FOREIGN EXCHANGE

Sunday, the 18th October, 2026

AZAD AMPILI
Divisional Manager
C L D C, Vijayawada

FOREIGN EXCHANGE IN NUTSHELL

01. TRADE	02. NON-TRADE	03. OBLIGATIONS	04. INVESTMENTS
01.P EXPORTS	02.P INWARD REMITTANCES (IRMs)	03.P BORROWINGS	04.P IN-BOUND
01.S IMPORTS	02.S OUTWARD REMITTANCES (ORMs)	03.S LENDING	04.S OUT-BOUND

Capital Account & Current Account Transactions under FEMA 1999

- **Capital Account (Few permitted many not permitted)**
  - **(i) Alters foreign assets and foreign liabilities (including contingent liabilities) of Indian residents.**
  - **(ii) Alters Indian assets and Indian liabilities of non-residents.**
  - **(iii) Is a specified transaction listed in section 6(3) of FEMA**

- **Current Account (Many permitted few not permitted)**
  - **Is other than the above as specified in 6(3) of FEMA includes foreign trade, current business, services, remittances for foreign travel etc.**
  - **Prohibited List -Schedule-I**
  - **Restricted List - Schedule-II (Prior Approval from Government) &**
  - **Permissible List- Schedule-III**

Foreign Exchange Management Act-FEMA 1999

The Foreign Exchange Management Act,1999

FEMA was enacted on December 02,1999 to replace FERA Act .

The act came into force on June 01,2000

It extends to the whole of India.

It shall apply to the branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention provided under the act committed outside India by a person to whom this Act applies.

7 Chapter and 49 Sections



Foreign Exchange Management Act-FEMA 1999

Section 10 - Authorised person

(Sec 11- RBI can Direct AP and Sec 12- RBI can Inspect them)

Section 2 – Definition

(Resident has been defined)

Section 46 Rules by Central Government

Section 47 Regulation by RBI

FEMA (AUTHORISED PERSONS) REGULATIONS 2026
Notification No. FEMA 401/2026-RB Dt.30-04-2026

Category	Entities	Permitted Activities
Authorised Dealer - Category I	A Bank licensed by RBI.	All current and capital account transactions permissible under the Act
Authorised Dealer- Category II	i.A bank licensed by or a NBFC registered with the Reserve Bank. ii.A FFMCor a Forex Correspondent functioning for at least two years with an average annual forex turnover of ₹50 crore during the previous 2 Fin., years.	Any non-trade current account transactions permissible under the Act (excluding gifts and donations) .Foreign Trade transactions upto Rs.25 lacs per transaction.
Authorised Dealer - Category III	Select Financial and other institutions	Purchase and sale of foreign currency notes and travellers' cheques for foreign travel purposes. and Functioning as an agent under the MTSS in accordance with the guidelines on Money Transfer Service Scheme (MTSS).
Full Fledged Money Changers (FFMC	Department of Post, Urban Co-op Banks, Other FFMC	Existing FFMCs renewal only; no fresh FFMC authorisation.Renewals only if Min. NW Rs.25 lacs for single br., Rs.50 lacs for Multiple Branches.

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MASTER DIRECTION – MONEY CHANGING ACTIVITIES (UPDATED AS ON 02.04.2026 IC/302/2026

- **INR exchange at airports : Resident Indians and non-residents can exchange Indian Rupee notes at foreign exchange counters in international airport departure halls in the Duty-Free Area or Security Hold Area beyond the Immigration or Customs desk.**
- **Indian Rupee (INR) Carrying Limits:**
- **Resident Indians & Non-Residents: Up to ₹25,000 in while exiting through an airport (excluding citizens/persons traveling to Pakistan/Bangladesh).**
- **Citizens of Pakistan & Bangladesh: Allowed to carry up to ₹10,000, only up to the boarding point in international airports**

MASTER DIRECTION – MONEY CHANGING ACTIVITIES (UPDATED AS ON 02.04.2026) (IC/302/2026)

- **Airport Counter Operating Rules:**
- **Arrival Halls: Counters established between Immigration and Customs desks can only purchase foreign currency and sell INR (must issue an "Encashment Certificate").**
- **Departure Halls: Counters before Customs/Immigration handle standard transactions; counters beyond Customs/Immigration in Duty-Free/Security Hold Areas handle INR note exchange under prescribed limits.**
- **Net Owned Funds (NOF) Requirements:**
- **Single-Branch FFMC: Minimum NOF of ₹25 lakh.**
- **Multiple-Branch FFMC: Minimum NOF of ₹50 lakh.**
- **Franchisees: Minimum NOF of ₹10 lakh.**

MASTER DIRECTION – MONEY CHANGING ACTIVITIES (UPDATED AS ON 02.04.2026) (IC/302/2026)

- **TRANSACTION LIMITS:**
- **Purchase from Public:**
- **a) Residents : Cash payments in INR up to USD 1,000 (or equivalent) per transaction.**
- **b)Foreign Visitors/NRIs : Cash payment in INR up to USD 3,000.**
- **Sale to Public:**
- **a) Cash payments permitted upto ₹49,999**
- **b) ₹50,000 and above : Payment only through crossed cheque, banking channels, or debit/credit/prepaid cards.**
- **B2B Settlements: Transactions between ADs and FFMCs must be settled electronically or through crossed cheques—cash settlement is strictly prohibited.**
- **Digital Portal: RBI APConnect : All FFMC licensing, branch expansion, franchisee reporting, and regulatory applications must be processed through the RBI APConnect application.**

TYPES OF PERSONS:

RESIDENT :

Any person residing in India for more than 182 days during the course of preceding financial year will be taken as resident in India.

DEFINED : SECTION 2 (2) OF FEMA 1999

NON-RESIDENT : A person resident outside India who is a citizen of India.

An Indian citizen who has gone out of India / who stays outside India for the purpose of employment or carrying on business or vocation outside India or any other circumstances which indicate intention to stay outside India for an uncertain period is considered as NRI.

Student going abroad for studies are treated as NRI.

'Person of Indian Origin (PIO): A person resident outside India who is a citizen of any country other than Bangladesh or Pakistan, if

i) he, at any time, held an Indian passport

Or ii) he or either of his parents or any of his grandparents was a Citizen of India by virtue of constitution of India or Citizenship Act 1955 (57 of 1955) or iii) the person is a spouse of NRI or PIO

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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NRE/NRO SAVINGS BANK ACCOUNTS THROUGH TAB BANKING - MODIFEID (H.O. CIR. NO. 102/2026)

- 1. The Maker at Branch (Officers & above cadre) will initiate the application.
- 2. The Checker at Branch (Office & above cadre) will verify and authorise the application.
- 3. After the final authorization by the Branch Checker the account will be activated.
- 4. All other aspects of the existing process flow will remain unchanged.
- The following categories of accounts shall continue to be opened through CPH application only :
- 1. Foreign Passport holder without Aaadhar.
- 2. Seafarers/crew members of airlines/shipping companies.
- 3. Opening of NRE/NRO accouns in the name of Pakistan and Bangaldesh Nationals.
- 4. Foreign National student studying in India.
- 5. Foreign Tourists.

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	Current A/c	Current A/c . ***Maximum only 5 Accounts can be opened***

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- **Regulation Amendment**: RBI amends FEMA 10 (R) 2015 to allow Indian exporters to open overseas foreign currency accounts for trade settlements. (IC/67/2025).
- **Overseas Accounts** : In January 2025 RBI permitted Exporters in India to open, hold and maintain foreign currency accounts with banks outside India to receive export proceeds and advance remittances for goods and services.
- **Import Payments** : Export earnings in these accounts can be used directly to pay for imports subject to specified conditions.
- **IFSC Accounts :** Unutilised balances in these FC accounts maintained with banks in the IFSC (India) can now be retained for up to three months
- **Banks Outside IFSC** : For balances maintained with banks outside IFSC, extant guidelines of repatriation by the end of month next to the date of realisation shall continue

(IC/396/2026)

Auto-Conversion Feature : CBS now automatically converts accounts between Non-Resident accounts to Resident accounts and Resident accounts to Non-Resident Accounts upon change in **Residential Status of the customer.**

RFC Conversion Deadline : Convert NRE(SB/TD) accounts to RFC(SB/TD) **on the same day before EOD;** once auto-converted to Resident INR, **converting to RFC accounts require RBI permission.**

Staff/Senior citizen: Preferential interest rates extended to Employees/Ex-employees/Ex-employees Senior Citizen, Senior Citizens and Super senior citizens are **withdrawn upon changing status from Resident to NRI.**

Exclusion : Foreign currency deposits are outside the purview of auto- conversion.

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(IC/396/2026)

- **NRI to Resident :**

- **Collect declaration NF 1067 (permanent settlement in India) and file with the original account opening form.**

- **Use CIM 71 to update customer type from Non-Resident category to Resident category.**

- **Resident to NRI :**
- **Collect account opening form NF 1845 and Annexure-V (MOI on NR Deposits & other Foreign Currency Deposits)**

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- **CIM 71 to update customer type from Resident to Non-Resident (subject to FATCA, DTAA and KYC verification.)**

FxGuide IC/324/2026

- During the course of handling Forex transactions, multiple sources viz. Master Directions, Manual of Instructions, FEDAI Rules, FAQs, etc., are often referred to
- FxGuide functions as a **centralized digital knowledge hub** and **search engine** for foreign exchange related and trade related matters. Its objective is to enable Branches/Offices to **access both regulatory and operational content seamlessly from a single location** and to ensure consistency in transaction processing.
- FxGuide can be accessed through: **Cannet -> FxGuide**



FxGuide IC/324/2026

Key features and functionalities of FxGuide are

1. Entirely digital package with **built-in search engine** for easy access of guidelines.
2. Interactive **Quiz Feature**. Comprehensive coverage of Guidelines including;
3. **General guidelines** on Foreign Exchange Market
4. RBI **Master Directions**, FEDAI Rules, Internal Forex Manuals
5. **Fx Insights**, FAQs, Desk Cards, FTP 2023
6. Detailed description of **Trade Finance Products**
7. Flexible viewing options: Book View/Decision View

FOREX RESERVES DECLINE AND RISE

MONTH YEAR	TOTAL FX RESERVES	PROBABLE REASON
NOV 2025	**$687.93**	Modest consolidation following earlier global revaluations
DEC 2025	**$687.73**	Remained stable near year-end
JAN 2026	**$711.55**	Strong rebound driven by gold valuation gains and portfolio inflows
FEB 2026	**$728.49**	Sharp increase due to rising foreign currency assets **(VRR).**
MAR 2026	**$691.11**	Fiscal year-end adjustments and intervention
APR 2026	**$ 690.96**	Seasonal external debt repayments and import demand
MAY 2026	**$ 695.20**	Modest recovery via remittances and service exports
JUN 2026	**$ 705.50**	Re-breach $700 as FCNR(B) deposit swap facility by RBI
JUL 2026	**$ 718.30**	Substantial $ accumulation from steady overseas inflows
AUG 2026	**$ 740.30**	Record growth due to over $ 136 bn inflows under FCNR(B)
SEP 4TH 2026	**$ 785.71**	Touched an all-time peak of $785.71Bn on 4th Sep

केनरा बैंक Canara Bank

Learning & Development Vertical

REVAMPING "NRE DEPOSIT PLUS as "CANARA FCNR RUPEE DEPOSIT PLUS"WITH DYNAMIC FEATURES

PARTICULARS	GUIDELINES (IC/69/2026) DT.02.02.2026
PRODUCT NAME (ENABLING GECA ALONGWITH USD)	CANARA FCNR ₹ DEPOSIT PLUS - USD - PRODUCT CODE 591 CANARA FCNR ₹ DEPOSIT PLUS - GBP - PRODUCT CODE 592 CANARA FCNR ₹ DEPOSIT PLUS - EUR - PRODUCT CODE 593 CANARA FCNR ₹ DEPOSIT PLUS - CAD - PRODUCT CODE 594 CANARA FCNR ₹ DEPOSIT PLUS - AUD - PRODUCT CODE 595
ELIGIBILITY/TGT GR	NRIs and PIOs - All NRI Customers
TYPE OF ACCOUNT	TERM DEPOSIT ACCOUNT (ONLY KDR)
TERM OF DEPOSIT	Extending 1 year 1 day to MINIMUM 1 YEAR TO MAXIMUM 5 YEARS
MINIMUM DEPOSIT	USD 5000 OR 5000 UNITS IN RESPECTIVE CURRENCY(EARLIER 500 UNITS)
PRE-CONDITIONS	1.Has to give clear MANDATE to receive maturity funds in INR only. 2. He undertakes to cancel forward contract in case of premature closure. 3. Cost of hedge should be met out of repatriable funds and or inward remittance through normal banking channel.
DOP FOR BOOKING	BRANCH-IN-CHARGE IS DELEGATED WITH FULL POWERS
FPC	1. BRANCHES SHOULD REPORT FOR FPC THROUGH GTPC. 2. GTPC SHALL USE FNRE (FCNR – FORWARD CON) PRODUCT IN FORWARD CONTRACT MODULE OF FCC FOR BOOKING CONTRACT 3. IF DEPOSIT MATURITY FALLS ON A KNOWN HOLIDAY, FC SHALL BE ALIGNED TO THE NEXT WORKING DAY. 4. APPLICATION FOR FC IS TO BE STAMPED. 5. APPLICATION EXECUTED OUTSIDE INDIA – STAMP DUTY WITHIN 3 MONTHS .

ILLUSTRATION (IC 69/2026)

- **Customer approaches Bank for opening Canara FCNR Deposit Plus Deposit for 23 months 29 days for USD 100,000/-. Assume INR to USD Conversion = 90.20.**
- **$ 100,000 = Rs.90,20,000/-**
- **Canara FCNR Deposit Plus ROI – 5.15%& NRE (INR) ROI - 6.25%**
- **Charges FPC booking Rs.750/-**
- **Charges on early delivery/ cancellation of Forward Contract - Rs.750/- per request + SWAP cost**

MATURITY	USD 110,831.41
FORWARD PREMIUM	4.17
FINAL RATE	94.37 (90.20 + 4.17)
FINAL AMT.	Rs.1,04,59,159.82
ANNUALISED YIELD	7.99%
MATURITY (B)	Rs. 1,02,08,667.58
ANNUALISED YIELD	6.60%
GAIN (A-B)	Rs.2,50,492.24

NEW FCNR (B) PRODUCTS INTRODUCED 473/2026 DT.25.06.2026

1. With Half-Yearly Interest Pay Out option.

2. New product codes have been introduced for FCNR (B) Deposits with Half yearly interest payout option for tenure of 3 years & above up to 5 years (including 5 years) across 3 currencies (USD, GBP & EUR).

3. FCNR (B) deposits mobilised upto 30.09.2026 under Half-Yearly Interest Payout option for a tenure of 3 years up to 5 years (including 5 years) shall be opened only under the below mentioned product codes. Lock-in period one year.

CURRENCY	PRODUCT DESCRIPTION	PRODUCT CODE
USD	SPL FCNR FDR USD NORMAL INT 180DAYS	2954
GBP	SPL FCNR FDR USD NORMAL INT 180DAYS	2955
EUR	SPL FCNR FDR USD NORMAL INT 180DAYS	2956

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Issuance of Standby Letter of Credit (SBLC) by our domestic branch against FCNR (B) deposits mobilized favouring the Overseas Lenders (IC/504/2026)

- New Scheme guidelines on granting Demand Loan by our Overseas branches against the lien on Special FCNR (B) Deposits made with our domestic branches in India and Issuance of SBLC favouring the Overseas lending bank against the FCNR (B) deposits mobilized
- Demand Loan by our Overseas branches against the lien on Special FCNR (B) Deposits, under RBI's SWAP facility
- Loan Amount – up to a maximum of 9 times of deposit amount
- Period of Demand Loan – 3 to 5 Years
- Issuance of Standby Letter of Credit (SBLC) favouring overseas lending banks by our domestic branches to enable NRI / OCI customers to avail loan facility against FCNR (B) deposits mobilized under RBI's SWAP facility. Value date of the SBLC shall be the date of receipt of USD funds in our NOSTRO account.
- Processing Charges/SBLC issuance Charges/Documentation Charges: Nil
- IC/629/2026 :
- Scheme availability upto 30th September 2026 is preponed to 31st August, 2026

(IC/504/2026)

Issuance of Standby Letter of Credit (SBLC) by our domestic branch against FCNR (B) deposits:

Features	Details
Target Group / Customers	Customers eligible for FCNR (B) Deposit Product, the customer of lending bank or our Bank.
Eligibility	Residency Status – NRIs/OCI Minimum Age – 21 years old The facility shall be made available against eligible Special FCNR (B) deposits, mobilized during the period from June 08, 2026 to September 30, 2026, as detailed in HO Cir. IC/439/2026, dated 11.06.2026.
Purpose	To establish SBLC by our domestic branches favoring the Overseas lenders (having Relationship Management Application (RMA)/ SWIFT arrangement with our bank) to enable the depositor to avail demand loan under RBI's SWAP facility.
Currency of SBLC & TENOR	USD, 3 to 5 Years coinciding with the maturity of FCNR (B) deposit.
Security	Exclusive Charge by way of Lien over the Special FCNR (B) deposit of the customer, kept with any of our domestic branches in India.

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(IC/504/2026)

Demand Loan by our Overseas branches against the lien on Special FCNR (B) Deposits:

Features	Details
Target Group / Customers	Customers eligible for FCNR (B) Deposit Product,
Eligibility	Residency Status – NRIs/OCI Minimum Age – 21 years old. The loan shall be made available against eligible Special FCNR (B) deposits, mobilized during the period from June 08, 2026 to September 30, 2026, as detailed in HO Cir. IC/439/2026, dated 11.06.2026.
Purpose	Personal purposes /any other end use, which are not prohibited by the Regulator of the Law of the Land
Currency & Loan Quantum	USD, Up to 9 times of deposit amount (minimum loan amount shall be USD 900,000), 3 to 5 Years, co-terminus with the maturity date of FCNR (B) deposit.
Margin	Minimum of 11.11% of the loan (minimum margin amount shall be USD 100,000)
Security	Exclusive Charge by way of Lien over the Special FCNR (B) deposit of the customer, kept with any of our domestic branches in India.

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Rate of Interest chargeable on the Loans:

Tenor 3 Years - 5.70 % p.a. (Fixed)
Tenor above 3 years and up to 4 Years - 5.75 % p.a. (Fixed)
Tenor above 4 years and up to 5 Years - 5.80 % p.a. (Fixed)

However, the overseas branch shall raise resources / funds in such a way to ensure a minimum spread of 40 bps p. a.

Discretionary Powers for reducing the above Spread shall vest with the following authorities:

Permitting Authority	Relaxation in Spread	Loan Amount (Minimum)
ED - CAC	Up to 10 bps	USD 10 Mn to USD 25 Mn
CAC of the board	> 10 bps	USD 25 Mn & above

Note : Branch shall take up for concession in rate of interest in order to permit relaxation in spread, very selectively, wherever it is not feasible to ensure a minimum spread of 40 bps, duly taking care of the overall business support anticipated from the borrower/s.

QUIZ TIME

QUIZ TIME

- **Which of the following transactions is classified as a Current Account Transaction under FEMA, 1999?**
- **A. Investment by a foreign entity in the equity shares of an Indian company**
- **B. Remittance of net interest earned on loans extended to foreign bodies**
- **C. Acquisition of immovable property outside India by an Indian resident**
- **D. External Commercial Borrowing (ECB) raised by an Indian corporate**
- **E. Repayment of the principal amount of a foreign loan**

QUIZ TIME

- **Under Section 46 of FEMA, 1999, which entity has the official authority to make rules for carrying out the provisions of the Act, and how are these rules brought into force?**
- **A. The Reserve Bank of India; by issuing circulars to Authorized Dealers**
- **B. The Central Government; by notification in the Official Gazette**
- **C. The Appellate Tribunal for Foreign Exchange; by issuing administrative directives**
- **D. The Directorate of Enforcement (ED); by issuing guidelines to law enforcement agencies**
- **E. The High Court of the respective jurisdiction; by publishing judicial decrees**

QUIZ TIME

- **A Bank licensed as an Authorised Dealer Category II (AD Cat II) is requested by an Indian importer to execute a foreign trade transaction valued at ₹25,00,000. How does FEMA regulate this specific transaction under the AD Category II operational framework?**
- **A. The transaction is completely prohibited because AD Category II entities can only process non-trade current account transactions.**
- **B. The transaction is permissible under the automatic route, as AD Category II entities can execute foreign trade transactions up to ₹25,00,000 per transaction.**
- **C. The transaction requires prior approval from the Reserve Bank of India (RBI) because trade transactions handled by AD Cat II cannot exceed ₹10,00,000.**
- **D. The transaction can only be processed if the importer's entity has a minimum net worth of ₹10 crore.**
- **E. The transaction must be converted and executed exclusively under the Money Transfer Service Scheme (MTSS) route.**

QUIZ TIME

- **A firm operating as a Full Fledged Money Changer (FFMC) is applying for the renewal of its RBI authorization to operate across 4 branches in a metro city. What is the minimum Net Worth required for this entity to qualify for renewal, and can a new entity apply for a fresh FFMC authorization under the updated guidelines?**
- **A. Minimum Net Worth of ₹25 lakh; Fresh authorizations are permitted.**
- **B. Minimum Net Worth of ₹50 lakh; Fresh authorizations are permitted if turnover exceeds ₹50 crore.**
- **C. Minimum Net Worth of ₹50 lakh; No fresh FFMC authorizations are granted (renewal only).**
- **D. Minimum Net Worth of ₹25 lakh; No fresh FFMC authorizations are granted (renewal only).**
- **E. Minimum Net Worth of ₹2 crore; Fresh authorizations are permitted under the AD Cat III**

QUIZ TIME

- **What type of account is the "Canara FCNR ₹ Deposit Plus"?**
- **A. Savings Bank Account**
- **B. Current Account**
- **C. Term Deposit Account (ONLY KDR)**
- **D. Recurring Deposit Account**
- **E. Special Non-Resident Rupee Account**

QUIZ TIME

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- **E. Special Non-Resident Rupee Account**

QUIZ TIME

- **What is the product code for the Special FCNR Half Yearly Interest Payout product in USD with normal interest (180 days)?**
- **A. 2953**
- **B. 2954**
- **C. 2955**
- **D. 2956**
- **E. 2957**

QUIZ TIME

- **What is the minimum deposit requirement for the Canara FCNR ₹ Deposit Plus scheme?**
- **A. USD 500 or 500 units in respective currency**
- **B. USD 1,000 or 1,000 units in respective currency**
- **C. USD 2,500 or 2,500 units in respective currency**
- **D. USD 5,000 or 5,000 units in respective currency**
- **E. USD 10,000 or 10,000 units in respective currency**

QUIZ TIME

- **What is the maximum loan amount that can be granted under the Demand Loan scheme against Special FCNR (B) deposits?**

- **A. Up to 2 times the deposit amount**
- **B. Up to 5 times the deposit amount**
- **C. Up to 7 times the deposit amount**
- **D. Up to 9 times the deposit amount**
- **E. Up to 10 times the deposit amount**

QUIZ TIME

- **For how long can unutilised balances in Foreign Currency (FC) accounts maintained with banks in IFSC (India) now be retained?**

- **A. Up to 15 days**
- **B. Up to one month**
- **C. Up to two months**
- **D. Up to three months**
- **E. Up to six months**

Accounts maintained by Banks



NOSTRO ACCOUNTS IC/ 615 /2026

- NOSTRO Accounts : - 25 Accounts
- Position Currencies - 11
- USD - 7 ACCOUNTS (JP MORGAN CHASE – CHASUS33)
- (BANK OF AMERICA - BOFAUS3N)
- (CITI BANK - CITIUS33)
- (WELLS FARGO BANK - PNBPUS3NNYC)
- (THE BANK OF NEWYORK – IRVTUS3N)
- (The Stnd Chart Bank - SCBLUS33)
- (HSBC BANK, USA - MRMDUS33)
- EUR - 4 ACCOUNTS GBP – 3 ACCOUNTS JPY/AED/AUD* – 2 ACCOUNTS EACH
- CHF,CAD , SEK, SGD, HKD
- AUD - (Commonwealth Bank of Australia – CTBAAU2S)
- Collection of Export Bills, Payment of Import Bills, ORMs, IRMs.
- Our bank is currently maintaining AUD currency account with Australia New Zealand Bank (ANZ)

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 11or 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

INTERNATIONAL TOLL-FREE NUMBERS FOR NRI CUSTOMERS IN 9 COUNTRIES IC/68/2026

NAME OF THE COUNTRY	TOLL-FREE NO.s
USA	8339902222
UK	448081699978
CANADA	18883060410
UAE	80009111111
SAUDI ARABIA	8008501320
QATAR	00800101179
OMAN	80070119
HONG KONG	006800-18001030
SINGAPORE	001800-18001030
OTHER COUNTRIES	+91-080-22064232 /68212121*(CALL CHARGES APPLICABLE)

FEDAI (8 RULES)

- HOURS OFBUSINESS FOR QUOTING FX RATES
- EXPORT TRANSACTIONS
- IMPORT TRANSACTIONS
- CLEAN INSTRUMENTS
- FOREIGN EXCHANGE CONTRACTS
- EARLY DELIVERY, EXTENSION AND CANCELLATION OF FOREIGN EXCHANGE CONTRACTS
- BUSINESS THROUGH INTERMEDIARIES
- INTERBANK SETTLEMENT

HOURS OF BUSINESS FOR QUOTING FX RATES

- **FEDAI RULES**
- **"Known holiday"- known at least 3 working days before the date**
- **"suddenly declared holiday"- Not a "known holiday"**
- **SATURDAY- For the purpose of Foreign Exchange business, Saturday will not be treated as a working day except value cash transactions, for individual persons (including joint account or proprietary firm)**
- **Normal Market Hours for FCY/INR Transaction : As prescribed by RBI (Previously it was 9.00 am to 5.00 PM)- IC/349/2024**

NORMAL TRANSIT PERIOD IC/303/2026 DT.18.04.2026 FEDAI RULE NO 2.3

- **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**

a) In the case of export usance bills- Not Applicable

b) 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. Bank may take a lenient view on request from exporters for extending Notional Transit Period (NTP) as per the FEDAI Rule".**

C) Exports to country under United Nations Guidelines (193) – Max. 120 days

- **REVISED GUIDELINES :**
- **Branches/offices shall not insist upon historic data for specific exporter/overseas buyer/supply destination and mode of transportation etc., while considering exporters request for extended NTP.**

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(IC/303/2026)

d) Bills drawn in Rupees under Letters of Credit (L/C)

Status	Days
Reimbursement provided at centre of negotiation	3 days
Reimbursement provided in India at centre (different from centre of negotiation)	7 days
Reimbursement provided by banks outside	20 days
Exports where reimbursements provided by RBI under state credit	20 days

e) TT reimbursement under Letters of Credit (L/C)

Status	Days
Where L/C provides for reimbursement by-electronic means	5 days
Where L/C provides reimbursement claim after days	5 days + this additional certain number of days from the date of negotiation period

Inward Remittances – FEDAI RULES

- **IRM➔ EXPORT OR NON EXPORT**
- **AD-1 HAS TO SUBMIT PURPOSE IN R–RETURN TO RBI**
- **COMPENSATION FOR DELAY IN EXECUTION OF INWARD REMITTANCE-** 2% over the applicable Saving Bank rate + Exchange loss

Amount	Days
Upto USD 10000	Immediately
Above USD10000	**Two working days** from the date of receipt of credit advice / Nostro statement

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- Form 145 (erstwhile 15 CA) is an undertaking to be submitted online to the Income Tax department by a person(remitter)
- Form 146 (erstwhile 15 CB) is the format of the Certificate to be provided by an Accountant
- The authorized dealer **shall furnish a quarterly statement** for each quarter of the financial year in **Form No.147** to IT Department as specified
- Penalty of Rs.1 Lakh – u/s 359 will be levied for non-furnishing of information or furnishing of inaccurate information in Form 145/146

Internal

FINANCIAL ACTION TASK FORCE (FATF) (138/2026 &468/2026)
Anti-Money Laundering (AML)
/Combating of financing of terrorism (CFT)

- FATF is the global money laundering and terrorist financing watchdog. Headquarters at Paris, France.

- 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

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

- Grey List (22) – Jurisdiction under increased monitoring

- Jurisdictions under Increased Monitoring (Grey List): Bosnia, Herzegovina and Iraq are added, meanwhile Algeria and Namibia are removed

- Report publishing- Three times a year.

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Exchange Rate Quotations

	Direct Quote	Indirect Quote
Variable Unit	Home currency	Foreign Currency

- Two way quotations (Market Maker, Mkt Taker)
- Direct Quote
  - USD/INR – 95.00/95.02
  - Buy 1 USD @95.00, Sell 1 USD@ 95.02
- Eg. USD/INR, USD/JPY, USD/CHF
- Indirect Quote
  - EUR/USD – 1.1284/1.1290
  - Buy 1 Euro @1.1284, Sell 1 Euro @1.1290
- Eg. EUR/USD, GBP/USD, AUD/USD, NZD/USD

Direct Quote :

USD/EUR
=1/1.1284

= 0.8862

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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	**26.10.2026**	**26.10.2026**
TOM	Deal done Today & Settlement on the next working day **(T+1)**	**26.10.2026**	**27.10.2026**
SPOT	Deal done Today & Settlement on the second working day **(T+2)**	**26.10.2026**	**28.10.2026**
FORWARD	Deal done today & Settlement Date Anything beyond **SPOT** **(> T+ 2)**	**26.10.2026**	**After 28.10.2026 any date**

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

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

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HOURS OF BUSINESS FOR QUOTING FX RATES

- **Introduction of Better Rate Processing Automation Package in SAS for Forex Transactions**
- **The Better Rate processing automation package has been introduced in SAS to digitize the end-to-end approval process for better exchange rate proposals for forex transactions.**
- **The package shall be effective from February 1, 2026.**
- **Review & Monitoring Section, Integrated Treasury Vertical, Treasury Wing, Mumbai serves as the nodal section for processing better exchange rate proposals for forex transactions**

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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FORWARD CONTRACT POLICY- POLICY/03/2026

Forward contract is a binding agreement between two parties to **purchase** and **sell** a specific quantity of foreign currency at a specified price but with delivery and settlement at a specified future date.

Booking of forward contracts is also **subject to provisions of FEDAI Rules 5 and 6,** apart from our internal guidelines from credit angle and procedural aspects.

FORWARD CONTRACT POLICY POLICY/03/2026

Credit Conversion Factor (CCF): as per latest RBI norms, according to the residual maturity of Forward Contract is as below:

- **1 year or less ➔2.00%**
- **Over 1 year to 5 years ➔10.00%**
- **Over 5 years➔ 15.00%**
- **FX Hedging: USD 100M Limit:**
- **Branches can permit users to take a position up to USD 100 million for hedging.**
- **No documentation is needed to prove underlying exposure.**
- **Understanding Exposure:**
  - **Contracted Exposure: Must have a valid underlying contract.**
  - **Anticipated Exposure:upto average of last 3 years export/import turnover or last year's turnover, whichever is higher.**
- **Retention Policy:**
  - **The bank must preserve transaction documents for at least 2 years after the life of the transaction.**

FORWARD CONTRACT POLICY-POLICY/03/2026

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.**
- **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

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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Swap Facility for External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs) IC/478/2026

Facility: RBI USD-INR Swap Facility to hedge foreign currency borrowings for PSUs (ECB) and AD Category-I banks (OFCB).

Validity: Operative from June 8, 2026 to January 15, 2027 (for drawdowns/inflows up to December 31, 2026).

Pricing & Mechanics:

- Fixed premium rate of **1.5% p.a.** (compounded semi-annually).

First leg: Bank sells USD to RBI at FBIL Spot Reference Rate.

Reverse leg: Bank returns Rupee funds + swap premium to recover USD.

Limits & Sizes: Weekly limit equals eligible USD inflows from preceding week(s); minimum step size of $1 million.

Exclusions: Borrowings with embedded options or ECBs raised for refinancing/repayment.

Documentation: No ISDA agreement needed. Requires a signed declaration and email request to RBI's Financial Markets Operations Department.

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Operational Framework on Local Currency Arrangement in Indian Rupee (INR) and Mauritian Rupee (MUR) IC/499/2026

- **Scope:** Current and FEMA-permissible capital account transactions.
- **Banking Setup:** Correspondent Nostro/Vostro relations in INR and MUR between Indian AD Cat-I and Mauritian banks.
- **SRVA (in India):** Mauritian banks can hold SRVAs to deploy surplus into Indian equities, debt, G-Secs, NCDs, and commercial papers.
- **SNRR Accounts (in Mauritius):** INR-denominated accounts for Mauritian residents/corporates, allowing Indian asset investment or full repatriation.
- **Objective:** Framework for INR–MUR cross-border trade, investments, and remittances.
- **Overdrawal Limit:** AD Cat-I banks can permit up to **₹50 million temporary overdrawal**; higher amounts need RBI approval

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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.***

LRS- SUBMISSION OF LRS DAILY RETURN BY AUTHORISED DEALERS – CATEGORY – II BANKS/ENTITIES/FFMCs(IC/944/2025)

- **Modified Guidelines**

RBI has decided to introduce the submission of 'LRS daily return' by AD Category-II banks / entities and FFMCs also, by providing them access to CIMS (Centralised Information Management System)

With this, AD Category-II banks/ entities and FFMCs shall be able to check the cumulative amount remitted by a resident individual (PAN-wise) under LRS during the current financial year, before facilitating their next requested LRS transaction.

Accordingly, all AD Category-II banks / entities and FFMCs are advised by RBI to submit the 'LRS daily return' (including 'nil' report, if applicable) with effect from 01.01.2026 directly to RBI through CIMS.

Consequently, AD Category-II banks/ entities and FFMCs may discontinue submitting the LRS transactions through AD category-I banks.

ENHANCEMENT IN CANARA BANK INTERNATIONAL TRAVEL PREPAID CARDS (CBITPC)

(IC/240/2026,dated:02/04/2026)

- Vide HO Cir IC/624/2024 dated 04.09.2024, detailed guidelines were issued to check the utilized limit under LRS and TCS deduction to avoid any potential LRS breach and deduction of applicable TCS.
- In order to mitigate the manual intervention, following changes have been made with immediate effect

i. LRS Utilized Limit Check:

- Prepaid package is now integrated with RBI CIMS-FRBS (File Return Based Sharing system)
- This integration allows branches to view utilized LRS limits directly on the issuance and reload pages.
- Branches shall use the system-generated limit as a baseline and manually enter the total utilized limit by adding any additional remittances performed by the individual outside of the available RBI LRS data.
- Branches shall ensure that at any point of time load/reload by individual shall not exceed maximum limit permitted under LRS i.e., USD 250,000.00.

Tax Collected at Source on LRS w.e.f. 1.04.2026 (IC/238/2026)

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	2%
LRS for Overseas Tour Packages purchase from an Agent/Operator	**FLAT 2%**	
LRS for Self/Independent Booked Travel (directly booked from website)	NIL	20%
Any other purpose under LRS	NIL	20%

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, Kazakhistan, 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. Where the aggregate value of foreign exchange in the form of currency notes, bank notes and travellers cheques exceeds USD 10,000 or Its equivalent and/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. (IC/241/2026)

INDIAN CURRENCY LIMITS (EXPORT & IMPORT)
IC/241/2026 & 943/2025

Residents & Non-Residents: May take out or bring into India up to ₹25,000 per person (excludes citizens of Pakistan/Bangladesh and travel to/from Nepal/Bhutan)

Nepal & Bhutan Travel: Denominations above ₹100 are permitted up to a total maximum limit of ₹25,000 per individual.

- **Commemorative Coins: Indian residents may take or send up to 2 commemorative coins per person outside India.**
- **May take out of India to Nepal or Bhutan, or bring into India from Nepal or Bhutan, currency notes being the currency of Nepal or Bhutan.**
- **Reserve Bank of India having to power to permit or restrict export or import of currency.**

QUIZ TIME

QUIZ TIME

- **Which currency and SWIFT code correspond to the _____ account maintained by Canara Bank with Commonwealth Bank of Australia ?**

- **A. VOSTRO – USD – CHASUS33**
- **B. NOSTRO - GBP – SCBLUS33**
- **C. NOSTRO - AUD –CTBAAU2S**
- **D. VOSTRO – AUD – CTBAAAU2S**
- **E. NOSTRO - EUR – IRVTUS3N**

QUIZ TIME

- **Which of the following countries is NOT among the 9 countries listed with dedicated toll-free numbers?**

- **A. Saudi Arabia**
- **B. Singapore**
- **C. Australia**
- **D. Qatar**
- **E. Hong Kong**

QUIZ TIME

- **What is the maximum Notional Transit Period (NTP) / extension allowed for exports to countries governed under United Nations Guidelines?**

- **A. 20 Days**
- **B. 25 Days**
- **C. Max 90 days**
- **D. Max 120 days**
- **E. Max 180 days**

QUIZ TIME

- **According to the guidelines provided, what is the timeframe within which the bank must credit the proceeds for an amount exceeding USD 10,000?**
- **A) Immediately**
- **B) One working day from the date of receipt of credit advice / Nostro statement**
- **C) Two working days from the date of receipt of credit advice / Nostro statement**
- **D) Within 5 working days from the date of receipt**
- **E) Max 120 days from the date of shipment**

QUIZ TIME

- **Under the RBI US Dollar-Rupee swap facility, what is the fixed swap premium rate applied and how is it compounded?**

- **A) 1.5% per annum compounded annually**
- **B) 1.5% per annum compounded semi-annually**
- **C) 1.5% per annum compounded quarterly**
- **D) 2.0% per annum compounded semi-annually**
- **E) 2.5% per annum compounded semi-annually**

QUIZ TIME

- **According to the guidelines provided on currency rules, what is the maximum number of commemorative coins an Indian resident is permitted to take or send outside India per person?**
- **A) Up to 1 commemorative coin**
- **B) Up to 2 commemorative coins**
- **C) Up to 5 commemorative coins**
- **D) Up to 10 commemorative coins**
- **E) Commemorative coins are strictly prohibited from being taken outside India**

QUIZ TIME

- **According to RBI guidelines for international trade settlement mechanisms using Special Rupee Vostro Accounts (SRVA) , what is the maximum temporary overdrawal limit permitted for smooth execution of trade transactions?**
- **A) 10 Million**
- **B) 25 Million**
- **C) 50 Million**
- **D) 75 Million**
- **E) 100 million**

QUIZ TIME

- According to the FATF classifications shown in the slide, which category is officially referred to as "Jurisdiction under increased monitoring"?
- A) Black List
- B) Grey List
- C) Red List
- D) White List
- E) Blue List

QUIZ TIME

- **With effect from January 1, 2026, through which system are AD Category-II banks/entities and FFMCs advised to submit the 'LRS daily return' directly to the RBI?**
- **A) e-Kuber System**
- **B) Centralised Information Management System (CIMS)**
- **C) Trade-Based Money Laundering System (TBML)**
- **D) Trade Monitoring and Data Exchange System (TMDES)**
- **E) Foreign Exchange Reporting System (FERS)**

QUIZ TIME

- When determining the total utilized LRS limit during a ITPC load or reload transaction, how are bank branches instructed to handle remittances performed by an individual outside of the available RBI LRS data?
- A) Ignore external remittances as only system-generated RBI data is valid
- B) Reject the transaction immediately and request an audit by RBI
- C) Use the system-generated limit as a baseline and manually add any additional remittances
- D) Deduct external remittances from the system-generated limit to calculate available balance
- E) Require prior written approval from the RBI Financial Markets Department before processing

QUIZ TIME

- **What is the applicable TCS rate for LRS remittances meant for Education financed by a Bank, for a amount of Rs.15 lacs.**
- **A) NIL**
- **B) 2%**
- **C) 5%**
- **D) 10%**
- **E) 20%**

QUIZ TIME

- A person arriving in India from abroad must submit a Currency Declaration Form (CDF) to Customs Authorities if the value of foreign currency notes alone exceeds which threshold?
- A) USD 2,500 or its equivalent
- B) USD 5,000 or its equivalent
- C) USD 10,000 or its equivalent
- D) USD 15,000 or its equivalent
- E) USD 25,000 or its equivalent

QUIZ TIME

- **Which currency and SWIFT code correspond to the _____ account maintained by Canara Bank with Commonwealth Bank of Australia ?**

- **A. VOSTRO – USD – CHASUS33**
- **B. NOSTRO - GBP – SCBLUS33**
- **C. NOSTRO - AUD –CTBAAUS2S**
- **D. VOSTRO – AUD – BOFAUS3N**
- **E. NOSTRO - EUR – IRVTUS3N**

QUIZ TIME

- A person arriving in India from abroad must submit a Currency Declaration Form (CDF) to Customs Authorities if the value of foreign currency notes alone exceeds which threshold?
- A) USD 2,500 or its equivalent
- B) USD 5,000 or its equivalent
- C) USD 10,000 or its equivalent
- D) USD 15,000 or its equivalent
- E) USD 25,000 or its equivalent

NON- FUND BASED FINANCE

INTERNATIONAL TRADE SETTLEMENT METHODS

In any trade transaction, there will be two basic parties, namely buyer and seller. They enter into a contract in which both the parties document their contractual obligations and rights. Different types of international trade settlements are discussed below,

Method of Payment		Definition	Timing of payment	Goods Availability	Seller's Risk	Buyer's Risk
Advance		Seller demands advance payment from the buyer.	Before Shipment	After payment	None	100%
Open Account		Buyer will receive goods and make payment later, at the agreed terms.	As agreed upon at buyer's discretion	Before payment	100%	None
Collection	Document against Payment (D/P)	Seller directs the collecting bank to release title to goods after the payment of draft by buyer.	At the time of payment.	After payment	Non-payment of draft.	Depends on seller supply goods as ordered
	Document against Acceptance (D/A)	Seller directs the collecting bank to release title to goods after the acceptance of draft by buyer.	On the date of maturity.	Before payment	Non-payment of draft even after acceptance & reciept of goods.	Minimal, may refuse to pay at maturiy
Letters of Credit		Most convenient method. Payment is assured by issuing bank on presentation of complying documents.	On presentation of documents after shipment.	After payment	Minimal	Assurance of shipment. Reliance on seller to supply goods as per documents.



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LETTER OF CREDIT LC

- LC is an unconditional undertaking given by the Issuing Bank on behalf of Importer in favour of the Exporter, undertaking to make payment on presentation of documents as per the terms and conditions of LC.
- Letter of Credit (LCs also know as Documentary Credits) is Governed by Provisions of UCPDC-600.
- The Uniform Customs & Practice of Documentary Credits (UCPDC) consists of 39 articles set by ICC, Paris.
- The presentation of documents must comply with International Standard Banking Practice (ISBP)
- As per the article 14 (b) of UCP 600, rejection of documents should be communicated to the negotiating bank within 5 banking days following the date of presentation of documents.

Letter of Credit - ARTICLES

To standardize the rules governing the operations of the Letter of Credit, International Chamber of Commerce (ICC) has codified a standard set of rules called Uniform Customs and Practice for Documentary Credits (commonly called "UCP"). UCP 600 is the latest version of UCP adopted by ICC. The 39 articles could be generally grouped in to 7 categories as below,

General Provisions and Definitions	Articles 1 - 3
Form and Notification of Credits	Articles 9 -11
Liabilities and Responsibilities	Articles 4-8, 14-16
Nominated banks	Articles 12,13
Documents	Articles 17-28
Miscellaneous Provisions	Articles 29-37
Transferrable Credit	Articles 38
Assignment of Proceeds	Article 39

List of UCP 600 Articles		
1. Application of UCP	2. Definitions	3. Interpretations
4. Credits v. Contracts	5. Documents v. Goods, Services or Performance	6. Availability, Expiry Date and Place for Presentation
7. Issuing Bank Undertaking	8. Confirming Bank Undertaking	9. Advising of Credits and Amendments
10. Amendments	11. Teletransmitted and Pre-Advised Credits and Amendments	12. Nomination
13. Bank-to-Bank Reimbursement Arrangements	14. Standard for Examination of Documents	15. Complying Presentation
16. Discrepant Documents, Waiver and Notice	17. Original Documents and Copies	18. Commercial Invoice
19. Transport Document Covering at Least Two Different Modes of Transport	20. Bill of Lading	21. Non-Negotiable Sea Waybill
22. Charter Party Bill of Lading	23. Air Transport Document	24. Road, Rail or Inland Waterway Transport Documents
25. Courier Receipt, Post Receipt or Certificate of Posting	26. "On Deck", "Shipper's Load and Count", "Said by Shipper to Contain" and Charges Additional to Freight	27. Clean Transport Document
28. Insurance Document and Coverage	29. Extension of Expiry Date or last Day for Presentation	30. Tolerance in Credit Amount, Quantity and Unit Prices
31. Partial Drawings or Shipments	32. Instalment Drawings or Shipments	33. Hours of Presentation
34. Disclaimer on Effectiveness of Documents	35. Disclaimer on Transmission and Translation	36. Force Majeure
37. Disclaimer for Acts of an Instructed Party	38. Transferable Credits	39. Assignment of Proceeds

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IMPORTANT ARTICLES OF UCPDC

- **ART-5** : Banks deal with documents and not with goods, services or performance.

- **ART-14:** Number of days available for examination of documents is 5 banking days. A presentation must be made by or on behalf of the beneficiary not later than 21 calendar days after the date of shipment but not later than the expiry date of the credit.

- **ART-28**: If there is no indication in the credit of the insurance coverage required, the amount of insurance coverage must be at least 110% of the CIF value of goods. Unless otherwise stipulated, the insurance policy should be in the currency of LC.

IMPORTANT ARTICLES OF UCPDC

- **ART-30: Tolerance in Credit Amount, Quantity and Unit Prices**

The words “about” or “approximately” used in connection with the amount or quantity or unit price stated in the LC, tolerance of +/ - 10% is allowed.

- **ART -36: Force Majeure-** A bank assumes no liability or responsibility for the consequences arising out of the interruption of its business by Acts of God, riots, civil commotions, insurrections, wars, act of terrorism, or by any strikes or lockouts or any other causes beyond its control

TYPES OF LETTER OF CREDIT

- **Revocable LC : Which can be revoked, i.e. cancelled and amended by the issuing bank, without the notice of other parties before the documents are negotiated by the negotiating bank**

- **Irrevocable LC : It is a firm undertaking on the part of Issuing bank and cannot be cancelled or amended without the consent of the parties to LC, particularly the beneficiary.**

Article 10 of UCP600 makes it clear that "a credit can neither be amended nor cancelled without the agreement of the issuing bank, the confirming bank, if any and the beneficiary(seller)"

TYPES OF LETTER OF CREDIT-Contd..,

- **Transferable LC : It is a credit, which can be transferred at the request of Original beneficiary in favour of a second beneficiary or several second beneficiary. It can be transferred only once**

- **Red clause LC : An LC which authorizes the nominated bank to sanction pre shipment credit to beneficiary for procurement of raw materials, processing and packing of goods to be exported**

- **Green clause LC : It provides advance for warehousing and insurance charges at port where the goods are stored pending availability of ships/shipping space in addition to pre shipment credit.**

TYPES OF LETTER OF CREDIT-Contd..,

- **BACK TO BACK LC :** It is a second LC opened by the original beneficiary in favour of the second beneficiary on the strength of the original LC already received in his favour.

- **STAND BY LC :** It is similar to performance guarantee but issued in the form of LC and is issued to cover situation of non-performance.

- **REVOLVING LC :** Under these LC, the part amount, which has been utilized, is automatically restored & is available for further use.

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Governing Regulation: Reporting under Foreign Exchange Management (Guarantees) Regulations, 2026 [FEMA 8(R)] and A.P. (DIR Series) Circular No. 01 dated April 1, 2026. IC/415/2026 & IC/113/2026

KeY Reporting Formats : A comprehensive quarterly reporting mechanism for all guarantees – issued, modified or invoked – through Form GRN to be submitted by customers to AD banks, and consolidated returns by AD banks to RBI.

Form GRN Issue: To report new guarantee issuances.

Form GRN Modification: To report subsequent changes, including amount adjustments, validity period extensions, or pre-closures.

Form GRN Invocation: To report any invocation of guarantees.

Submission Timelines & Flow:

Customer to AD Bank: Obligated reporting entity must submit Form GRN within 15 calendar days from the end of the relevant quarter.

AD Bank Internal Target: Global Trade Processing Centre (GTPC) consolidates reports and submits to Systems & Procedures (S&P) Section within 20 calendar days from quarter-end.

AD Bank to RBI: Final consolidated returns submitted to RBI via the Centralised Information Management System (CIMS) within 30 calendar days from quarter-end

Late Submission Fee: ₹7,500 + 0.025% of amount involved × number of years period of delay, subject to prescribed conditions.

INCOTERMS 2020

INCOTERMS (International Commercial Terms) rules are the ICC rules on the use of domestic and international trade terms which facilitates the conduct of global trade.



In international or domestic trade, two of the major issues related to pricing and managingthe risks in delivering the goods are,

1. Terms of delivery
2. Terms of payment

International chamber of commerce (ICC), Paris took the responsibility and standardized theresponsibilities and obligations of the seller and buyer, by prescribing appropriatecommercial terms which are known as the **Incoterms (INTERNATIONAL COMMERCIALTERMS).**

Incoterms 2020 is the current version of the trade terms. (HO Cir FX/79/2020 dated 22.12.2020)

RULES FOR ANY MODE OR MODES OF TRANSPORT		RULES FOR SEA AND INLAND WATERWAY TRANSPORT
• Ex Works	• FCA	• FAS
• CPT	• CIP	• FOB
• DAP	• DPU	• CFR
• DDP		• CIF

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INTERNATIONAL COMMERCIAL TERMS 2020:

1. **EXW- Ex-works:** Seller makes the goods available at their own premises. (factory or workshop)
2. **FCA- Free Carrier:** Seller delivers goods to carrier named by buyer.
3. **FAS-Free alongside ship (at Port) :** seller delivers alongside a vessel, named by buyer
4. **FOB- Free on board (Port - on vessel):** seller places goods on ship named by buyer
5. **CFR- Cost & Freight (Port on vessel):** FOB + seller makes payment of freight till destination port
6. **CIF- Cost, insurance & Freight (Port-on vessel):** CFR + seller make payment of insurance till destination port
7. **CPT- Carriage paid to (some place):** Seller delivers to carrier or at agreed place and pays cost of freight.
8. **CIP- Carriage insurance paid to (some place):** CPT+ seller makes payment of insurance for place named by buyer.
9. **DAP- Delivered at place (some place):** Seller completes the delivery when ready for unloading at place named by buyer and are at disposal of the buyer
10. **DPU- Delivered at place unloaded (earlier DAT):** Seller completes the delivery, by unloading at a place and place the goods at disposal of the buyer.
11. **DDP- Delivered duty paid:** Seller completes delivery by placing the goods at buyer's disposal, cleared for imports, ready for unloading, at destination and taxes/duties and clearance completed for import and export both

Internal

QUIZ TIME

QUIZ TIME

- **In the prevailing International Trade settlement methods, which method carries 100% sellers risk and no risk for the buyer ?**

- **A. Advance**
- **B. Document against Payment (DP)**
- **C. Open Account**
- **D. Letters of Credit**
- **E. Document against Acceptance.(DA)**

QUIZ TIME

- **In a Letter of Credit, the applicant is typically the :**

- **A. Importer**
- **B. Overseas seller**
- **C. Advising Bank**
- **D.Beneficiary Bank**
- **E. Reimbursing Bank**

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- **E. Document against Acceptance.(DA)**

QUIZ TIME

- According to Articles 14(b) UCP 600, what is the maximum timeframe within which a bank must communicate the rejection (notice of refusal) of documents following the date of presentation?
- A. 3 banking days
- B. 5 banking days
- C. 7 Banking days
- D. 15 Banking days.
- E. 20 Banking days.

QUIZ TIME

- An LC beneficiary presents documents that comply with the LC requirements, but the goods are subsequently found to be defective. What is the bank's primary position under UCP 600 Article 5?
- A. The bank must refuse payment because the goods are defective
- B. The bank must physically inspect the goods before payment
- C. The bank deals with the documents and not with the goods
- D. The bank must obtain the applicant's approval before payment
- E. The bank must appoint an independent surveyor

QUIZ TIME

- **Within how many calendar days from the end of the relevant quarter must the obligated reporting entity submit Form GRN to the AD bank, according to the provided material?**
- **A. 7 days**
- **B. 10 days**
- **C. 15 days**
- **D. 20 days**
- **E. 30 days**

QUIZ TIME

- **The AD bank submits its final consolidated guarantee returns to RBI through which system, according to the provided material?**

- **A. EDPMS**
- **B. IDPMS**
- **C. ICEGATE**
- **D. Centralised Information Management System (CIMS)**
- **E. SWIFT**

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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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 a 10 digit code issued by Director General of Foreign Trade (DGFT), Ministry of Commerze and Industry**
- **An IEC holder has to ensure that the details in IEC is updated electronically every Year between April to June.**
- **De-activation of Importer Exporter Code)**
- **De-activated IECs may be re-activated by the IEC holder by updating details in DGFT website.**

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

1. A Unified Export Declaration Form (EDF) has been introduced for Goods, Services and Software.
2. The requirement of ~~SOFTEX~~ has been dispensed with.
3. AD Bank will be the Specified Authority for certifying EDF linked to Export of Services and Software (Software can be certified by STPI or Development Commissioner of SEZ also).
4. Export of services will now be recorded in EDPMS and the corresponding Inward proceeds will result in IRM generation.

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

SPECIFIED AUTHORITY FOR EXPORT DECLARATION FORM

EXPORT TYPE	DTA/SEZ	SPECIFIED AUTHORITY FOR EDF
GOODS	DTA	Commissioner of Customs
	SEZ	Development Commissioner of SEZ
SOFTWARE	DTA	Authorised Dealer Bank or Software Technology Parks of India (STPI)
	SEZ	Development Commissioner of SEZ
Other Services	DTA	Authorised Dealer Bank
	SEZ	Development Commissioner of SEZ

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

TIMELINES FOR SUBMISSION OF EDF :

Within 30 days from the end of the month in which the invoice for services has been raised, provided that

a)the exporter of services who has exported services to one or more recipients in a month, may submit a single EDF for all such exports

b)the exporter of services other than software, may submit an EDF on or before the date of receipt of payment

c)the Authorised Dealer may, on a request from the exporter citing reasons for delay, extend the period for submission of the EDF after satisfying itself about the reasonableness of the request

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

2.REALISATION OF EXPORTS GOODS/ SERVICES/SOFTWARE

- 9 Months from the date of shipment/invoice. (9 Months from date of sale of goods at warehouse outside India)
- INR invoiced Exports - 12 Months from the date of shipment/invoice. (12 months from date of sale of goods at warehouse outside India).
- • AD Bank Alignment: Route advance payments and final bill realizations through the same AD Bank.
- • Dual Intimation: Notify both banks immediately if routing through a different AD Bank.
- • Interest Cap: Advance payment interest must not exceed the FEMA 2018 all-in-cost ceiling.

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

REALISATION OF EXPORTS GOODS/ SERVICES/SOFTWARE

- **3. UNREALISED EXPORTS :**
- If amount is overdue beyond 1 year from due date of realisation or extended due date, further exports to that specific oversees buyer can be done only against full advance or Irrevocable LC
- **4. THIRD PARTY RECEIPTS :** Fully delegated to AD Bank .
- **5. INVOICE REDUCTION AND WRITE-OFF OF EXPORT TRANSACTIONS :** Fully delegated to AD Bank.
- **6. SET OFF OF EXPORT RECEIVABLES AGAINST IMPORT PAYABLES :**

  Same calender year restriction removed;

  Goods VS. Services set-off permitted now. (EARLIER PROHIBITED)

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

DELEGATION OF POWERS

1. EDF CERTIFICATION - BRANCH HEAD

2a. EDF EXTENSIONS -30 DAYS TO 90 DAYS - COMPLIANCE OFFICER GTPC

2b. EXTENSION BEYOND 90 DAYS - OVERSEEING EXECUTIVE @ GTPC

2c EXTENSION OF N/P/D Bills - CREDIT RELATED DOP

2d Extension up to 6 months at a time, where the cumulative overdue realization period does not exceed 1 year from the end of the original realisation period prescribed by RBI - BRANCH HEAD,

NEXT 12 MONTHS - - OVERSEEING EXECUTIVE @ GTPC

2e. Extension up to 6 months at a time, where the cumulative overdue realization period exceeds 1 year from the end of the original realisation period prescribed by RBI - AGM AT GTPC

Revision in Interest Rates on Export Credit in FC with immediate effect IC/36/2026 Dt.16.01.2026

- Reduction in the interest rates for the period beyond (NTP) /180 days by introducing a uniform increment of 100 bps over the base rates applicable up to NTP/180 days.
- Uniform ROI schedule for Post Shipment Credit (Usance Bills) by removing the separate schedule for Usance Bills where the total period exceeds 6 months from the date of shipment.
- Revision in spread on Export Credit in Foreign Currency to eligible manufacturer exporters enjoying fund based export credit working capital facilities up to Rs. 80 Crores in place of existing limit of up to Rs. 50 Crores.
-

(IC/36/2026)

Revision in Interest Rates on Export Credit in Foreign Currency with immediate effect

Pre-shipment Credit (PCFC)

Risk Grade of the customer	Low	Normal	Moderate	High
Up to 180 days (including extensions)	BR+150	BR+175	BR+200	BR+225
From 181st day and up to RBI stipulated period (including extensions	BR+250	BR+275	BR+300	BR+325
From the date of crystallization till realization	STRLLR + ECNOS			
If export does not take place and recovery effected from domestic sources	STRLLR + ECNOS + 100 bps on the rupee equivalent of the principal amount from the date of advance.			

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(IC/36/2026)

Revision in Interest Rates on Export Credit in Foreign Currency with immediate effect

Post-shipment Credit (BRD)

Risk Grade of the customer	Low	Normal	Moderate	High
On demand bills for Normal Transit Period (as specified by FEDAI/ Sanctioning Authority)	BR+150	BR+175	BR+200	BR+225
Beyond NTP and up to realization/ crystallization	BR+250	BR+275	BR+300	BR+325
Beyond crystallization	STRLLR + ECNOS			

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(IC/579/2026).

Revision of Rate of Interest on Bills under LC(BULC) Scheme.

Particulars	Description	RATE OF INTEREST	
Constituent Borrowers & Non-Constituent Borrowers		Existing	Revised
	Bills up-to 90 days usance	STRLLR+1.25%	**STRLLR+1.50%**
	Bills above 90 days up-to 180 usance	STRLLR+1.50%	**STRLLR+1.75%**

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CREDIT GUARANTEE SCHEME FOR EXPORTERS (CGSE) – IC/868/2025, IC/890/2025

- Introduction of Credit Guarantee Scheme for Exporters (CGSE) by DFS, Ministry of Finance
- CGSE provides 100% guarantee coverage to banks on credit extended to exporters to manage short-term liquidity mismatches and explore new markets. The Fund and Scheme are managed by NCGTC.
- Eligible Direct Exporters:
- MSME units with at least 5% of annual turnover through exports to the USA; other (non-MSME) units with at least 20% of annual turnover through exports to the USA
- Eligible INDIRECT exporters:
- MSME units supplying at least 30% of their total turnover to direct exporters eligible under the scheme.
- The turnover condition may be satisfied with respect to either of the previous two financial years, i.e. FY 2024 or FY 2025. MSMEs must have a valid Udyam Registration Number.
- Accounts must be in Standard category (excluding SMA-2) — not exceeding 60 days overdue across all lenders as verified through the credit bureau report as on 30.09.2025

CREDIT GUARANTEE SCHEME FOR EXPORTERS (CGSE) – IC/868/2025, IC/890/2025

- **Quantum per borrower:**
- **Up to 20% of sanctioned export working capital limits (direct) or sanctioned working capital limits (indirect), fund based and non-fund based. Limits existing on 30.09.2025 are reckoned.**
- **Maximum loan: Rs.50 CRORE per borrower, in rupee currency only.**
- **No processing fee. Guarantee cover 100% and NO guarantee fee is charged from the Bank by NCGTC.**
- **Tenor: 4 YEARS fixed, including a 1-YEAR MORATORIUM.**
- **Interest rate: 1% BELOW the interest rate on any existing working capital facility of the Bank on the date of issue of guidelines, capped at a maximum of 10% p.a.**
- **All applications must flow through the JAN SAMARTH PORTAL only; sanctions and disbursements must also be updated there.**

CREDIT GUARANTEE SCHEME FOR EXPORTERS (CGSE) – IC/890/2025

The following Product Code, Scheme Code,Interest Schedule Code and Guarantee Cover Code have been created for maintenance of proper MIS under the subject Credit Guarantee Scheme.

1. **Product Code – 3037 – Credit Guarantee Scheme for Exporters**

2. **Scheme Code –**

MIS_CLASS	MIS_CODE	CODE_DESC
SCHEMES	115370	115370- CGSE-MSME Direct
SCHEMES	115380	115380-CGSE- Non-MSME Direct
SCHEMES	115390	115390-CGSE – MSME Indirect

3. **Guarantee Cover Code – 100000230 – CGSE**

CREDIT GUARANTEE SCHEME FOR EXPORTERS (CGSE) – IC/947/2025

- **CBPR and Facility Rating is exempted under CGSE.**

- **Introduction of Declaration-cum-Undertaking and Supplemental agreement for enhanced/additional limit under Credit Guarantee Scheme for Exporters (CGSE).**

.

IMPLEMENTATION OF CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS (CAECE) – IC/371/2026

Scheme Name: Credit Assistance for E-Commerce Exporters (CAECE) under NIRYAT PROTSAHAN (Export Promotion Mission).

Managing Entities: Managed by National Credit Guarantee Trustee Company Ltd. (NCGTC) in collaboration with EXIM Bank.

MSMEs engaged in cross-border trade of goods via e-commerce platforms, courier/postal routes, E-Commerce Export Hubs (ECEHs), or overseas warehouses.

Enhance access to working capital (Cash Credit/Overdraft) to help MSMEs procure inventory ahead of demand and scale in international markets and Guarantee also.

IMPLEMENTATION OF CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS (CAECE) – IC/371/2026

- **CAECE aims to enhance access to working capital for MSMEs involved in international value chains through e-commerce, allowing them to procure goods ahead of anticipated demand.**
- **The scheme provides guarantee coverage to Banks for the Cash Credit, Overdraft or Working Capital credit facilities extended to exporters.**
- **(a) Credit limit shall be set at 20% of average e-commerce export sales in the past two years, subject to maximum cap of Rs.50 lakh, in case of Direct E-Commerce Credit facility to exporters engaged in direct exports through postal / courier route.**
- **(b) Credit limit shall be assessed up to a maximum of 50% of the cost of inventory in case of Overseas Inventory E-Commerce Credit facility.**
- **(c) No collateral, other than primary security, shall be stipulated in case of Direct E-Commerce Credit facility.**
- **Fee Structure & Guarantee Coverage :**

Sub-Intervention	Guarantee Fee	Guarantee Cover
Direct E-commerce Credit Facility	0.5% p.a.	Up to 90%
Overseas Inventory E-commerce Credit Faciltiy	1.0% p.a.	Up to 75%

QUIZ TIME

QUIZ TIME

- **Which of the following statements regarding the Credit Assistance for E-Commerce Exporters (CAECE) scheme is INCORRECT?**
- **A. Under Direct E-Commerce Credit, the credit limit is 20% of average e-commerce export sales during the preceding two years, subject to a maximum of ₹50 lakh.**
- **B. Under Overseas Inventory E-Commerce Credit, the credit limit can be assessed up to 50% of the cost of inventory.**
- **C. The annual guarantee fee is 1% for Direct E-Commerce Credit and 0.5% for Overseas Inventory E-Commerce Credit.**
- **D. The guarantee coverage is up to 90% for Direct E-Commerce Credit and up to 75% for Overseas Inventory E-Commerce Credit.**
- **E. No collateral other than primary security is stipulated for Direct E-Commerce Credit.**

SPECIAL CREDIT GUARANTEE SCHEME – IC/198/2026

- **Special Credit Guarantee Scheme** – Collateral Support for Export Credit under Export Promotion Mission (EPM – Niryat Protsahan), **by CGTMSE in collaboration with DGFT.**
- Credit guarantee support for export credit facilities sanctioned **to eligible MSME exporters.•**
- Collateral guarantee support provided in collaboration with CGTMSE.
- **Guarantee ceiling = Rs.10 crore.**
- **Eligible exporters: MSMEs satisfying the scheme's prescribed conditions, including Udyam Registration & IEC.**

	GUARANTEE CEILING	CGTMSE COVERAGE	FUNDS FROM DGFT	TOTAL COVERAGE
MSE	Rs.10 Crs.	75%	10%	85%
MED	Rs.10 Crs.	NIL	65%	65%

INTEREST SUBVENTION SUPPORT FOR PRE & POST SHIPMENT EXPORT CREDIT UNDER EPM- NIRYAT PROTHSAHAN (56/2026, 208/2026)

- **Eligibility:** All MSME manufacturer exporters and merchant exporters holding a valid active Importer-Exporter Code (IEC) and a valid MSME Udyam Registration Number.
- Interest subvention shall be admissible only in respect of eligible export credit sanctioned on or after 02.01.2026.
- Rate of interest subvention @ 2.75% per annum will be available on Pre-shipment Rupee export credit and Post-shipment Rupee export credit for MSME.
- Banks are required to completely pass on the benefit of interest subvention to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the external auditor.
- An eligible MSME exporter may receive a maximum subvention benefit of Rs. 50 Lakhs per F.Y.
- Exporter has to generate EPM UIN/UDIN through DGFT portal.
- Bank shall submit IEC-wise monthly interest subvention reimbursement claims online through the designated portal

INTEREST SUBVENTION SUPPORT FOR PRE & POST SHIPMENT EXPORT CREDIT UNDER EPM- NIRYAT PROTHSAHAN (56/2026, 208/2026)

- **New tariff line: If a product is subsequently added to the Positive List, benefit is available only for credit disbursed on/after the date of its inclusion—no retrospective benefit.**
- **If tariff line becomes ineligible: Pre-shipment credit already disbursed before the date of removal continues to be eligible; post-shipment credit disbursed thereafter is not eligible.**
- **Branches submit monthly claims to Circle within 7 days from month-end.**
- **Circle consolidates and submits the claim to Export Import Credit Group, MCC Vertical, Corporate Credit, International Operations & Associates Wing, HO within 10 days from month-end through DGFT portal.**
- **As per FTP 2023 deemed exports are not eligible.**

DEEMED EXPORTS

- "Deemed Exports" refers to those transactions in which goods supplied do not leave the country and payment for such supplies are received either in Indian Rupees or in free foreign exchange".
- Sub-contractors are regarded as "Deemed Exports" provided goods are manufactured in India.
- Supply of goods to units in SEZ etc.
- The seller selling the said goods against an import license is the deemed exporter & the buyer is the deemed importer.

ISSUANCE OF GUIDELINES ON IMPLEMENTATION OF SUPPORT FOR EMERGING EXPORT OPPORTUNITIES (SEOE) IC/532/2026

- **Managing Entities: Managed by EXIM Bank along with M/s National Credit Guarantee Trustee Company Ltd. (NCGTC)**
- **Primary Objective: The scheme helps Indian exporters enter and expand into non-traditional or under-served overseas markets (across Africa, Asia, Latin America, and Europe) where trade risks are higher. It boosts trade liquidity by providing credit guarantee covers to Indian partner banks that handle these export transactions. (72 countries)**
- **Core Function: Provides guarantee coverage to EXIM Bank's partner banks for non-fund-based credit facilities extended to exporters.**
- **Target Beneficiaries: MSMEs involved in international value chains holding a valid Importer-Exporter Code (not on the Denied Entity List) and a valid MSME Udyam Registration Number.**
- **Covered Instruments: SBLC, Risk Participation (RP), Irrevocable Reimbursement Undertaking (IRU), LC Confirmation, LC Negotiation, and UPAS LC. (Usance Payable at Sight)**
- **Turnaround Time: Total targeted TAT is 4 working days (EXIM Bank in-principle approval in 3 days; NCGTC guarantee within 1 day).**

Revision of Service Charges related to Forex Transactions (IC/8/2026), Dated:03.01.2026 IC/66/2026 Dt.31.01.2026

- The revised service charges shall come into force w.e.f. 02.02.2026
- Modifications in charges per Export Bill
- Up to and including Rs. 1,00,000/-: Flat Rs. 100/-
- Above Rs. 1,00,000/- and up to and including Rs. 4,00,000/-: Flat Rs. 250/-
- Above Rs. 4,00,000/- and up to and including Rs. 10,00,000/-: Flat Rs. 500/-
- Above Rs. 10,00,000/- Flat Rs.1000/-
- Rates applicable for maximum of 5 Shipping Bills. Over and above Rs.100/- per Shipping Bill will be charged in addition to above charges.
- Export Bill Crystallization : Rs.1,000/- per Bill.
- DOP FOR EXTENDING CONCESSIONS IN SC FOR SMALL VALUE EXPORT AND IMPORT TRANSACTIONS.

AUTHORITY	DOP
CGM/GM- CAC, TREASURY WING	Up to 50% of applicable charges
ED – CAC	Full Powers

Revision of Service Charges related to Forex Transactions (IC/8/2026), Dated:03.01.2026 IC/66/2026 Dt.31.01.2026

- **Following 3 new service charges have been introduced :**
- Reduction in Value of Shipping Bill (Original declared value of upto and including INR 10 lakhs per Shipping Bill) – **Flat Rs. 250/- per SB.**
- Reduction in Value of Bill of Entry (Original declared value of upto and including INR 10 lakhs per Bill of Entry) – **Flat Rs. 250/- per BOE.**
- Write off of Bill of Entry (Original declared value above INR 10 lakhs per BOE – **Rs. 2000/- per BOE.**

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 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

Policy

Export Credit Insurance for Exporters

ECIB

Export Credit Insurance for Banks

ECGC also provides covers to Banks and Exporters under MLT Exports

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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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Renewal of ECIB WT covers (ECIB (WT PC) & ECIB (WT PS) for the period from 01/07/2025 to 30/06/2026 as per IC/920/2025.

ECGC – Key Enhancements in ST-WT ECIB Cover

90% ECGC Cover Enhanced

Fund-based export credit limit enhanced from **₹50 crore to ₹80 crore** per exporter per bank.

Covers combined **Packing Credit (PC) + Post-Shipment Credit (PS)** limits.

Applicable to **eligible manufacturer exporters**.

Exclusions: Gems & jewellery/diamonds, traders/merchant exporters and limits sanctioned for large corporates.

Higher Threshold for Normal Percentage of Cover

Threshold enhanced from **₹600 crore to ₹1,000 crore** per exporter/exporter group. Exposure of **all banks under ECIB-WT cover** is considered.

Simplified Claim Processing

Revised simplified procedure introduced for processing **bank claims up to ₹10 crore** under **WT-ECIB(ST)** covers within 45 days.

Particulars	WTPC	WTPS
Period	01/07/2025 to 30/06/2026	01/07/2025 to 30/06/2026
Maximum Liability	Rs.4000.00 Cr.	Rs. 2100.00 Cr.
Discretionary Limit	Rs.6.00 Cr	Rs.6.00 Cr.
Set Limit	Rs.51,47,82,128/-	Rs.12,59,08,274/-
Premium Rate	6.8.00 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.
Single Exporter/ Group Exporter	Rs.2,250/- (Banks Top rated accounts A & above) (Except iron ore, Minerals, and Agriculture) Rs.5,000/- (Banks top rate accounts AA & above) (Only for Manufacturer Exporters of Pharma and Engineering goods sector.)

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ECGC – EXTENDED ECIB WTPS COVER BEYOUND MPBF/CONSORTIUM & COUNTRY RISK CLASSIFICATION IC/380/2026 DT.25-05-2026

Case-by-case coverage for negotiating/discounting export LC bills after LC document acceptance.

Key Approval Criteria & Parameters:

Policy Requirement: Bank must hold a whole-turnover Post-shipment Cover (ECIB-WTPS) with LC inclusion.

Document Acceptance: Discounting against complying presentations accepted via authenticated SWIFT message by LC issuing/confirming bank.

Bank Ranking: LC opening/confirming bank's World Rank must not exceed 25,000 (Banker's Almanac).

Exposure Cap: Discounting LC limit capped at a maximum of 50% of MPBF.

Borrower Terms: Applies to exporters with good standing; recourse to the borrower must be maintained.

Exclusions: GJD, Agro, Iron-Ore, and Granite sectors/commodities are excluded from cover.

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FOREIGN CURRENCY LOANS TO RESIDENTS (FCLR) IC/236/2026

- FCLR can be permitted in USD, GBP & in EURO to the existing corporate/firms with Credit Risk Rating upto Low/Normal Risk & Moderate Risk(PSU & PSEs).
- The minimum loan amount should be equivalent to USD 150,000 in case of working capital loans/Term loans and equivalent to USD 50,000 in case of Short Term Import financing (Existing Corporate Firms).
- New Blue Chip Companies ranked within top 500 rating,PSU/EOU with good track record and low risk.
- Granting of FCLRs for liquidation of existing Rupee Term Loans provided the residual repayment period is within five years
- Granting of FCLRs to NON BANKING FINANCE COMPANIES (NBFCs): FCLRs can be considered to "AAA" rated NBFCs who are dealing with our Bank, with an excellent track record and rated Low Risk subject to the following conditions :-
- (i) The maximum upper limit per NBFC is USD 5 Millions.
- (ii) Repayment :- a) Working capital - for period upto 1 year b) Term Loans - for period upto 3 year
- (iii) Borrowers to obtain forward cover to hedge exchange risks

MERCHANTING TRADE TRANSACTIONS IC/758/2025

- **Merchanting Trade Transactions (MTT) allow an Indian intermediary to purchase goods from a foreign supplier and sell them directly to a foreign buyer without the physical cargo ever touching Domestic Tariff Area.**

- **The entire MTT lifecycle must be completed within 9 months, with foreign exchange outlay capped at 6 months.**

- **Export and Import leg transactions will now have to be reported in EDPMS and IDPMS respectively IRMs and ORMs shall be generated for receipt and payment of MTT proceeds towards the export and import leg respectively Reconciliation to be done in TRRACS (**
- **Trade Receivables Reconciliation for Compliance System)**

QUIZ TIME

QUIZ TIME

- **IEC Code is a _____digit code issued by Director General of Foreign Trade (DGFT), Ministry of Commerze and Industry**

- **A. 6**
- **B. 8**
- **C. 9**
- **D. 10**
- **E. 12**

QUIZ TIME

- Which of the following statements regarding software exports is INCORRECT?
- A. Software exports are covered under the Unified EDF framework.
- B. The requirement of SOFTEX has been dispensed with.
- C. AD Bank can certify the EDF as the Specified Authority.
- D. STPI can certify the EDF for software exports.
- E. Software exports must continue to be reported exclusively through SOFTEX.

QUIZ TIME

The normal time limit for submission of EDF for export of services is:

A. Within 7 days from the date of invoice

B. Within 15 days from the date of invoice

C. Within 30 days from the end of the month in which the invoice is raised

D. Within 30 days from the date of receipt of payment

E. Within 60 days from the date of invoice

QUIZ TIME

10. Which of the following statements regarding the realisation period for export proceeds is INCORRECT?

A. The general realisation period is 9 months from the date of shipment/invoice, as applicable.

B. For INR-invoiced exports, the realisation period is 12 months.

C. For goods sold from a warehouse outside India, the period is calculated from the date of sale.

D. A uniform realisation period of 9 months applies to all exports, irrespective of the invoicing currency.

E. For INR-invoiced exports involving goods sold from a warehouse outside India, the period is 12 months from the date of sale.

QUIZ TIME

If export proceeds remain unrealised for more than one year beyond the due date of realisation or extended due date, further exports to the same overseas buyer are permitted only against:

A. Part advance payment or a revocable LC

B. Full advance payment or an irrevocable LC

C. A bank guarantee from any Indian bank

D. An undertaking from the overseas buyer

E. Part advance payment with open-account termsAnswer: B

QUIZ TIME

Which of the following statements is INCORRECT?

A. **The Branch Head is authorised to certify EDF.**

B. **The Compliance Officer at GTPC handles EDF extensions from 30 days to 90 days.**

C. **The Overseeing Executive at GTPC handles EDF extensions beyond 90 days.**

D. **The AGM at GTPC approves every EDF extension, irrespective of the overdue period.**

E. **Extension of N/P/D bills is governed by credit-related DOP**

QUIZ TIME

The Credit Guarantee Scheme for Exporters (CGSE) was introduced by

A. Reserve Bank of India

B. Ministry of Commerce and Industry

C. Department of Financial Services, Ministry of Finance

D. Small Industries Development Bank of India

E. Export-Import Bank of IndiaAnswer: C

QUIZ TIME

The Credit Guarantee Scheme for Exporters (CGSE) was introduced by

A. Reserve Bank of India

B. Ministry of Commerce and Industry

C. Department of Financial Services, Ministry of Finance

D. Small Industries Development Bank of India

E. Export-Import Bank of IndiaAnswer: C

QUIZ TIME

- At the time of sanction/disbursement under CGSE, borrowers must have:
- A. Only a term loan with an eligible bank
- B. Active working capital limits with an eligible bank
- C. Only a cash credit account with any financial institution
- D. An export bill discounting facility exclusively
- E. No existing credit facilities

QUIZ TIME

- Which of the following statements regarding eligible direct exporters is INCORRECT?
- A. An MSME direct exporter must have at least 5% of annual turnover through exports to the USA.
- B. A non-MSME direct exporter must have at least 20% of annual turnover through exports to the USA.
- C. Both MSME and non-MSME direct exporters have the same minimum export-turnover requirement of 5%.
- D. Direct exporters may be eligible for credit assistance under CGSE, subject to applicable conditions.
- E. The eligibility threshold differs between MSME and non-MSME direct exporters.

QUIZ TIME

- **Which of the following statements regarding the quantum of CGSE assistance is INCORRECT?**
- **A. The facility may be up to 20% of sanctioned export working capital limits for direct exporters.**
- **B. The facility may be up to 20% of sanctioned working capital limits for indirect exporters.**
- **C. Both fund-based and non-fund-based limits are considered.**
- **D. Existing limits as of 30 September 2025 are reckoned.**
- **E. The maximum loan amount is ₹75 crore per borrower.**

QUIZ TIME

- **A direct exporter has sanctioned export working capital limits of ₹200 crore as of 30 September 2025. What is the maximum eligible facility based on the 20% criterion, before applying the overall cap?**

- **A. ₹20 crore**
- **B. ₹30 crore**
- **C. ₹40 crore**
- **D. ₹50 crore**
- **E. ₹60 crore**

QUIZ TIME

- **Which of the following statements regarding the Credit Assistance for E-Commerce Exporters (CAECE) scheme is INCORRECT?**
- **A. Under Direct E-Commerce Credit, the credit limit is 20% of average e-commerce export sales during the preceding two years, subject to a maximum of ₹50 lakh.**
- **B. Under Overseas Inventory E-Commerce Credit, the credit limit can be assessed up to 50% of the cost of inventory.**
- **C. The annual guarantee fee is 1% for Direct E-Commerce Credit and 0.5% for Overseas Inventory E-Commerce Credit.**
- **D. The guarantee coverage is up to 90% for Direct E-Commerce Credit and up to 75% for Overseas Inventory E-Commerce Credit.**
- **E. No collateral other than primary security is stipulated for Direct E-Commerce Credit.**

QUIZ TIME

- **Under Special Credit Guarantee Scheme, what is the total guarantee coverage for Medium Enterprises?**
- **A. 50%**
- **B. 65%**
- **C. 75%**
- **D. 85%**
- **E. 100%**

QUIZ TIME

- **What is the rate of interest subvention available to eligible MSME exporters under the scheme?**
- **A. 2% p.a**
- **B. 2.5% p.a.**
- **C. 2.75% p.a.**
- **D. 3% p.a.**
- **E. 3.5% p.a.**

QUIZ TIME

- **Which statement is correct with regard to Interest Subvention Scheme (Niryat Prothsahan)?**

- **A. New tariff lines get retrospective benefit.**
- **B. Deemed exports are eligible.**
- **C. Branches submit claims within 7 days.**
- **D. Circle submits claims within 30 days.**
- **E. Removed tariff lines remain eligible forever.**

QUIZ TIME

- **Export Bill above ₹4,00,000 and up to ₹10,00,000 attracts:**

- **A. ₹250**
- **B. ₹400**
- **C. ₹500**
- **D. ₹750**
- **E. ₹1,000**

QUIZ TIME

- **Which authority has full powers for extending concessions in Service Charges for small-value export and import transaction.**

- **A. AGM - CAC**
- **B. DGM – TAC**
- **C. CGM/GM- CAC, Treasury Wing**
- **D. ED – CAC**
- **E. MD & CEO**

QUIZ TIME

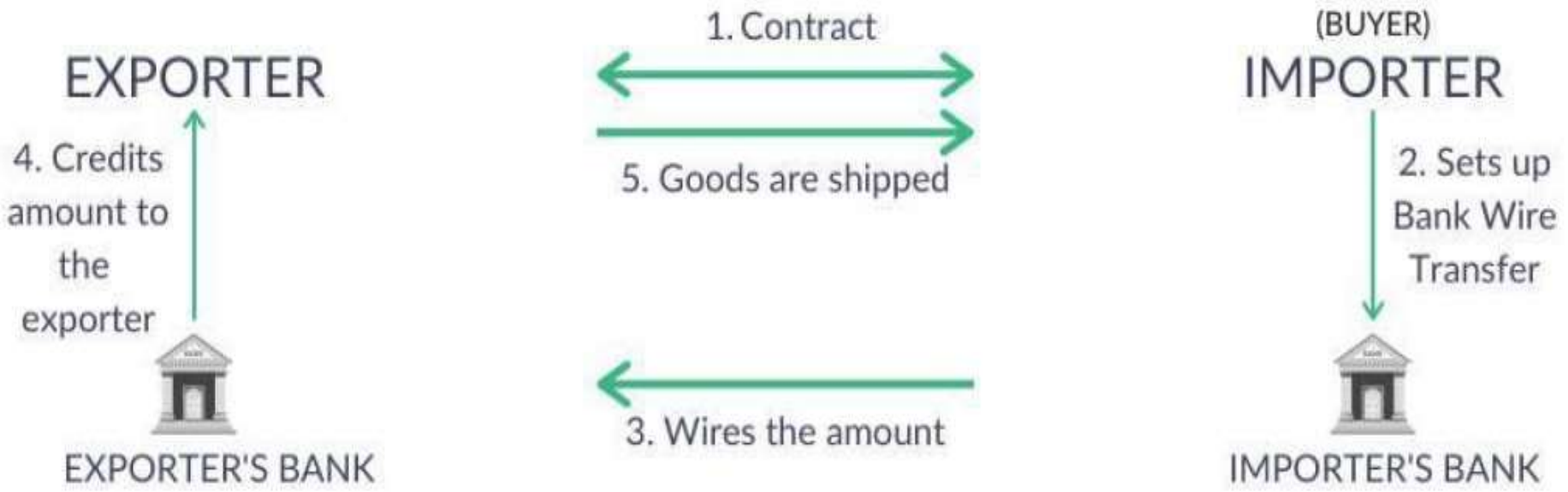
- **Write off of Bill of Entry (Original decalred value above INR 10 lacs per BOE – _____.**

- **A. Rs.250/- per BOE**
- **B. Rs.500/- per BOE**
- **C. Rs.1000/- per BOE**
- **D. Rs.1500/- per BOE**
- **E. Rs.2000/- per BOE**

QUIZ TIME

- **ECIB (WT PC) and ECIB (WT PS) covers the enhanced 90% cover for the manufacture exporter availing fund-based export credit working capital limits up to:**
- **A. ₹40 crore**
- **B. ₹50 crore**
- **C. ₹60 crore**
- **D. ₹80 crore**
- **E. ₹100 crore**

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.

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POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

IMPORT OF SERVICES :Import of services will now be recorded in IDPMS and the corresponding outward payments will result in ORM generation (for the specified purpose codes).

TIME PERIOD FOR IMPORT :

a)The timeline mentioned in the contract between the exporter and importer will apply

b)However, period should be:

- **In case of other than capital goods within one year or underlying contract, whichever is less from the date of shipment in case of goods/Date of invoice in case of services**
- **In case of Capital Goods Within three years or underlying contract, whichever is less from the date of shipment of goods.**
- **Importer to route advance payment and subsequent payment through same AD. If routed through different Banks, importer to intimate the change to both ADs.**

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

COMMODITY : Under the revised regime, No advance remittance permitted for Gold or Silver imports.

THIRD PARTY PAYMENTS : Fully delegated to AD Bank

IMPORTS NOT MATERIALIZED : If import fails within the contracted/extended period, the importer must repatriate the advance.

If advance is not repatriated or IDPMS entry is not marked off, future advance payment for imports will require an unconditional, irrevocable Standby LC or Guarantee from an international bank of repute or an AD Bank (against a counterguarantee).

ADVANCE PAYMENT GUARANTEE REQUIREMENT : Fully delegated to AD Bank.

POLICY ON EXPORT AND IMPORT OF GOODS & SERVICES W.E.F. 01.10.2026 POLICY 139/2026 DT.23-09-2026, CIR. NO. 730/2026

DELEGATION OF POWERS LINKED TO IMPORT RELATED TRANSACTIONS IN LIGHT OF THE REVISED REGIME

PARTICULARS	DESCRIPTION	DOP
APG waiver upto $ 2 Mio (excluding rough diamond, shipping vessel etc)	Waiver upto $ 200,000 More than $ 200,000 upto $ 2 mio	Branch Head RO Head CAC for RO, DGM CO CAC for CO
APG waiver beyond $ 2 Mio.Waiver of APG/SBLC for imports including Rough Diamonds, Aircrafts/Helicopter and other Aviation related purchases / shipping vessel-Up-to beyond 2 mio	More than 2 Mio to 5 Mio More than 5 Mio	CGM/GM-CO-CAC –Head of Circle CGM/GM- HO-CAC

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)

eBRC (Electronic Bank Realisation Certificate) : Bank will upload IRM to DGFT , Exporter can generate eBRC

eFIRC(Electronic Foreign inward Remittance Certificate) : Issued on IRM to facilitate Reconciliation in EDPMS by other bank when IRM received in one bank , Export docs handled by another bank

SIMPLIFIED PROCESS FOR RECONCILIATION IC/793/2025, 07/2026

Simplified process for reconciliation of Shipping Bills and Bills of Entry of value not exceeding INR 10 lakhs - (EDPMS) and (IDPMS).

Bills can be reconciled and closed in EDPMS or IDPMS, based on a declaration by the concerned exporter or importer, as the case may be, for value equivalent to original declared value of INR 10 lakh per shipping bill/ bill of entry, or less.

The revised procedure will also enable reduction in the realisable value of bills (equivalent to original declared value of INR 10 lakh per shipping bill/ bill of entry) based on such declaration by the concerned exporter or importer, as the case may be.

FEDAI GUIDANCE NOTE : IC/07/2026

Exporters remain statutorily obliged to realise export proceeds, and AD Category-I Banks remain responsible for ensuring such realization. The same principle applies to imports.

The directions in the RBI circular relate solely to the reconciliation of shipping bills in EDPMS and bills of entry in IDPMS and do not extend to IRM or ORM entries in isolation.

The threshold of ₹10 lakh or less.10 lakh refers to the value originally declared in the export or import declaration filed with Customs, and not to any residual or outstanding value.

QUIZ TIME

QUIZ TIME

- The timeline for import payments will be based on
- A. RBI instructions only
- B. The bank's internal policy only
- C. The contract between the exporter and importer
- D. The date of bill of lading only
- E. The importer's choice alone

QUIZ TIME

- What is the prescribed period for import of capital goods?

- A. Six months or contract period, whichever is less
- B. One year or contract period, whichever is less
- C. Two years or contract period, whichever is less
- D. Three years or contract period, whichever is less
- E. Five years in all cases

QUIZ TIME

- As per Imports new framework who is authorised to approve an APG waiver up to USD 200,000 ?
- A. Branch Head
- B. RO Head CAC
- C. DGM, CO CAC
- D. CGM/GM, HO CAC
- E. RBI CGM

QUIZ TIME

- **Who approves APG/SBLC waivers for the specified excluded imports exceeding USD 5 million?**
- **A. Branch Head**
- **B. RO Head CAC**
- **C. DGM, CO CAC**
- **D. CGM/GM, HO CAC**
- **E. Customs Commissioner**

BORROWING & LENDING

FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) REGULATIONS 2026 - (IC/177/2026) (IC/291/2026)

- **Major Changes – ECB Framework**
- **ECB framework liberalised & simplified: Provisions earlier spread across Master Directions are now consolidated into the FEMA Regulations.**
- **Wider eligibility: Any person resident in India (other than an individual) incorporated/established under Central/State law can be an eligible ECB borrower, subject to applicable law.**
- **Enhanced ECB borrowing limit: Up to the higher of USD 1 billion or 300% of net worth.**
- **Currency flexibility: ECB may be raised in FCY or INR; currency can subsequently be changed from one FCY to another, FCY↔INR, subject to prescribed conditions.**
- **Broader form of borrowing: ECB can be raised through any commercial borrowing arrangement involving interest/payment and repayment of principal**

FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) REGULATIONS 2026 - (IC/177/2026)

- **Major Changes – ECB Framework:**

- **Forms of Borrowing -** FCCB, FCEB, Trade Credit (Suppliers Credit & Buyers Credit)
- **End-use restrictions streamlined:** Specific prohibited end-uses continue, including chit funds, Nidhi companies, real estate business, TDR (Transferable Development Rights) trading and certain securities transactions.
- **Minimum Average Maturity:** Generally 3 years; manufacturing entities can raise ECB with 1–3 year MAMP up to USD 150 million outstanding.
- **Cost of borrowing:** ECB with MAMP less than 3 years (FCY benchmark + 300 bps; INR benchmark + 250 bps). All-In-Cost ceiling removed from ECBs with MAMP of three years and above.

FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) REGULATIONS 2026 - (IC/177/2026)

- **Major Changes – ECB Framework :**

- **Forms to be submitted : Form ECB 1 for obtaining LRN, Revised Form ECB 1 for reporting changes, within 7 calender days from end of month.**
- **Event Based Reporting : Form ECB-2 must now be filed within 7 calender days from end of month in the event of drawdown or any other event occurred.**
- **Branch Reporting : A1,A2,A3 (ECB 1), B1,B2,B3 (REVISED FORM ECB 1), FORM ECB 2 (C1, C2, C3). (1-Borrowers Declaration, 2-CA Certification, 3-Branch Recommendation).**
- **Important: Existing ECBs with an LRN (Loan Registration Number) obtained before 16.02.2026 continue under the earlier framework, except reporting, which follows the amended framework.**

RETURNS PERTAINING TO ECB (IC/291/2026)

- **KEY POLICY & REGULATORY CHANGES W.E.F. 01.04.2026**
- **Non-Flow Classification: Form ECB 1 and Revised Form ECB 1 are now officially classified as returns that do not capture flows, directly altering their Late Submission Fee (LSF) calculation.**
- **Per-Return LSF Charging: LSF for delayed Form ECB 2 submissions is calculated on a per-return basis, treating every delayed monthly submission under a Loan Registration Number (LRN) as a separate instance.**
- **Strict 7-Day Submission Window: Designated AD Category I banks must forward completed, certified returns to the RBI within 7 calendar days of receiving them from the borrower.**
- **Revised Late Submission Fee (LSF) Structure**
- **Form ECB 1 / Revised Form ECB 1: Flat LSF rate of ₹7,500 (revising the prior formula of ₹7,500 + 0.025% * A * n).**
- **Form ECB 2 (Monthly Returns): Retains the variable formula of ₹7,500 + (0.025% × A × n), applied per delayed return instance.**

RETURNS PERTAINING TO ECB (IC/291/2026)

- **KEY POLICY & REGULATORY CHANGES W.E.F. 01.04.2026**

- **LSF Payment Process: Paid to the RBI Regional Office via NEFT/RTGS upon receipt of the RBI acknowledgment email containing specific payment details.**

- **Branch & Operational Roles:**
- **Monthly Tracking & NIL Returns: Branches must follow up at the start of every month for Form ECB 2; if no transactions occurred, NIL confirmation must be sent to the Systems & Procedures (S&P) Section before the 5th of the month.**
- **Centralised Processing: Centralised handling continues under Systems & Procedures Section, Integrated Treasury Vertical (ITV), Mumbai.**

TRADE CREDIT

- **FORMS OF TC – Buyers' Credit and Supplier's Credit**
- **SUPPLIER'S CREDIT : Credit extended by the suppliers to the importer in India for selling their goods.**
- **BUYER'S CREDIT : Buyer's credit is a short term credit available to an importer(buyer) from overseas lenders such as banks for goods they are importing.**
- **Eligible Borrower – Person Resident in India acting as an Importer**
- **Amount Under Automatic Route –**
- **USD 150 MIO – Per Import Transaction for oil/gas refining & marketing, airline and shipping Companies.**
- **For others upto USD 50 Mio per import transaction.**

Foreign Exchange Management (Borrowing & Lending) (Amedment) Regulations, 2025 (IC/780/2025)

- .

AD banks in India and their overseas branches have been permitted by Reserve Bank of India (RBI) to lend in Indian Rupees to persons resident in Bhutan, Nepal, and Sri Lanka, including banks in these jurisdictions, to facilitate cross border trade transactions.

QUIZ TIME

QUIZ TIME

- Under the revised ECB framework, the enhanced borrowing limit is
- A. Up to USD 500 million or 200% of net worth, whichever is higher
- B. Up to USD 750 million or 250% of net worth, whichever is higher
- C. Up to USD 1 billion or 300% of net worth, whichever is higher
- D. Up to USD 1.5 billion or 300% of net worth, whichever is lower
- E. Up to USD 2 billion or 400% of net worth, whichever is higher

QUIZ TIME

- **3. For ECBs with MAMP of less than 3 years, the FCY benchmark-based borrowing cost is benchmark plus:**
- **A. 150 bps**
- **B. 200 bps**
- **C. 250 bps**
- **D. 300 bps**
- **E. 350 bps**

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.

FEM (Cross Border MERGER) (Amendment) Regulations IC/465/2026

RBI has amended the FEM(Cross Border Merger) Regulations 2018, replacing the specific requirement of approval from the NCLT with a broader requirement of approval from the competent authority.

Competent Authority: Defined as any authority empowered under the Companies Act, 2013, or its subordinate legislation to approve a merger or amalgamation scheme

Inbound Merger Provisions (Resultant Company is Indian):

Overseas Branches & Accounts: Overseas offices become branches of the Indian entity; Any foreign currency accounts held abroad by the foreign company can continue operating for up to 2 years from the date the merger scheme is sanctioned.

Borrowings & Assets: Foreign Company borrowings must align with ECB/Trade Credit norms within 2 years (no remittances permitted from India for repayment during this period). Non-permissible assets must be sold within 2 years

FEM (Cross Border MERGER) (Amendment) Regulations IC/465/2026

Outbound Merger Provisions (Resultant Company is Foreign) :

Rupee Accounts & Assets: The foreign entity can open a **Special Non-Resident Rupee (SNRR) Account for up to 2 years**. Non-permissible Indian assets must be sold within 2 years, with proceeds allowed for Indian liability repayment.

Rupee Liabilities: Foreign entities cannot take over Rupee liabilities owed to Indian lenders without explicit No Objection Certificates (NOC) and compliance with FEMA.

FOREIGN EXCHANGE MANAGEMENT (DEBT INSTRUMENTS) MASTER DIRECTIONS 2025- (IC/69/2025). (IC/137/2026) (IC/467/2026)

The following shall be the channels for investment in debt instruments by FPIs:

(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 (SRVA) Route : Investment using existing rupee balances from trade settlement, without fresh forex inflow.

INVESTMENT BY FPI IN GOVT SECURITIES – AMENDMENTS TO THE REGULATORY FRAMEWORK. (IC/137/2026) (IC/467/2026)

Key Regulatory Relaxations (General Route):
Limit Restrictions Withdrawn: To simplify compliance and encourage foreign inflows, three major investment restrictions have been completely withdrawn.

1. **Short-term investment limit removed (previously capped at 30%).**
2. **Security-wise limit removed(previously capped at 30% of outstanding stock).**
3. **Concentration limit removed (previously capped at 10%–15%).**

Merger of Sub-Categories Merged (Unified Limits): The previously separate 'general' and 'long-term' sub-categories have been merged into a single unified limit for Central Government Securities (G-Secs) and State Government Securities (SGSs).

Modified Investment Limits for FY 2026-27 :

Central Government Securities: H1 (Apr 2026 – Sep 2026): ₹4,62,490 Crore.
H2 (Oct 2026 – Mar 2027): ₹4,77,006 Crore.

State Government Securities:H1 (Apr 2026 – Sep 2026): ₹1,53,043 Crore.
H2 (Oct 2026 – Mar 2027): ₹1,64,242 Crore

INVESTMENT BY FPI IN GOVT SECURITIES – AMENDMENTS TO THE REGULATORY FRAMEWORK. (IC/137/2026) (IC/467/2026)

Expansion of Fully Accessible Route (FAR) :

Newly Designated 'Specified Securities':

a) Government Securities: All new issuances in 15-year, 30-year, and 40-year tenors.
b) Sovereign Green Bonds: All new issuances in 5-year, 7-year, 10-year, 15-year, 30-year, and 40-year tenors.
c) Existing Specific Issues Added: 6.68% GS 2040, 7.24% GS 2055, and 7.71% GS 2066.

Monitoring: Clearing Corporation of India Ltd. (CCIL) will continue monitoring the overall utilization of FPI investment limits.

Compliance Responsibility: Primary responsibility for adhering to applicable operational limits remains with FPIs and their respective custodians.

LIMITS FOR INVESTMENT IN DEBT AND SALE OF CREDIT DEFAULT SWAPS (CDS) BY FPIs FOR FY 2026-27 (IC/290/2026)

- **The limits for FPI investment in Government Securities (G-Secs) is 6%, State Government Securities (SGSs) is 2% and Corporate Bonds is 15% shall remain unchanged. (% of outstanding stocks of securities for 2026-27 for the General Route.**
- **The allocation of incremental changes in the G-Sec limit (in absolute terms) over the two sub-categories – 'General' and 'Long-term' – has been retained at 50:50 for 2026-27.**
- **As hitherto, all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR).**
- **With effect from 01.04.2026, all existing and future investments under the Voluntary Retention Route shall be subject to the investment limits stipulated for FPI investments under the General Route.**
- **The aggregate limit of the notional amount of Credit Default Swaps sold by FPIs shall be 5 per cent of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹ Crore3,30,464 crore is set out for 2026-27.**

VOLUNTARY RETENTION ROUTE (VRR) - (IC/137/2026)

- **Voluntary Retention Route (VRR) – Rationalisation of FPI Debt Investment**
- **VRR investment limit of ₹2.5 lakh crore removed/merged with the regular FPI debt investment framework.**
- **VRR investments are now counted within the applicable category-wise FPI limits for G-Secs and corporate bonds.**
- **Minimum retention period of 3 years continues – preserving the objective of attracting stable, long-term foreign investment.**
- **Greater exit flexibility: After completing the minimum retention period, FPIs can liquidate and exit their VRR investments.**
- **VRR-linked regulatory relaxations continue, while the separate VRR limit/allocation mechanism is rationalised.**
- **Objective: Simplify the FPI debt investment framework, reduce operational complexity and encourage long-term foreign investment in India's debt market.**

LIBERALISATION OF FPI UNDER SCHEDULE III OF FEM (NON-DEBT INSTRUMENTS) RULES 2019 IC/542/2026

- **Expanded FPI Access**: Non-resident individuals (beyond NRIs/OCIs) can now invest directly in listed Indian equity on a repatriation basis under Schedule III.
- **Designated Rupee Accounts:** Investor transactions must route through a designated repatriable INR account opened with an AD Cat-I bank.
- **Flexible Proceeds Handling**: Net sale proceeds can either be remitted abroad or credited back to the investor's designated rupee account.
- **Existing Limit & Reclassification Framework**: Foreign individual investments will follow standard FPI/NRI monitoring rules, including limits and FPI-to-FDI reclassification processes.
- **Daily Reporting**: All Designated branches must report to S & P Section, ITV, Mumbai in Form LEC (Individual Foreign Investor) on daily basis.

OVERSEAS INVESTMENT – SUBMISSION OF REFERENCES TO RBI - (IC/382/2026)

- **Effective Date: Centralised processing at the RBI Central Office was discontinued effective April 1, 2026.**
- **Key Update: All future references for Overseas Investment must now be forwarded to seven designated RBI Regional Offices (ROs) through the PRAVAAH portal based on the Foreign Entity's Unique Identification Number (UIN). Ahmedabad, Bengaluru, Mumbai, Kolkata, Newdelhi, Hyderabad, Chennai.**
- **Nodal Unit: Systems & Procedures Section, AUL Manipal (Integrated Treasury Vertical) facilitates the examination, monitoring, reporting, and obtaining approval from RBI for these transactions.**
- **Submission Portal: Applications under the approval route and related regulatory communications are routed through the PRAVAAH portal.**
- **https://pravaah.rbi.org.in/pravaah.**

QUIZ TIME

QUIZ TIME

- **Foreign currency accounts held abroad by the foreign company can continue to operate for up to:**
- **A. 6 months**
- **B. 1 year**
- **C. 2 years**
- **D. 3 years**
- **E. 5 years**

QUIZ TIME

- **Which three restrictions have been removed for FPI investments in Government Securities under the General Route?**
- **A. Overall limit, maturity limit and credit limit**
- **B. Short-term limit, security-wise limit and concentration limit**
- **C. General limit, long-term limit and overall limit**
- **D. Investment limit, borrowing limit and liquidity limit**
- **E. Interest rate limit, maturity limit and overall limit**

QUIZ TIME

- **Which of the following investment limits remains unchanged for 2026–27 under the General Route?**
- **A. G-Secs 6%, SGSs 2%, corporate bonds 15%**
- **B. G-Secs 5%, SGSs 3%, corporate bonds 10%**
- **C. G-Secs 10%, SGSs 5%, corporate bonds 15%**
- **D. G-Secs 6%, SGSs 5%, corporate bonds 10%**
- **E. G-Secs 15%, SGSs 6%, corporate bonds 2%**



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