or repairs abroad subject to their reimport into India after overhauling /repairs, within a period of six months from the date of their export

EXPORTS

Write off of unrealized Export Bills (IC/382/2025):

RBI has delegated limited powers to Authorised Dealers for writing off unrealised export proceeds where the exporters have not been able to realise the outstanding export dues despite their best efforts.

The limits prescribed for write-offs of unrealized export bills are as under:

Self-write-off by an exporter- 5%

Self-write-off by Status Holder Exporter-10%

Write-off by AD Category-1 Bank- 10%

*Limit % in relation to **Total export proceeds realized during the preceding calendar year in which the write-off is being done.***

This provision is NOT for writing off any liability of the exporter towards the pre-shipment/post-shipment advance granted by the bank, but only for allowing the exporter customer to write off unrealised export bills in the books of exporters.)

Foreign Trade Policy 2023

- **An applicant shall be categorized as Status holder upon achieving export performance during the current and previous 2 financial years.**
- **The export performance will be counted on the basis of FOB Value of the export earnings in free foreign exchange.**
- **Following Status is granted by DGFT depending on the export performance.**

Status Category	Export Performance (FOB Value)
One Star Export House	USD 3,000,000
Two Star Export House	USD 15,000,000
Three Star Export House	USD 50,000,000
Four Star Export House	USD 200,000,000
Five Star Export House	USD 800,000,000

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- **EXPORT DATA PROCESSING AND MONITORING SYSTEM (EDPMS) - CLOSURE OF SMALL VALUE SHIPPING BILLS (SBs)**
- **Special dispensation of RBI for Closure of Outstanding Small Value Shipping Bills (Original Shipping Bill Amount) not exceeding USD 1,000 (INR Equivalent) communicated vide HO Circular No. IC/824/2024 dated 02.12.2024 is extended till 30.09.2025. (IC/310/2025).**
- Branches/Offices are permitted to close the outstanding shipping bills value up to USD 1,000 or INR equivalent, subject to the conditions mentioned below:
 - 1. The bonafides of the transactions.
 - 2. The funds have been received against the export.
 - 3. There are no KYC/AML/CFT concerns.
 - 4. Evidence of realization.
 - 5. Exporter is not under investigation/court cases etc. for these transactions.





EXPORT DATA PROCESSING AND MONITORING SYSTEM (EDPMS) - CLOSURE OF SMALL VALUE SHIPPING BILLS (SBs) (IC/310/2025)

- Branches/Offices may allow reduction in export realisation at the request of the exporter where exporter is unable to realise the full export value despite their best efforts and/or due to unavoidable circumstances.
- Service Charges shall be collected as below without fail:
 - **a. Transactions up to Rs. 25,000/- Rs.15/- per SB.**
 - **b. Above Rs. 25,000/- and including Rs. 50,000/- Rs. 25/- per SB.**
 - **c. Above Rs. 50,000/- and including Rs. 1,00,000/- Rs. 50/- per SB.**





CONCESSION IN CHARGES UNDER FX4U (514/2025)

10% concessions on applicable service charges to customers initiating the **following transactions** through the FX4U on an ongoing basis. **ED (GTPC) to permit additional concession up to 10% on a case-to-case basis.**

1. Foreign Outward Remittance (Other than Physical Imports & ODI)
2. Advance payment against import
3. Payment of import bill not under LC
4. Import Documents received directly by the importer
5. Foreign Currency/Rupee import bill received under a LC
6. Foreign Currency (FC) and Rupee Export bill purchased/ discounted/ negotiated/sent on collection/consignment exports/ advance payment basis (part or full)/ direct dispatch.



Revision of Service Charges related to Forex Transactions (IC/523/2025), Dated: 30.06.2025

- The revised service charges shall come into force w.e.f. 01.08.2025.
- **Major reductions:**
- Export Bills above Rs. 4,00,000/- Reduced from Rs. 1,500/- to **Rs. 1,000/-**
- Import Processing i.e., Advance Payment, Direct Bills & Collection – Flat **Rs. 2,000/-**
- Outward Remittances for Non-Individuals – Flat **Rs. 2,000/-**
- Outward Remittances for Individuals – Flat **Rs. 750/-**
- **Following 3 new service charges have been introduced :**
- Merchanting Trade Transaction (MTT) Initiation Charges – **Rs.10,000/-** per MTT
- Export Bill Crystallization – **Rs.1,000/-** per bill.
- NOC for Current Account Transactions – **Rs.500/-** per NOC.

Which of the following is incorrect about Bharat Mart (UAE)?

- a) Provides Indian exporters access to UAE/global markets**
- b) Export proceeds must be realized within 9 months from sale at warehouse**
- c) AD banks may allow opening/hiring of warehouse without preconditions**
- d) Exporter can operate without Import Export Code (IEC)**
- e) All are incorrect**

- Which of the following is incorrect about revised forex service charges w.e.f 01.08.2025?
- a) Export bills above ₹4 lakh reduced to ₹1000
- b) Import processing charges fixed at ₹2000
- c) Outward remittance by individuals fixed at ₹750
- d) Merchanting Trade Transaction initiation charges ₹2000
- e) All are incorrect

- Self-write-off of unrealized export bills allowed for ordinary exporters is up to:
- a) 2%
- b) 5%
- c) 10%
- d) 15%
- e)20%

What is the percentage of concession on applicable service charges to customers initiating the following transactions through the FX4U on an ongoing basis and ED (GTPC) to permit additional concession up to _ % on a case-to-case basis.

- a) 10%, 20%
- b) 10%, 25%
- c) 5%, 10%
- d) 10%, 10%
- e) None of these



LINE OF CREDIT (LOC) (HO CIR. NO.111/2025, 112/2025, 383/2025)

- Lines of Credit (LoCs) extended to foreign governments or their nominated agencies are being routed by the Government through the Export-Import Bank of India.
- These LoCs are extended to sovereign governments or their nominated agencies to enable buyers in those countries to import goods and services from India on deferred credit terms.
- The Indian exporters can obtain payment of eligible value from Exim Bank/approved lending entities, without recourse to them, against negotiation of shipping documents/provision of services. Indian exporters realize full payment on shipment of goods without being exposed to risk on the buyer or the buyer's country.



LINE OF CREDIT (LOC)

LOC provided by EXIM Bank to developing countries, governments or financial institutions to finance Infrastructure Projects and procurement of Indian goods and services. These LOCs are offered under the Indian Development and Economic Assistance Scheme (IDEAS) and serve to promote bilateral trade and share India's developmental expertise.

SI no	LOC by	LOC to	LOC Amount	Purpose	IC no
1	Exim Bank (Govt of India)	Government of the Socialist Republic of Vietnam (GO-VNM)	USD 180 million	For procurement of Offshore Patrol Vessels (OPV) in the borrower country	IC/111/2025
2	Exim Bank (Govt of India)	Government of the Socialist Republic of Vietnam (GO-VNM)	USD 120 million	For procurement of High Speed Guard Boats in the borrower country	IC/112/2025
3	Exim Bank (Govt of India)	Govt. of Mongolia (GO-MNG)	USD 700 million	for financing construction of Crude Oil Refinery Plant in Mongolia	IC/383/2025

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Centralisation of External Commercial Borrowing (ECB) - Guidelines and Standard Operating Procedures (SOP) (IC/677/2025)

- **External Commercial Borrowings** are commercial loans raised by eligible resident entities from recognised non-resident entities and should conform to parameters such as **minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling**, etc.
- S&P Section, Integrated Treasury Vertical is the nodal office for all ECB transactions. Branch shall not independently handle any ECB transactions without nodal office authorization. Dedicated email ID for all ECB related matters is ecb@canarabank.com.
- **Important Terms:**
 - 1.All-in-Cost:**It includes rate of interest, other fees, expenses, charges, guarantee fees, ECA charges, whether paid in foreign currency or INR but will not include commitment fees and withholding tax payable in INR.
 - 2.Approval route:** Under the ECB/TC framework, ECB/TC can be raised either under the **automatic route or under the approval route**. Under the **approval route**, the prospective borrowers are required to **send their requests to the Reserve Bank through their AD Banks for examination**.
 - 3Automatic route:** For the automatic route, the cases are examined by the Authorised Dealer Category-I (AD Category-I) banks.



EXTERNAL COMMERCIAL BORROWING - 677/25

- ☐ **NEGATIVE LIST**, for which the ECB proceeds cannot be utilised, would include the following:
 1. **REAL ESTATE ACTIVITIES.**
 2. **INVESTMENT IN CAPITAL MARKET.**
 3. **EQUITY INVESTMENT.**
 4. **WORKING CAPITAL PURPOSES EXCEPT for Specific Purpose.**
 5. **GENERAL CORPORATE PURPOSES EXCEPT for Specific Purpose.**
 6. **REPAYMENT OF RUPEE LOANS EXCEPT for Specific Purpose.**
 7. **ON-LENDING TO ENTITIES EXCEPT by NBFC For specific Purpose.**
- ☐ **ECB facility for Startups-USD 3 million** or equivalent per financial year
- ☐ **Public Sector Oil Marketing Companies (OMCs)-USD 10 billion** or equivalent



Limit and leverage:

- All eligible borrowers can raise **ECB up to USD 750 million or equivalent** per financial year **under the automatic route**.
- In case of FCY denominated ECB raised from direct foreign equity holder, **ECB liability-equity ratio for ECB raised** under the automatic route **cannot exceed 7:1**.
- **This ratio will not be applicable** if the outstanding amount of all ECB, including the proposed one, **is up to USD 5 million** or its equivalent.
- Further, the borrowing entities will also be governed by the guidelines on debt equity ratio, issued, if any, by the sectoral or prudential regulator concerned.



EXTERNAL COMMERCIAL BORROWING - IC/677/2025

SOP FOR UNTRACEABLE ENTITIES:

entity are not reachable over mail/phone for a period of not less than two quarters with documented communications/ reminders numbering 6 or more and fulfils both of the following conditions :

- A) Entity not found to be operative at the registered office.
- B) Entities have not submitted Statutory Auditors Certificate

ACTION:

- No fresh ECB application by the entity should be examined/processed
- Directorate of Enforcement should be informed whenever any entity is designated “UNTRACEABLE ENTITY “
- No inward remittance or debt servicing will be permitted under auto route.



PARAMETERS	FCY DENOMINATED ECB	INR DENOMINATED ECB
Currency	Foreign Currency	Indian Rupee (INR)
Forms of ECB	Loans including banks loans /bonds/ debentures, trade credits beyond 3 years; FCCBs, FCEBs	In addition to forms of FCY also plain vanilla rupee denominated bonds issued overseas
All in cost ceilings per annum	Benchmark Rate + 550 bps for exisiting ECBs linked to LIBOR whose benchmarks are changed. Benchmark Rate + 500 bps for new ECBs	Benchmark rate plus 450 bps spread

Prepayment charge/penal interest, if any, for default or breach should not be more than **2 percent over and above the contracted rate of interest. Outside all-in-cost.**

Currency change of FCY ECB to other FCY or INR **is freely permitted**. Change of currency from INR to any freely convertible foreign currency **not permitted**



EXTERNAL COMMERCIAL BORROWING - IC/677/2025

- Minimum Average Maturity Period (MAMP) : 3 YEARS**

CATEGORY	MAMP
a. ECB raised by manufacturing companies up to USD 50 Mio per FY	1 year
ECB raised from foreign equity holder for working capital purpose, general corporate purposes or for repayment of Rupee loans	5 years
ECB raised for (i) working capital purposes or general corporate purposes (ii) on-lending by NBFCs for working capital purposes or general corporate purposes	10 years
ECB raised for (i) repayment of Rupee loans availed domestically for capital expenditure (ii) on-lending by NBFCs for the same purpose	7 years
ECB raised for (i) repayment of Rupee loans availed domestically for purposes other than capital expenditure (ii) on-lending by NBFCs for the same purpose	10 years
An entity recognised as a Startup by the Central Government as on date of raising ECB.	3 years
Public Sector Oil Marketing companys (OMCs) can raise ECB for WC purposes Overall ceiling for such ECB shall be USD 10 billion	3 years

REVISED APPLICATION FORMS FOR ISSUANCE OF INLAND LETTERS OF CREDIT & INLAND/FOREIGN BANK GUARANTEES (IC/184/2025)

The following revised forms have been implemented for processing fresh Inland Letters of Credit and Inland/Foreign Bank Guarantees:

- 1) **NF 463** - Application for Opening an Inland Irrevocable Letter of Credit / Irrevocable revolving Letter of Credit
- 2) **NF 823** - Application for issuance of Inland Bank Guarantee / Foreign Bank Guarantee

Export Credit Guarantee Corporation of India Ltd

ECGC Ltd. (Formerly Export Credit Guarantee Corporation of India Ltd.), wholly owned by Government of India, was set up in 1957 with the objective of promoting exports from the country by providing Credit Risk Insurance and related services for exports.

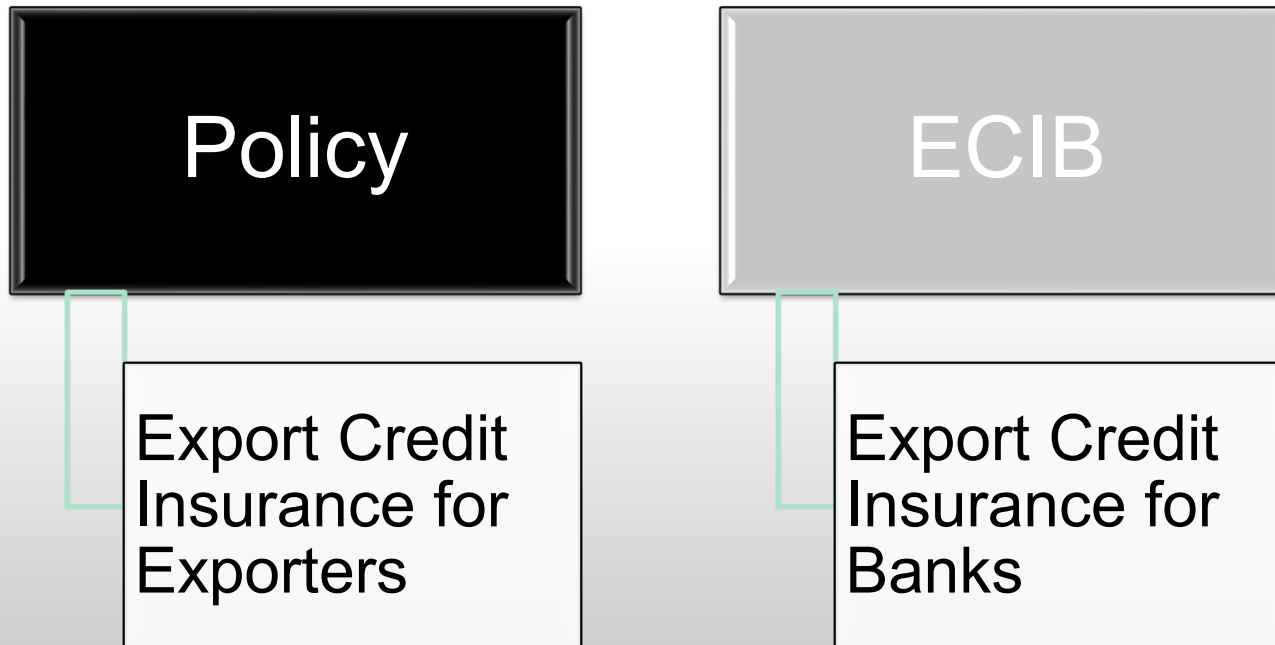
It functions under the **administrative control of Ministry of Commerce & Industry**, and is managed by a Board of Directors comprising representatives of the Government, Reserve Bank of India, banking, and insurance and exporting community

What does ECGC do?

- Provides a range of **credit risk insurance covers to exporters** against loss in export of goods and services
- Offers **Export Credit Insurance covers to banks and financial institutions** to enable exporters to obtain better facilities from them
- Provides **Overseas Investment Insurance** to Indian companies investing in joint ventures abroad in the form of equity or loan



Short Term Products



ECGC also provides covers to Banks and Exporters under MLT Exports

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One of the Major Modifications out of the 10 enumerated in credit policy

In addition to Whole Turnover Post Shipment Guarantee (ECIB-WTPS), Individual Buyer-wise Policy to be obtained by the exporter client.

EXEMPTIONS :

Negotiating non discrepant LC Bills / LC Bills under acceptance

Exporters covered under enhanced 90% cover of

ECGGG





Specific Approval List (SAL) and Buyer Specific Approval List (BSAL)

Specific Approval List

**SAL Contains
names of
exporters who
have defaulted &
bank is advised to
exercise caution
while dealing with
such exporters**

**Lists those
Buyers who have
come under
ECGC adverse
notice & bank is
advised to verify
BSAL before PS
advances.**

Buyer Specific Approval List

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ECGC – COUNTRY RISK CLASSIFICATION IC/20/2025, IC/366/2025

1. Branches/Offices are advised to adhere to ECGC guidelines while sanctioning export credit facilities and seek approval from the concerned authorities / ECGC for exposure on Restricted Cover Countries as per extant guidelines.
2. Countries in open cover short term- 186
3. Countries in open cover Medium and long term - 238
4. Restricted Cover Category (RCC-I) – 27
5. Restricted Cover Category – II (RCC-II) - 25
6. Off-cover Country – Pakistan

ECGC CLASSIFICATION	RISK CATEGORY
A1	Insignificant
A2	Low Risk
B1	Moderately Low Risk
B2	Moderate Risk
C1	Moderately High Risk
C2	High Risk
D	Very High Risk

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Renewal of ECIB WT covers (ECIB (WT PC) & ECIB (WT PS) for the period from 01/07/2024 to 30/06/2025 as per IC/794/2024.

Enhanced 90% cover for the manufacture exporter availing fund based export credit working capital limit upto Rs.50.00 crore (i.e. Total packing credit (pc) and post shipment credit (ps) limit per exporter/exporter group) across banking industry excluding gems, jewellery & diamond sector (GJ&D) and traders/merchant exporters under the customized ECIB WT covers issued to our bank.

Modification to single exporter / group exposure norms for all commodities / sectors under ECIB WT covers.

ECGC has renewed the ECIB (WTPC/WTPS) coverage from 01/07/2024 to 30/06/2025 .

Particulars	WTPC	WTPS
Period	01/07/2024 to 30/06/2025	01/07/2024 to 30/06/2025
Maximum Liability	Rs.3500.00 Cr.	Rs. 2100.00 Cr.
Discretionary Limit	Rs.6.00 Cr	Rs.6.00 Cr.
Set Limit	Rs.49,52,40,000/-	Rs.20,20,28,000/-
Premium Rate	7.00 paise/ Rs. 100/- per month	4.50 paise/ Rs.100/- per month

Small Scale Exporter: As per ECIB WT cover, a Small Scale Exporter (SSE) / Small Scale Industrial Unit (SSI) is defined as the exporter with an **annual export turnover** up to Rs.5 crores.

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SHORT TERM ECIB : Modification to single exporter / group exposure norms for all commodities / sectors under ECIB WT covers.

CATEGORY	EXPOSURE LIMIT
Single Exporter	Rs.1,500 CRORES
Group Exporter	1. Engaged in different industry, group not controlled by single family and widely held companies under the group is Rs.2,250 Crs. 2. Other Group Exporter Rs.1,500 Crs.

Simplified procedure for processing of claims of banks under the whole turnover export credit insurance for banks (short term) (WT-ECIB(ST)) covers (IC/535/2025). ECGC Circular no. 7 Dt.20-06-2025.

Some of the broad features of the simplified procedure for processing of claims of banks are as under:

- I. The simplified procedure shall be **applicable** to those WT-ECIB claims where the net principal outstanding **is not exceeding Rs.10 Crore** (under all the export credit facilities) as on the NPA date for the exporter/group, irrespective of the export credit working capital limits sanctioned.
- II. The claim shall be processed and decided **within 45 days** from the date of receipt of all the required documents/information and clarifications, if any.
- III. Copy of the PC ledger, PS Ledger, Operating Account Ledger, Crystallized bills ledger for the relevant period i.e., **prior to six (6) months** from the date of first advance under default, up to date of submitting the claim form, **Certificate cum Undertaking by GM and above**, Copy of Sanction letter etc.
- IV. Wherever export incentives are availed, the exporter should be advised to surrender the same.

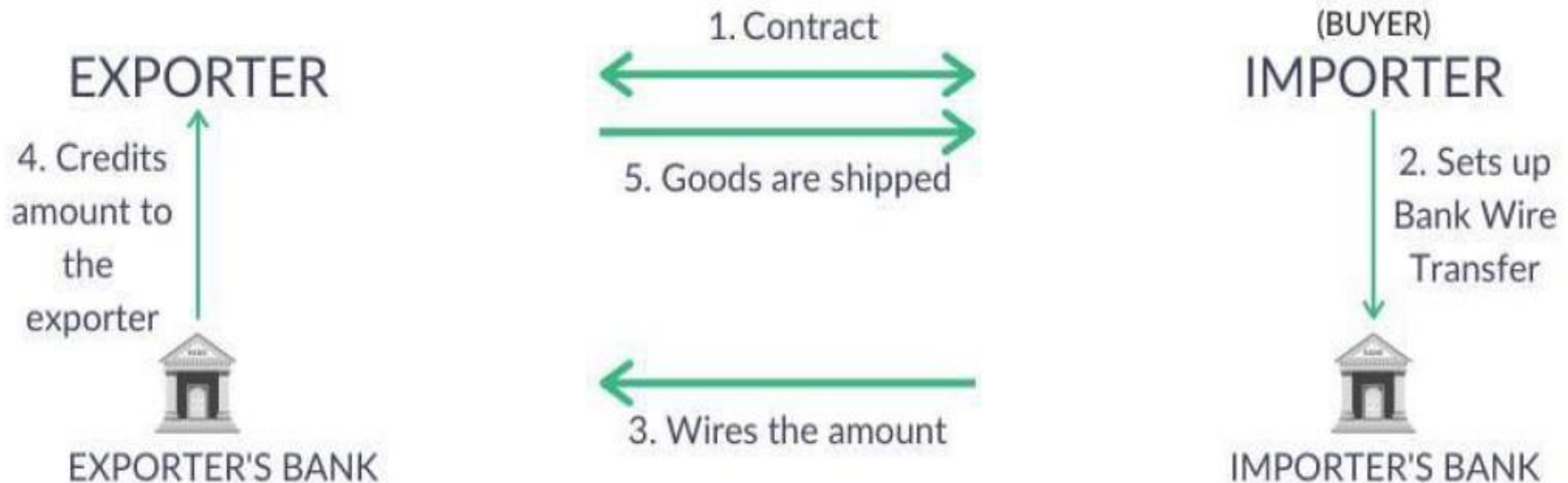
As per ECGC Country Risk Classification, Which risk category C1 represents

- a) Insignificant
- b) Low Risk
- c) Moderately Low Risk
- d) Moderately High Risk
- e) Moderate Risk

- Enhanced ECGC WT Covers (WT PC & WT PS) for manufacture exporters availing fund-based export credit working capital limit up to Rs. 50 Crores is
 - a) 75%
 - b) 80%
 - c) 90%
 - d) 95%
 - e) 85 %

- Under Renewal of ECIB WT covers (ECIB (WT PC) & ECIB (WT PS) for the period from 01/07/2024 to 30/06/2025, Claims under simplified WT-ECIB procedure must be processed within_ days
- a) 30 days
- b) 45 days
- c) 60 days
- d) 90 days
- e) 180 days

IMPORTS



Evidence of Imports:-

- In case of Physical Imports: **Bill of Entry (BOE)**.
- In case of Non Physical Form: Where imports are made in non-physical form, i.e., software or data through internet / datacom channels and drawings and designs through e-mail / fax, a **certificate from a Chartered Accountant** that the software / data / drawing/ design has been received by the importer, may be obtained.

ADVANCE REMITTANCE

ONE YEAR
SATISFACTORY DEALING
OF IMPORTER

(Circle Head CAC may Waive)

OPL / STATUS REPORT
OF BENEFICIARY

ADVANCE REMITTANCE – 684/2024

Advance Amount	Goods (Import)	Services (Import)	Aviation related purchases(IMPORT)	Rough Diamond (Import)
USD 200,000	APG/SBLC Required Can be waived Up-to USD 5 Million	NOT Required	NOT Required	Unlimited - Good track Record - Conflict diamond not permitted (Kimberly Process) - GJEPC recommendation for overseas Mining company
USD 500,000	APG/SBLC Required Can be waived Up-to USD 5 Million	APG/SBLC Required	NOT Required	
USD 5 Million	APG/SBLC Required	APG/SBLC Required	NOT Required	
USD 50 Million	APG/SBLC Required	APG/SBLC Required	APG/SBLC Required	
USD 100,000 (PSU/GOVT DEPTT)	Waiver of Guarantee by Finance Ministry	Waiver of Guarantee by Finance Ministry	Waiver of Guarantee by Finance Ministry	Waiver of Guarantee by Finance Ministry

Import of Shipping Vessel – Relaxation and Master Direction – Import of Goods and Services as per IC/638/2025.

- Importers are allowed to make advance remittance for import of shipping vessel, without bank guarantee, or an unconditional, irrevocable standby Letter of Credit **up to USD 50 million**.
- Delegation of Power for waiver of Advance Payment Guarantee in case of advance remittance for import of shipping vessel as per IC/630/2025.**
- The delegated powers to allow advance remittance for importers without insisting for APG (Advance payment Guarantee)) / Unconditional, Irrevocable standby Letter of Credit are as under:

Sl no	Permitting Authority	Delegated powers to permit advance remittance without insisting on APG (Advance payment Guarantee)
1	CGM/GM-CO-CAC – Head of Circle	Import of Services – Up-to USD 500,000/- Import of Goods including Rough Diamonds, shipping vessel (Excluding Air craft) – Up-to USD 5 million or up-to the limit permitted by the RBI, whichever is lesser.
2	CGM/GM–HO CAC	Services and Goods (including rough diamonds Aircraft and shipping vessel) - Beyond the powers delegated to Head of circle as above or the limit permitted by the RBI, whichever is lesser.

STATUS REPORT / OPINION LETTER (OPL) ON OVERSEAS ENTITY for effecting advance remittance towards Import Payment. Cir No IC 5/2024,899/2024.

**Renewal of Agreement with the 5 Service Providers
from 01.01.2025 to 31.12.2027**

Status Report/ OPL on overseas entities for opening Import LC & Advance.
Risk categorizations/ratings, as mentioned below are considered satisfactory.

- a) M/s. **Mira** Inform Private Limited - **Up to Medium**
- b) M/s. **Dun** and Bradstreet Information Services India Private Limited
- **Up to Moderate**
- d) M/s. **MNS** Credit Management Group Private Limited—**Up to Satisfactory**
- e) M/s. **CRIF** Solutions Private Limited - **Up to Average**
- f) M/s. **Rubix** Data Sciences Private Ltd - **Up to Rx5**
- **Customer account should be debited on the same day the service is provided with recovery of our commission of Rs.1000/- (per OPL) in addition to OPL charges plus applicable GST. Recovered GST, should be remitted as per norms.**

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SWIFT- Society for Worldwide Interbank Financial Telecommunication

SWIFT provides a network that enables financial Institutions worldwide to send and receive information about financial transactions in a secure, standardized and reliable environment.

The financial Institutes have an unique SWIFT Code which is of 11 or 8 digits.

First 4 letters:- Institution Code or Bank Code

Next 2 letters:- Country Code

Next 2 letters or Digits:- Location Code

Last 3 letters or Digits: Branch Code

Our Bank SWIFT CODE is CNRBINBBBFD

Coverage 209 Countries, almost 10,000 banks, 24x7 network

Message traffic – 3 Billion per day. In india since Oct, 1991

- Advance remittance is allowed for import of shipping vessel without bank guarantee or an unconditional, irrevocable standby Letter of Credit up to:
 - a) USD 10 million
 - b) USD 20 million
 - c) USD 50 million
 - d) USD 100 million
 - e) USD 150 million

- Which credit rating agency's "Up to Medium" risk is acceptable for issuing Status Report/ OPL on overseas entities for opening Import LC & Advance?
- a) Dun & Bradstreet
- b) Mira Inform Pvt. Ltd.
- c) CRIF Solutions
- d) Rubix Data Sciences
- e) None of these

04. INVESTMENTS: In-Bound & Out-Bound

FOREIGN DIRECT INVESTMENT (FDI) : Investment made by a person resident outside India in the equity of an Indian company.

This includes investments in both unlisted indian companies and listed companies, provided the foreign investor **holds 10% or more** of the post-issue paid-up equity capital on a fully diluted basis.

FOREIGN PORTFOLIO INVESTMENT(FPI) : Investment made by a person registered in accordance with the SEBI FPI Regulations who invests in Indian Securities without seeking control of the company.

FPIs invest in listed Indian company equity instruments where the holding **is less than 10% of the post-issue paid up share capital of a listed company.**

The total holdings of all FPIs combined **cannot exceed 24%.** The company's board can increase this aggregate limit up to the sectoral cap.

Automatic Route: Under the Automatic Route, the foreign investor or the Indian company does not require any approval from the Reserve Bank of India or Government of India for the investment.

Government Route: Under the Government Route, the foreign investor or the Indian company should obtain prior approval of the Government of India/RBI.

Operational framework for reclassification of Foreign Portfolio Investment (FPI) to Foreign Direct Investment (FDI)(IC/801/2024)

Schedule II of FEM (NDI-Non-Debt Instruments) Rules, 2019 provides an option for foreign portfolio investor along with its investor group whose holding exceeds more than prescribed limit(Less than 10 percent of the total paid-up equity capital on a fully diluted basis) to either divest their holdings or reclassify such holdings as FDI within prescribed time (within five trading days from the date of settlement of the trades causing the breach).



04. Investments: In-Bound & Out – Bound (IC/562/2025)

Sector	Foreign Direct Investment / FPI	Entry Route & Remarks
Asset Reconstruction Companies	100%	Automatic Route - the non-resident investor or the Indian company does not require any approval from Government of India for the investment.
Banking- Private Sector	74%	Automatic Route up to 49% Above 49% & up to 74% under Government route
Banking- Public Sector	20%	Government Route - prior to investment, approval from the Government of India is required.
Credit Information Companies (CIC)	100%	Automatic

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04. Investments: In-Bound & Out – Bound (IC/562/2025)

Sector	Foreign Direct Investment / FPI	Entry Route & Remarks
Satellites-Manufacturing & Operation, Satellite Data Products and Ground Segment & User Segment	74%	Automatic Route up to 74% Above 74% under Government route
Launch Vehicles and associated systems or sub-systems, Creation of Spaceports for launching and receiving Spacecraft.	74%	Automatic Route up to 74% Above 74% under Government route
Manufacturing of components and systems/ sub-systems for satellites, Ground Segment and User Segment	100%	Automatic Route - the non-resident investor or the Indian company does not require any approval from Government of India for the investment
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FOREIGN EXCHANGE MANAGEMENT(NON-DEBT INSTRUMENTS) RULES, 2025 IC/562/2025

- **Foreign Exchange Management (Non-Debt Instruments) Amendment Rules, 2025**
- An Indian company in a sector with **prohibited Foreign Direct Investment (FDI)** can now issue **bonus shares to non-resident shareholders**.
- **Key Condition:** The foreign shareholding percentage must **remain unchanged** after the bonus issue.
- The above clarification will be effective from the date of issue of the applicable FEMA notifications.
- Any bonus shares issued to such shareholders prior to the date of commencement of this sub-rule shall be deemed to have been issued in accordance with the provisions of these rules
- **What this means:** Provides **legal clarity** and **reduces the compliance burden** for companies, allowing them to issue bonus shares without violating FDI regulations.



FOREIGN EXCHANGE MANAGEMENT (DEBT INSTRUMENTS) MASTER DIRECTIONS 2025- (IC/69/2025).

INVESTMENT CHANNELS :(IC/69/2025)

- The following shall be the channels for investment in debt instruments by non-residents:
 - (a) **General Route** for investment in Government securities and corporate debt securities by FPIs subject to specified investment limits and macro prudential limits;
 - (b) **Voluntary Retention Route** for investments in Government securities and corporate debt securities, free of certain macro-prudential limits applicable to FPI investments in debt markets under the General Route, by FPIs that commit to remain invested for a stipulated retention period;
 - (c) **Fully Accessible Route** for investments by non-residents in certain specified categories of Central Government securities ('specified securities') without any restriction; and
 - (d) **Scheme for Trading and Settlement of Sovereign Green Bonds** issued by the Central Government by eligible foreign investors in the International Financial Services Centre (IFSC).
 - (e) **Special Rupee Vostro Account Route** for investment in Government Securities by Persons Resident Outside India from the rupee surplus balance maintained in Special Rupee Vostro Accounts. (IC/640/2025)

International Trade Settlement in Indian Rupees (INR) and Master Direction - Exports of Goods and Services (IC/639/2025)

- AD Category-I banks may **open/close Special Rupee Vostro Accounts** in the name of their overseas branches or correspondents **without prior reference to the Reserve Bank.**
- AD bank maintaining the Special Rupee Vostro Account shall ensure that **the correspondent bank is not from a country or jurisdiction in the updated FATF Public Statement on High Risk & Non Co-operative Jurisdictions on which FATF has called for counter measures.**

Investment Route	Eligible Investors	Regulatory Limits & Conditions 402/2025
General Route	Foreign Portfolio Investors (FPIs)	- Instruments: Govt. Securities (excl. FAR), State Govt. Securities, Corporate Debt Securities - Investment Limits: 6% of Central Govt. securities, 2% of State Govt. securities, 15% of corporate bonds - Restrictions: Issue-wise cap $\leq 50\%$, no real estate/land/capital market via unlisted bonds - Relaxation (2025): Short-term & concentration caps repealed
Voluntary Retention Route (VRR)	FPIs who commit to remain invested for a retention period	- Instruments: Govt. Securities, Corporate Debt Securities, Repos & Reverse Repos, some unlisted corporate debt securities - Investment Limit: ₹2.5 lakh crore (or higher, notified by RBI) - Conditions: Must invest $\geq 75\%$ of Committed Portfolio Size (CPS), minimum retention 3 years, separate SNRR account - Relaxations: No maturity restrictions, no issue-wise/short-term/concentration caps
Fully Accessible Route (FAR)	FPIs, NRIs, OCIs, and other notified non-residents	- Instruments: Central Govt. 'Specified Securities' (5, 7, 10-year bonds & others notified) - Investment Limits: No limits - Restrictions: None (free access, no macro-prudential limits) - Relaxations: Free from all restrictions
Other Facilities	FPIs & eligible foreign investors	- Instruments: Sovereign Green Bonds (via IFSC), FX, Interest Rate & Credit Derivatives, Govt. securities in OTC market - Investment Limits: As per product-specific RBI guidelines - Restrictions: Instrument-specific rules (Green Bonds scheme, OTC reporting, derivative rules) - Relaxations: Broader market access across instruments

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Reporting on FIRMS(Foreign Investment Reporting and Management System) portal – Issuance of Partly Paid Units by Investment Vehicles (IC/408/2025):

- The Foreign Investment Reporting and Management System (FIRMS) Portal is an online platform created by the Reserve Bank of India (RBI) to manage and simplify the reporting of foreign investment in India.
- Investment vehicles may report issuances of partly paid units made prior to 23.05.2025 in Form InVI within **180 days from 23.05.2025**. No late submission fees shall be applicable for such reporting made within this period.
- Issuances of partly paid units by investment vehicles on or after 23.05.2025 shall continue to be reported **within 30 days**, in accordance with the timelines specified under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.



COMPOUNDING OF CONTRAVENTIONS UNDER FEMA, 1999 (IC/725/2024):

Compounding of contraventions is a process where individuals or entities voluntarily admit to violating a law (like FEMA in India) and seek redressal by paying a penalty, instead of facing formal legal proceedings. It is a way to settle the matter by paying a sum of money to avoid further legal action.

- The Reserve Bank of India (RBI) has reviewed the Directions issued under earlier circulars and issued revised Directions.
- Compounding authorities of Reserve Bank to compound various contraventions:
Where **the sum involved**:
 - a. **Does not exceed Rupees sixty lakh** – officer not below the rank of Assistant General Manager, RBI.
 - b. **Does not exceed Rupees two and a half crore** – officer not below the rank of Deputy General Manager, RBI.
 - c. **Does not exceed Rupees five crore-** officer not below the rank of General Manager, RBI.
 - d. **Above Rupees five crore** – officer not below the rank of Chief General Manager, RBI.

Compounding authorities of Directorate of Enforcement to compound various contraventions: where the sum involved:

- a) **Is Rupees five lakh or below – Deputy Director;**
- b) **Is more than Rupees five lakh but less than Rupees ten lakh – Additional Director;**
- c) **Is Rupees ten lakh or more but less than Rupees fifty lakh – Special Director;**
- d) **Is Rupees fifty lakh or more but less than Rupees one crore – Special Director along with Deputy Legal Adviser;**
- e) **Is Rupees one crore or more – Director of Enforcement along with Special Director**

COMPOUNDING APPLICATION PROCEDURE:

1. Application shall be submitted to the respective RO of RBI or to FED, CO Cell, New Delhi or to Cell for Effective Implementation of FEMA (CEFA), RBI, Mumbai with fee of Rs.10,000/- plus GST for each compounding application.
2. Application can be submitted physically or through the PRAVAAH Portal of RBI.
3. Compounding Authority shall pass an order within **180 days** from receipt of application.
4. Payment of compounded amount shall be made within **15 days** from the date of order

MASTER DIRECTIONS - COMPOUNDING OF CONTRAVENTIONS UNDER FEMA,1999(IC/380/2025):

- RBI has removed the provision that linked compounding amounts to previous orders. With the amendment, any such application will now be treated as a fresh application, and the compounding amount will be determined independently, without reference to previous orders.
- To improve the turnaround time for processing compounding applications, applicants shall submit **three additional details such as mobile number of the applicant/ authorised representative, office of the Reserve Bank (i.e., Central Office, Regional Office or FED CO Cell)** to which the payment was made and mode of submission of application (through PRAVAAH/ Physical) while making electronic payments.
- For other non-reporting contraventions (under row 5 of the computation matrix- Reporting contraventions by LO (Liaison Office) / BO (Branch Office) / PO (Project Office), **RBI has introduced a maximum cap of INR 2,00,000 for contravention** per regulation/rule, subject to the compounding authority's satisfaction.

- Through reporting on FIRMS (Foreign Investment Reporting and Management System) portal issuance of partly paid units by investment vehicles after 23.05.2025 must be reported within_days
- a) 7 days
- b) 15 days
- c) 30 days
- d) 45 days
- e) 20 days

- Under General Route FPIs Investment Limits, which of the following is correct one.
 - a) 4% of Central Govt. Secs, 3% of SGS., 14% of corporate bonds.
 - b) 6% of Central Govt. Secs, 2% of SGS., 15% of corporate bonds.
 - c) 5% of Central Govt. Secs, 2% of SGS., 15% of corporate bonds.
 - d) 5% of Central Govt. Secs, 3% of SGS., 15% of corporate bonds.
 - e) 3% of Central Govt. Secs, 2 % of SGS., 1 % of corporate bonds.

- Under Foreign Exchange Management (Debt Instruments) master directions 2025, which of the following is not the Investment Channels for investment in debt instruments by non-residents.
 - a) General Route
 - b) Voluntary Retention Route
 - c) Fully Automated Route
 - d) Fully Accessible Route
 - e) All are incorrect

- Which of the following is incorrect regarding investments by FDI/FPI as per latest circular IC/562/2025?
 - a) Asset Reconstruction Companies - 100% - Automatic Route
 - b) Banking - Private Sector - 74% - Automatic Route up to 49%, above 49% & up to 74% under Government route
 - c) Banking - Public Sector - 10% - Government Route - prior to investment, approval from the Government of India is required
 - d) Asset Reconstruction Companies - 50 % - Automatic Route
 - e) All are incorrect



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