

EXPORT OF GOODS & SERVICES

Part A - General

A.1 Introduction

(i) Export trade is regulated by the Foreign Trade Policy (FTP) in vogue. FTP is issued by the Directorate General of Foreign Trade (DGFT) functioning under the Ministry of Commerce and Industry, Government of India.

(ii) There is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.52 of the FTP 2015-20, "All export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency". However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan." Indian Rupee is not a freely convertible currency, as yet.

(iii) Any reference to the Reserve Bank should first be made to the Regional Office of the Foreign Exchange Department situated in the jurisdiction where the applicant person resides, or the firm / company functions, unless otherwise indicated.

(iv) "Financial Year" (April to March) may be reckoned as the time base for all trade related transactions.

A.2 Realization and repatriation of proceeds of export of goods / software / services

It is obligatory on the part of the exporter to realize and repatriate the full value of goods / software / services to India within nine months from the date of export for all exporters including Units in Special Economic Zones (SEZs), Status Holder Exporters, Export Oriented Units (EOUs), Units in Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) & Bio-Technology Parks (BTPs) until further notice. In case of goods exported to a warehouse established outside India, the same may be realized within fifteen months from the date of shipment of goods.

A.3 Foreign Currency Account

(i) Participants in international exhibition/trade fair have been granted general permission vide Regulation 5. (E) (5) of the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations, notified vide [Notification No. FEMA 10\(R\)/2015-RB dated January 21, 2016](#) for opening a temporary foreign currency account abroad. Exporters may deposit the foreign exchange obtained by sale

of goods at the international exhibition/trade fair and operate the account during their stay outside India provided that the balance in the account is repatriated to India through normal banking channels within a period of one month from the date of closure of the exhibition/trade fair and full details are submitted to the AD concerned.

(ii) Reserve Bank may consider applications in **Form EFC (Annex-1)** from exporters having good track record for opening a foreign currency account with ADs in India and outside India subject to certain terms and conditions. Applications for opening the account with a branch of an AD in India shall be submitted through the branch at which the account is to be maintained. If the account is to be maintained abroad the application should be made by the exporter giving details of the AD with which the account will be maintained.

(iii) An Indian entity can also open, hold and maintain a foreign currency account with a bank outside India, in the name of its overseas office/branch, by making remittance for the purpose of normal business operations of the said office/branch or representative subject to conditions stipulated in Regulation 5 (B) of [Notification No. FEMA 10\(R\)/2015-RB dated January 21, 2016](#).

(iv) A unit located in a Special Economic Zone (SEZ) may open, hold and maintain a Foreign Currency Account with a bank in India subject to conditions stipulated in Regulation 4 (D) of [Notification No. FEMA 10\(R\)/2015-RB dated January 21, 2016](#).

(v) A person resident in India being a project / service exporter may open, hold and maintain foreign currency account with a bank outside or in India, subject to the standard terms and conditions in the Memorandum of Instructions on Project and Service Exports.

A.4 Diamond Dollar Account (DDA)

Under the scheme of Government of India, firms and companies dealing in purchase / sale of rough or cut and polished diamonds / precious metal jewellery plain, minakari and / or studded with / without diamond and / or other stones, with a track record of at least 2 years in import / export of diamonds / colored gemstones / diamond and colored gemstones studded jewellery / plain gold jewellery and having an average annual turnover of Rs. 3 crore or above during the preceding three licensing years (licensing year is from April to March) are permitted to transact their business through Diamond Dollar Accounts as permitted by their AD. An entity may not open more than five Diamond Dollar Accounts. Conditions mentioned at (iv) a) & (iv) b) of A.5 below shall also apply.

A.5 Exchange Earners' Foreign Currency Account (EEFC Account)

(i) A person resident in India may open with, an AD in India, an account in foreign currency called the Exchange Earners' Foreign Currency (EEFC) Account, in terms of Regulation 4. (A) of the Foreign Exchange Management (Foreign Currency Account by

a Person Resident in India) Regulations, notified under [Notification No. FEMA 10\(R\)/2015-RB dated January 21, 2016](#).

(ii) Resident individuals are permitted to include resident close relative(s) as defined in the Companies Act 2013 as a joint holder(s) in their EEFC bank accounts on former or survivor basis.

(iii) This account shall be maintained only in the form of non-interest bearing current account. No credit facilities, either fund-based or non-fund based, shall be permitted against the security of balances held in EEFC accounts by the ADs.

(iv) All categories of foreign exchange earners are allowed to credit 100% of their foreign exchange earnings to their EEFC Accounts subject to the condition that:

a) The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

b) The facility of EEFC scheme is intended to enable exchange earners to save on conversion/transaction costs while undertaking forex transactions. This facility is not intended to enable exchange earners to maintain assets in foreign currency, as India is still not fully convertible on Capital Account.

(v) The eligible credits represent –

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

b) Payments received in foreign exchange by a 100 per cent Export Oriented Unit or a unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park for supply of goods to similar such unit or to a unit in Domestic Tariff Area and also payments received in foreign exchange by a unit in Domestic Tariff Area for supply of goods to a unit in Special Economic Zone (SEZ);

(vi) ADs may permit their exporter constituents to extend trade related loans / advances to overseas importers out of their EEFC balances without any ceiling subject to compliance of provisions of [Notification No. FEMA 3/2000 RB dated May 3, 2000](#) as amended from time to time.

(vii) ADs may permit exporters to repay packing credit advances whether availed in Indian Rupee or in foreign currency from balances in their EEFC account, to the extent exports have actually taken place.

viii) Where a part of the export proceeds are credited to an EEFC account, the export declaration (duplicate) form may be certified as: "Proceeds amounting to representing percent of the export realization credited to the EEFC account maintained by the exporter with....."

A.6 Counter-Trade Arrangement

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

(i) All imports and exports under the arrangement should be at international prices in conformity with FTP in force and Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.

(ii) No interest will be payable on balances standing to the credit of the Escrow Account but the funds temporarily rendered surplus may be held in a short-term deposit up to a total period of three months in a year (i.e., in a block of 12 months) and the ADs may pay interest at the applicable rate.

(iii) No fund based/or non-fund based facilities would be permitted against the balances in the Escrow Account.

(iv) Application for permission for opening an ESCROW account may be made by the overseas exporter / organization through the AD with whom the account is proposed to be opened, to the office of the Reserve Bank under whose jurisdiction the AD is functioning.

A.7 Exports to neighbouring countries by road, rail or river

(i) In case of exports by barges/country craft/road transport, the EDF form should be presented by exporter or his agent at the Customs station at the border through which the vessel or vehicle has to pass before crossing over to the foreign territory. For this purpose, exporter may arrange either to give the form to the person in charge of the vessel or vehicle or forward it to his agent at the border for submission to Customs.

(ii) As regards exports by rail, Customs staff has been posted at certain designated railway stations for attending to Customs formalities. They will collect the EDF for goods loaded at these stations so that the goods may move straight on to the foreign country without further formalities at the border. The list of designated railway stations can be obtained from the Railways. For goods loaded at stations other than the designated stations, exporters must arrange to present EDF to the Customs Officer at the Border Land Customs Station where Customs formalities are completed.

A.8 Border trade with Myanmar

In supersession of instructions contained in A.P. (DIR Series) Circular No. 17 dated October 16, 2000, barter system of trade at the Indo-Myanmar border has been discontinued and replaced with normal trade with effect from December 1, 2015. Accordingly, all trade transactions with Myanmar, including those at the Indo-Myanmar border shall be settled in any permitted currency in addition to the Asian Clearing Union mechanism

A.9 Counter –Trade arrangements with Romania

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

A.10 Repayment of State credits

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

A.11 Forfaiting

EXIM Bank and ADs have been permitted to undertake forfaiting, for financing of export receivables. Remittance of commitment fee / service charges, etc., payable by the exporter as approved by the EXIM Bank / AD concerned may be done through an AD. Such remittances may be made in advance in one lump sum or at monthly intervals as approved by the agency concerned.

A.12 Export factoring on non-recourse basis

ADs have been permitted to factor the export receivables on a non-recourse basis, so as to enable the exporters to improve their cash flow and meet their working capital requirements subject to conditions as under:

(i) ADs may take their own business decision to enter into export factoring arrangement on non-recourse basis. They should ensure that their client is not over financed. Accordingly, they may determine the working capital requirement of their clients taking into account the value of the invoices purchased for factoring. The invoices purchased should represent genuine trade invoices.

(ii) In case the export financing has not been done by the Export Factor, the Export Factor may pass on the net value to the financing bank/ Institution after realising the export proceeds.

(iii) AD, being the Export Factor, should have an arrangement with the Import Factor for credit evaluation & collection of payment.

(iv) Notation should be made on the invoice that importer has to make payment to the Import Factor.

(v) After factoring, the Export Factor may close the export bills and report the same in the Export Data Processing and Monitoring System (EDPMS) of the Reserve Bank of India.

(vi) In case of single factor, not involving Import Factor overseas, the Export Factor may obtain credit evaluation details from the correspondent bank abroad.

(vii) KYC and due diligence on the exporter shall be ensured by the Export Factor.

A.13 Project Exports and Service Exports

(i) Export of engineering goods on deferred payment terms and execution of turnkey projects and civil construction contracts abroad are collectively referred to as 'Project Exports'. Indian exporters are required to obtain the approval of the ADs/ Exim Bank at post-award stage before undertaking execution of such contracts. Regulations relating to 'Project Exports' and 'Service Exports' are laid down in the revised Memorandum of Instructions on Project and Service Exports.

(ii) Accordingly, ADs / Exim Bank may consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Project and service exporters may approach ADs / Exim Bank based on their commercial judgment. The respective AD / Exim Bank should monitor the projects for which post-award approval has been granted by them.

(iii) In order to provide greater flexibility to project & service exporters in conducting their overseas transactions, facilities have been provided as under:

a) Inter-Project transfer of machinery

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

b) Inter-project transfer of funds

AD(s) / Exim Bank may permit exporters to open, maintain and operate one or more foreign currency account/s in a currency/currencies of their choice with inter-project transferability of funds in any currency or country and monitor the same.

c) Deployment of temporary cash surpluses

Subject to monitoring by the AD(s) / Exim Bank, Project / Service exporters may deploy their temporary cash surpluses, generated outside India investments in short-term paper abroad including treasury bills and other monetary instruments with a maturity or remaining maturity of one year or less and the rating of which should be at least A-1/AAA by Standard & Poor or P-1/Aaa by Moody's or F1/AAA by Fitch IBCA etc., and as deposits with branches / subsidiaries outside India of ADs in India.

d) Repatriation of funds in case of On-site Software Contracts

The requirement of repatriation of 30 per cent of contract value in respect of on-site contracts by software exporter company / firm has been dispensed with. They should, however, repatriate the profits of on-site contracts after completion of the contracts.

A.14 Export of goods on lease, hire, etc.

Prior approval from the concerned Regional Office of the Reserve Bank through AD is required for export of machinery, equipment, etc., on lease, hire basis under agreement with the overseas lessee against collection of lease rental/hire charges and ultimate re import.

A.15 Export on elongated credit terms

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

Part – B

EDF / SOFTEX Procedure

Declaration Forms and the procedures thereof

B.1 Export of goods through Customs ports

(i) Customs shall certify the value declared and give running serial number on the two copies of **Export Declaration Form (EDF) (Annex -2)**, submitted by exporter at Non-Electronic Data Interchange (EDI) port.

(ii) Customs shall retain the original EDF for transmission to the Reserve Bank and return the duplicate copy to the exporter.

(iii) At the time of shipment of goods, exporters shall submit the duplicate copy of the EDF to Customs. After examining the goods, Customs shall certify the quantity in the form and return it to the exporter for submission to AD for negotiation or collection of export bills.

(iv) Within 21 days from the date of export, exporter shall lodge the duplicate copy together with relative shipping documents and an extra copy of the invoice to the AD named in the EDF.

(v) After the documents have been negotiated / sent for collection, the AD shall report the transaction through Export Data Processing and Monitoring System (EDPMS) to the Reserve Bank and retain the documents at their end.

(vi) In case of exports made under deferred credit arrangement or to joint ventures abroad against equity participation or under rupee credit agreement, the number and date of the Reserve Bank approval and/or number and date of the relative RBI circular shall be recorded at the appropriate place on the EDF.

(vii) Where duplicate copy of EDF is misplaced or lost, AD may accept copy of duplicate EDF duly certified by Customs.

B.2 Export of goods/ software done through EDI ports

(i) The shipping bill shall be submitted in duplicate to the Commissioner of Customs concerned.

(ii) After verifying and authenticating, the Commissioner of Customs shall hand over to the exporter, one copy of the shipping bill marked 'Exchange Control (EC) Copy' for being submitted to the AD within 21 days from the date of export for collection/negotiation of shipping documents.

(iii) The manner of disposal of EC copy of Shipping Bill shall be the same as that for EDF. The duplicate copy of the form together with a copy of invoice etc. shall be retained by ADs and may not be submitted to the Reserve Bank

Note: - In cases where ECGC/private insurance companies regulated by Insurance Regulatory and Development Authority (IRDA) initially settles the claims of exporters and the export proceeds are subsequently received from the buyer/buyer's country, the share of exporters in the amount so received is disbursed through the AD which had handled the shipping documents post receipt of certificate issued by ECGC/ private insurance companies. The certificate will indicate the number of declaration form, name of the exporter, name of the AD, date of negotiation, bill number, invoice value and the amount actually received by ECGC/private insurance company.

B.3 Export of goods through post

Postal Authorities shall allow export of goods by post only if the original copy of the EDF has been countersigned by an AD. Therefore, EDF which involve sending goods by post should be first presented by the exporter to an AD for countersignature. The procedure is as under:

(i) AD shall countersign EDF after ensuring that the parcel has been addressed to their branch or correspondent bank in the country of import and return the original copy to the exporter, who shall then submit the EDF to the post office with the parcel.

(ii) The duplicate copy of EDF shall be retained by the AD to whom the exporter shall submit relevant documents together with an extra copy of invoice for negotiation/collection, within the prescribed period of 21 days.

(iii) The concerned overseas branch or correspondent shall be instructed to deliver the parcel to consignee against payment or acceptance of relative bill.

(iv) AD may, however, countersign EDF covering parcels addressed direct to the consignees, provided:

(a) An irrevocable letter of credit for the full value of export has been opened in favor of the exporter and has been advised through the AD concerned.

Or

(b) The full value of the shipment has been received in advance by the exporter through an AD.

Or

(c) The AD is satisfied, on the basis of the standing and track record of the exporter and the arrangements made for realization of the export proceeds.

In such cases, particulars of advance payment/letter of credit / AD's certification of standing, etc., of the exporter should be furnished on the form under proper authentication.

(v) Any alteration in the name and address of consignee on the EDF form should also be authenticated by AD under its stamp and signature.

B.4 Mid-sea trans-shipment of catch by deep sea fishing vessels

(i) Exporters shall submit the EDF, duly signed by the Master of the vessel in lieu of Custom Certification, indicating the composition of the catch, quantity, export value, date of shipment (date of transfer of catch), etc. supported by a certificate from an international cargo surveyor.

(ii) Bill of Lading / Receipt of Trans-shipment issued by the carrier vessel shall include the EDF Number.

(iii) Prescribed period of realization and repatriation shall be reckoned with reference to the date of transfer of catch as certified by the Master of the vessel or the date of the invoice, whichever is earlier.

(iv) EDF, both original and duplicate, shall indicate the number and date of Letter of Permit issued by Ministry of Agriculture for operation of the vessel.

(v) Exporter shall complete the EDF in duplicate and both the copies may be submitted to Customs at the registered port of the vessel or any other port as approved by Ministry of Agriculture. EDF (Original) shall be retained by Customs for capturing of data in Customs' EDI.

(vi) Customs shall give their running serial number on both the copies of EDF and shall return the duplicate copy to the exporter as the value certification of the export has already been done as mentioned above.

(vii) Rules, Regulations and Directions issued in respect of the procedure for submission of the EDF by exporter to the ADs, and the disposal of these forms by these ADs shall be same as applicable to the other exporters.

B.5 SOFTEX Forms

(i) All software exporters shall file single / bulk SOFTEX form in the form of a statement in excel format to the competent authority for certification. Since the SOFTEX data from STPI/SEZ are being transmitted in electronic format to RBI, the exporters shall submit the SOFTEX form in duplicate as per the revised procedure. STPI/SEZ shall retain one copy and handover duplicate copy to exporters after due certification. As hitherto, the exporters shall provide information about all the invoices including the ones lesser than USD 25000, in the bulk statement in excel format.

(ii) A common **SOFTEX Form (Annex-3)** has been devised to declare single as well as bulk software exports.

(iii) Reserve Bank of India has extended the facility for online generation of the EDF Number and the SOFTEX Form Number (Single as well as Bulk for use in off-site software exports).

B.6 In all applications / correspondence with the Reserve Bank, the specific identification number as available on the EDF and SOFTEX forms should invariably be cited.

B.7 it is clarified that, in respect of export of services to which none of the Forms specified in these Regulations apply, the exporter may export such services without furnishing any declaration, but shall be liable to realise the amount of foreign exchange which becomes due or accrues on account of such export, and to repatriate the same to India in accordance with the provisions of the Act, and these Regulations, as also other rules and regulations made under the Act.

B.8 Realization of export proceeds in respect of export of goods / software from third party should be duly declared by the exporter in the appropriate declaration form.

B.9 Random verification

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

B.10 Short Shipments and Shut out Shipments

(i) When part of a shipment covered by an EDF already filed with Customs is short-shipped, the exporter must give notice of short-shipment to the Customs in the form and manner prescribed. In case of delay in obtaining certified short-shipment notice from the Customs, the exporter should give an undertaking to the ADs to the effect that he has filed the short-shipment notice with the Customs and that he will furnish it as soon as it is obtained.

(ii) Where a shipment has been entirely shut out and there is delay in making arrangements to re-ship, the exporter will give notice in duplicate to the Customs in the form and manner prescribed, attaching thereto the unused duplicate copy of EDF and the shipping bill. The Customs will verify that the shipment was actually shut out, certify the copy of the notice as correct and forward it to the Reserve Bank together with unused duplicate copy of the EDF. In this case, the original EDF received earlier from Customs will be cancelled. If the shipment is made subsequently, a fresh set of EDF should be completed.

B.11 Consolidation of air cargo/sea cargo

(i) Consolidation of air cargo

a) Where air cargo is shipped under consolidation, the airline company's Master Airway Bill will be issued to the Consolidating Cargo Agent. The Cargo agent in turn will issue his own House Airway Bills (HAWBs) to individual shippers.

b) AD may negotiate HAWBs only if the relative letter of credit specifically provides for negotiation of these documents in lieu of Airway Bills issued by the airline company.

(ii) Consolidation of sea cargo

a) AD may accept Forwarder's Cargo Receipts (FCR) issued by IATA approved agents, in lieu of bills of lading, for negotiation / collection of shipping documents, in respect of export transactions backed by letters of credit, if the relative letter of credit specifically provides for negotiation of this document, in lieu of bill of lading even if the relative sale contract with the overseas buyer does not provide for acceptance of FCR as a shipping document, in lieu of bill of lading

b) Further, AD may, at their discretion, also accept FCR issued by Shipping companies of repute/IATA approved agents (in lieu of bill of lading), for purchase/discount/collection of shipping documents even in cases, where export transactions are not backed by letters of credit, provided their 'relative sale contract' with overseas buyer provides for acceptance of FCR as a shipping document in lieu of bill of lading. However, the acceptance of such FCR for purchase/discount would purely be the credit decision of the AD concerned who, among others, should satisfy itself about the bona fides of the transaction and the track record of the overseas buyer and the Indian supplier since FCRs are not negotiable documents. It would be advisable for the exporters to ensure due diligence on the overseas buyer, in such cases.

B.12 Exemption from Declaration

EDF Exemption shall apply to the cases indicated in Regulation 4 of [Notification No. FEMA 23\(R\)/2015-RB dated January 12, 2016](#).

Part – C

Obligations of AD

C.1 Grant of EDF waiver

(i) ADs may consider requests for grant of EDF waiver from exporters for export of goods free of cost, for export promotion up to 2 per cent of the average annual exports of the applicant during the preceding three financial years subject to a ceiling of Rs.5 lakhs. For status holder exporters, the limit as per the present Foreign Trade Policy is Rs.10 lakhs or 2 per cent of the average annual export realization during the preceding three licensing years (April-March), whichever is lower.

(ii) Exports of goods not involving any foreign exchange transaction directly or indirectly requires the waiver of EDF procedure from the Reserve Bank.

C.2 Receipt of advance against exports

(i) In terms of Regulation 16 of [Notification No. FEMA 23 \(R\)/2015-RB dated January 12, 2016](#), where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within one year from the date of receipt of advance payment; the rate of interest, if any, payable on the advance payment does not exceed London Inter-Bank Offered Rate (LIBOR) + 100 basis points; and the documents covering the shipment are routed through the AD through whom the advance payment is received.

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

(ii) AD may also allow exporters having a minimum of three years' satisfactory track record to receive long term export advance up to a maximum tenor of 10 years to be utilized for execution of long term supply contracts for export of goods subject to the conditions as under:

a) Firm irrevocable supply orders and contracts should be in place. The contract with the overseas party /buyer should be vetted and the same shall clearly specify the nature, amount and delivery timelines of the products over the years and penalty in case of non-performance or contract cancellation. Product pricing should be in consonance with prevailing international prices.

b) Company should have capacity, systems and processes in place to ensure that the orders over the duration of the said tenure can actually be executed.

- c) The facility is to be provided only to those entities, which have not come under the adverse notice of Enforcement Directorate or any such regulatory agency or have not been caution listed.
- d) Such advances should be adjusted through future exports.
- e) The rate of interest payable, if any, should not exceed LIBOR plus 200 basis points.
- f) The documents should be routed through one AD only.
- g) AD should ensure compliance with AML / KYC guidelines
- h) Such export advances shall not be permitted to be used to liquidate Rupee loans classified as NPA.
- i) Double financing for working capital for execution of export orders should be avoided.
- j) Receipt of such advance of USD 100 million or more should be immediately reported to the Trade Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Mumbai.
- k) In case AD are required to issue bank guarantee (BG) / Stand by Letter of Credit (SBLC) for export performance, then the issuance should be rigorously evaluated as any other credit proposal keeping in view, among others, prudential requirements based on board approved policy. Such facility shall be extended only for guaranteeing export performance. BG / SBLC may be issued for a term not exceeding two years at a time and further rollover of not more than two years at a time may be allowed subject to satisfaction with relative export performance as per the contract. BG / SBLC shall cover only the advance on reducing balance basis. BG / SBLC issued from India in favor of overseas buyer shall not be discounted by the overseas branch / subsidiary of AD in India.

Note: AD may also be guided by the Master Circular on Guarantees and Co-acceptances issued by DBR.

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

(iii) AD may allow exporters to receive advance payment for export of goods which would take more than one year to manufacture and ship and where the 'export agreement' provides for shipment of goods extending beyond the period of one year from the date of receipt of advance payment subject to the following conditions:-

a) The KYC and due diligence exercise has been done by the AD for the overseas buyer;

- b) Compliance with the Anti-Money Laundering standards has been ensured;
 - c) The AD should ensure that export advance received by the exporter should be utilized to execute export and not for any other purpose i.e., the transaction is a bona-fide transaction;
 - d) Progress payment, if any, should be received directly from the overseas buyer strictly in terms of the contract;
 - e) The rate of interest, if any, payable on the advance payment shall not exceed London Inter-Bank Offered Rate (LIBOR) + 100 basis points;
 - f) There should be no instance of refund exceeding 10% of the advance payment received in the last three years;
 - g) The documents covering the shipment should be routed through the same AD; and
 - h) In the event of the exporter's inability to make the shipment, partly or fully, no remittance towards refund of unutilized portion of advance payment or towards payment of interest should be made without the prior approval of the Reserve Bank.
- (iv) a) AD are advised to efficiently follow up with the concerned exporters in order to ensure that export performance (shipments in case of export of goods) is completed within the stipulated time period.
- b) AD shall exercise proper due diligence and ensure compliance with KYC and AML guidelines so that only bona-fide export advances flow into India. Doubtful cases as also instances of chronic defaulters shall be referred to Directorate of Enforcement (DoE) for further investigation. A quarterly statement indicating details of such cases (as **per Annex -4**) may be forwarded to the concerned Regional Offices of RBI within 21 days from the end of each quarter.

C.3 EDF Approval for Trade Fair/Exhibitions abroad

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

- (i) The exporter shall produce relative Bill of Entry within one month of re import into India of the unsold items.

(ii) The exporter shall report to the AD the method of disposal of all items exported, as well as the repatriation of proceeds to India.

(iii) Such transactions approved by the AD shall be subject to 100 per cent audit by their internal inspectors/auditors.

C.4 EDF approval for export of goods for re-imports

(i) AD may consider request from exporters for granting EDF approval in cases where goods are being exported for re-import after necessary repairs / maintenance / testing / calibration, etc., subject to the condition that the exporter shall produce relative Bill of Entry within one month of re import of the exported item from India.

(ii) Where the goods being exported for testing are destroyed during testing, AD may obtain a certificate issued by the testing agency that the goods have been destroyed during testing, in lieu of Bill of Entry for import.

C.5 Re-export of unsold rough diamonds from Special Notified Zone (SNZ) of Customs without EDF formality

(i) In order to facilitate re-export of unsold rough diamonds imported on free of cost basis at SNZ, it is clarified that the unsold rough diamonds, when re-exported from the SNZ (being an area within the Customs) without entering the DTA, do not require any EDF formality.

(ii) Entry of consignment containing different lots of rough diamonds into the SNZ should be accompanied by a declaration of notional value by way of an invoice and a packing list indicating the free cost nature of the consignment. Under no circumstance, entry of such rough diamonds is permitted into DTA.

(iii) For the lot/ lots cleared at the Precious Cargo Customs Clearance Centre, Mumbai, Bill of Entry shall be filed by the buyer. AD may permit such import payments after being satisfied with the bona-fides of the transaction. Further, AD shall also maintain a record of such transactions.

C.6 Setting up of Offices abroad and acquisition of immovable property for Overseas Offices

(i) At the time of setting up of the office, ADs may allow remittances towards initial expenses up to fifteen per cent of the average annual sales/income or turnover during the last two financial years or up to twenty-five per cent of the net worth, whichever is higher.

(ii) For recurring expenses, remittances up to ten per cent of the average annual sales/income or turnover during the last two financial years may be sent for the purpose of normal business operations of the office (trading/non-trading)/branch or representative office outside India subject to the following terms and conditions:

a) The overseas branch/office has been set up or representative is posted overseas for conducting normal business activities of the Indian entity;

b) The overseas branch/office/representative shall not enter into any contract or agreement in contravention of the Act, Rules or Regulations made there under;

c) The overseas office (trading / non-trading) / branch / representative shall not create any financial liabilities, contingent or otherwise, for the head office in India and also not invest surplus funds abroad without prior approval of the Reserve Bank. Any funds rendered surplus shall be repatriated to India.

(iii) The details of bank accounts opened in the overseas country shall be promptly reported to the AD.

(iv) AD may also allow remittances by a company incorporated in India having overseas offices, within the above limits for initial and recurring expenses, to acquire immovable property outside India for its business and for residential purpose of its staff.

(v) The overseas office / branch of software exporter company/firm shall repatriate to India 100 per cent of the contract value of each 'off-site' contract. In case of 'on site' contracts, they shall repatriate the profits of such 'on site' contracts after the completion of the said contracts. An audited yearly statement showing receipts under 'off-site' and 'on-site' contracts undertaken by the overseas office, expenses and repatriation thereon may be sent to the AD.

C.7 Delay in submission of shipping documents by exporters

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

C.8 Return of documents to exporters

The duplicate copies of EDF and shipping documents, once submitted to the AD for negotiation, collection, etc., shall not ordinarily be returned to exporters, except for rectification of errors and resubmission.

C.9 Landlocked countries

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

C.10 Direct dispatch of documents by the exporter

(i) AD shall normally dispatch shipping documents to their overseas branches/correspondents expeditiously. However, exporters may dispatch shipping

documents direct to the consignees or their agents' resident in the country of final destination of goods in cases where:

a) Advance payment or an irrevocable letter of credit has been received for the full value of the export shipment and the underlying sale contract/letter of credit provides for dispatch of documents direct to the consignee or his agent resident in the country of final destination of goods.

b) AD may also accede to the request of the exporter provided the exporter is a regular customer and the AD is satisfied, on the basis of standing and track record of the exporter and arrangements have been made for realization of export proceeds.

(ii) AD may also permit 'Status Holder Exporters' (as defined in the FTP), and units in Special Economic Zones (SEZ) to dispatch the export documents to the consignees outside India subject to the conditions that:

a) The export proceeds are repatriated through the AD named in the EDF.

b) The duplicate copy of the EDF is submitted by the exporter to the AD within 21 days from the date of shipment of export.

(iii) AD may regularize cases of dispatch of shipping documents by the exporter direct to the consignee or his agent resident in the country of the final destination of goods, up to USD 1 million or its equivalent, per export shipment, subject to the following conditions:

a) The export proceeds have been realized in full.

b) The exporter is a regular customer of the AD for a period of at least six months.

c) The exporter's account with the AD is fully compliant with the Reserve Bank's extant KYC / AML guidelines.

d) AD is satisfied about the bona-fides of the transaction.

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

C.11 Part Drawings /Undrawn Balances

(i) In certain lines of export trade, it is the practice to leave a small part of the invoice value undrawn for payment after adjustment due to differences in weight, quality, etc., to be ascertained after arrival and inspection, weighment or analysis of the goods. In such cases, AD may negotiate the bills, provided:

a) The amount of undrawn balance is considered normal in the particular line of export trade, subject to a maximum of 10 per cent of the full export value.

b) An undertaking is obtained from the exporter on the duplicate of EDF forms that he will surrender/account for the balance proceeds of the shipment within the period prescribed for realization.

(ii) In cases where the exporter has not been able to arrange for repatriation of the undrawn balance in spite of best efforts, AD, on being satisfied with the bona fides of the case, should ensure that the exporter has realized at least the value for which the bill was initially drawn (excluding undrawn balances) or 90 per cent of the value declared on EDF, whichever is more and a period of one year has elapsed from the date of shipment.

C.12 Consignment Exports

(i) When goods have been exported on consignment basis, the AD, while forwarding shipping documents to his overseas branch/ correspondent should instruct the latter to deliver them only against trust receipt/undertaking to deliver sale proceeds by a specified date within the period prescribed for realization of proceeds of the export. This procedure should be followed even if, according to the practice in certain trades, a bill for part of the estimated value is drawn in advance against the exports.

(ii) The agents/consignees may deduct from sale proceeds of the goods expenses normally incurred towards receipt, storage and sale of the goods, such as landing charges, warehouse rent, handling charges, etc. and remit the net proceeds to the exporter.

(iii) The account sales received from the Agent/Consignee should be verified by the AD. Deductions in Account Sales should be supported by bills/receipts in original except in case of petty items like postage/cable charges, stamp duty, etc.

(iv) Freight and marine insurance must be arranged in India.

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

C.13 Opening / hiring of warehouses abroad

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

(i) Applicant's export outstanding does not exceed 5 per cent of exports made during the previous financial year.

(ii) Applicant has a minimum export turnover of USD 100,000/- during the last financial year.

(iii) Period of realization should be as applicable.

(iv) All transactions should be routed through the designated branch of the ADs.

(v) The above permission may be granted to the exporters initially for a period of one year and renewal may be considered subject to the applicant satisfying the requirement at (i) above.

(vi) AD granting such permission/approvals should maintain a proper record of the approvals granted.

C.14 Export Bills Register

AD should maintain Export Bills Register, in physical or electronic form aligned with Export Data Processing and Monitoring System (EDPMS). The bill number should be given to all type of export transactions on a financial year basis (i.e. April to March) and same should be reported in EDPMS.

C.15 Follow-up of overdue bills

(i) AD should closely watch realization of bills and in cases where bills remain outstanding, beyond the due date for payment from the date of export, the matter should be promptly taken up with the concerned exporter. If the exporter fails to arrange for delivery of the proceeds within the stipulated period or seek extension of time beyond the stipulated period, the matter should be reported to the Regional Office concerned of the Reserve Bank stating, where possible, the reason for the delay in realizing the proceeds.

(ii) The duplicate copies of EDF/SOFTEX Forms should, continued to be held by AD until the full proceeds are realized, except in case of undrawn balances.

(iii) AD should follow up export outstanding with exporters systematically and vigorously so that action against defaulting exporters does not get delayed. Any laxity in the follow up of realization of export proceeds by AD will be viewed seriously by the Reserve Bank, leading to the invocation of penal provisions under FEMA, 1999.

(iv) With operationalization of EDPMS on March 01, 2014, realization of all export transaction for shipping documents after February 28, 2014 should be reported in EDPMS and old outstanding shipping bills prior to March 01, 2014 should continue to be reported in XOS till completion of the cycle.

C.16 Reduction in invoice value on account of prepayment of usance bills

AD may allow reduction in invoice value on account of cash discount by Indian exporters to overseas buyers for prepayment of the usance bills to the extent of amount of proportionate interest on the unexpired period of usance, calculated at the rate of

interest stipulated in the export contract or at the prime rate/LIBOR of the currency of invoice where rate of interest is not stipulated in the contract.

C.17 Reduction in invoice value in other cases

(i) If, after a bill has been negotiated or sent for collection, its amount is to be reduced for any reason, AD may approve such reduction, if satisfied about genuineness of the request, provided:

a) The reduction does not exceed 25 per cent of invoice value:

b) It does not relate to an export of commodities subject to floor price stipulations,

c) The exporter is not on the exporters' caution list of the Reserve Bank, and

d) The exporter is advised to surrender proportionate export incentives availed of, if any.

(ii) In the case of exporters who have been in the export business for more than three years, reduction in invoice value may be allowed, without any percentage ceiling, subject to the above conditions as also subject to their track record being satisfactory, i.e., the export outstanding do not exceed 5 per cent of the average annual export realization during the preceding three financial years.

(iii) For the purpose of reckoning the percentage of export bills outstanding to the average export realizations during the preceding three financial years, outstanding of exports made to countries facing externalization problems may be ignored provided the payments have been made by the buyers in the local currency.

C.18 Change of buyer/consignee

Prior approval of the Reserve Bank is not required if, after goods have been shipped, they are to be transferred to a buyer other than the original buyer in the event of default by the latter, provided the reduction in value, if any, involved does not exceed 25 per cent of the invoice value and the realization of export proceeds is not delayed beyond the period of 9 months from the date of export. Where the reduction in value exceeds 25%, all other relevant conditions stipulated in paragraph C.17 should also be satisfied.

C.19 Export of goods by Special Economic Zones (SEZs)

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

a) Processing / manufacturing charges are suitably loaded in the export price and are borne by the ultimate buyer.

b) The exporter has made satisfactory arrangements for realization of full export proceeds subject to the usual EDF procedure.

(ii) Export of Services by SEZ to DTA Unit - AD is permitted to sell foreign exchange to a unit in the DTA for making payment in foreign exchange to a unit in the SEZ for the goods and services rendered by it (i.e. a unit in SEZ) to a DTA unit. It must be ensured that in the Letter of Approval (LoA) issued to the SEZ unit by the Development Commissioner(DC) of the SEZ, the provisions pertaining to the goods / services supplied by the SEZ unit to the DTA unit and for payment in foreign exchange for the same are mentioned.

C.20 Extension of time

(i) AD may extend the period of realization of export proceeds beyond stipulated period of realization from the date of export, up to a period of six months, at a time, irrespective of the invoice value of the export subject to the following conditions:

a) The export transactions are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies;

b) AD is satisfied that the exporter has not been able to realize export proceeds for reasons beyond his control;

c) The exporter submits a declaration that the export proceeds will be realized during the extended period;

d) While considering extension beyond one year from the date of export, the total outstanding of the exporter does not exceed USD one million or 10 per cent of the average export realizations during the preceding three financial years, whichever is higher;

e) All the export bills outstanding beyond six months from the date of export may be reported in XOS statement. However, where extension of time has been granted by the AD, the date up to which extension has been granted may be indicated in the 'Remarks' column.

f) In cases where the exporter has filed suits abroad against the buyer, extension may be granted irrespective of the amount involved / outstanding.

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

(iii) Reporting should be done in the EDPMS.

C.21 Shipments lost in transit

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

(ii) In cases where the claim is payable abroad, the ADs must arrange to collect the full amount of claim due on the lost shipment, through the medium of their overseas branch/correspondent and release the duplicate copy of EDF only after the amount has been collected.

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

(iv) AD should ensure that amounts of claims on shipments lost in transit which are partially settled directly by shipping companies/airlines under carrier's liability abroad are also repatriated to India by exporters.

C.22 Export claims

AD may remit export claims on application, provided the relative export proceeds have already been realized and repatriated to India and the exporter is not on the caution list of the Reserve Bank. The exporter should be advised to surrender proportionate export incentives received, if any.

C.23 Write-off of unrealized export bills

(i) An exporter who has not been able to realize the outstanding export dues despite best efforts, may either self write-off or approach the AD, who had handled the relevant shipping documents, with appropriate supporting documentary evidence. The limits prescribed for write-offs of unrealized export bills are as under:

Self write-off by an exporter (Other than Status Holder Exporter)	5%*
Self write-off by Status Holder Exporters	10%*
Write-off by AD-	10%*

*of the total export proceeds realized during the previous calendar year.

(ii) The above limits will be related to total export proceeds realized during the previous calendar year and will be cumulatively available in a year.

(iii) The above write-off will be subject to conditions that the relevant amount has remained outstanding for more than one year, satisfactory documentary evidence is furnished in support of the exporter having made all efforts to realize the dues and the case falls under any of the undernoted categories:

a) The overseas buyer has been declared insolvent and a certificate from the official liquidator indicating that there is no possibility of recovery of export proceeds has been produced.

b) The overseas buyer is not traceable over a reasonably long period of time;

c) The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country;

d) The unrealized amount represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar Organization;

e) The unrealized amount represents the undrawn balance of an export bill (not exceeding 10% of the invoice value) remaining outstanding and turned out to be unrealizable despite all efforts made by the exporter;

f) The cost of resorting to legal action would be disproportionate to the unrealized amount of the export bill or where the exporter even after winning the Court case against the overseas buyer could not execute the Court decree due to reasons beyond his control and

g) Bills were drawn for the difference between the letter of credit value and actual export value or between the provisional and the actual freight charges but the amount has remained unrealized consequent on dishonor of the bills by the overseas buyer and there are no prospects of realization.

(iv) The exporter has surrendered proportionate export incentives, if any, availed of in respect of the relative shipments. The ADs should obtain documents evidencing surrender of export incentives availed of before permitting the relevant bills to be written off.

(v) In case of self-write-off, the exporter should submit to the concerned AD, a Chartered Accountant's certificate, indicating the export realization in the preceding calendar year and also the amount of write-off already availed of during the year, if any, the relevant EDF to be written off, Bill No., invoice value, commodity exported, country of export. The CA certificate may also indicate that the export benefits, if any, availed of by the exporter have been surrendered.

(vi) Following shall not qualify for the write-off facility:

a) Exports made to countries with externalization problem i.e. where the overseas buyer has deposited the value of export in local currency but the amount has not been allowed to be repatriated by the central banking authorities of the country.

b) EDF which is under investigation by agencies like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are subject matter of civil / criminal suit.

(vii) AD shall report write-off of export bills through EDPMS to the Reserve Bank.

(viii) AD are advised to put in place a system under which their internal inspectors or auditors (including external auditors appointed by AD) should carry out random sample check / percentage check of write-off outstanding export bills.

(ix) Cases not covered by the above instructions / beyond the above limits, may be referred to the concerned Regional Office of Reserve Bank of India.

C.24 Write-off in cases of payment of claims by ECGC and private insurance companies regulated by Insurance Regulatory and Development Authority (IRDA)

(i) AD shall, on an application received from the exporter supported by documentary evidence from the ECGC/private insurance companies regulated by IRDA confirming that the claim in respect of the outstanding bills has been settled by them, write-off the relative export bills and delete them from the XOS statement.

(ii) Such write-off will not be restricted to the limit of 10 per cent indicated above.

(iii) Surrender of incentives, if any, in such cases will be as provided in the Foreign Trade Policy.

(iv) Claims settled in rupees by ECGC and private insurance companies regulated by IRDA should not be construed as export realization in foreign exchange.

C.25 Write-off relaxation

As announced in the FTP, 2015-20, realization of export proceeds shall not be insisted upon under any of the Export Promotion Schemes under the said FTP, subject to the following conditions:

(a) The write-off on the basis of merits is allowed by the Reserve Bank or by an AD on behalf of the Reserve Bank, as per extant guidelines;

(b) The exporter produces a certificate from the Foreign Mission of India concerned, about the fact of non-recovery of export proceeds from the buyer and

(c) This would not be applicable in self write-off cases.

C.26 Set-off of export receivables against import payables

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

- (i) The import is as per the Foreign Trade Policy in force.
- (ii) Invoices/Bills of Lading/Airway Bills and Exchange Control copies of Bills of Entry for home consumption have been submitted by the importer to the AD.
- (iii) Payment for the import is still outstanding in the books of the importer.
- (iv) Both the transactions of sale and purchase may be reported separately in R>Returns and in FETERS.
- (v) The relative EDF will be released by the AD only after the entire export proceeds are adjusted / received.
- (vi) Set-off of export receivables against import payments should be in respect of the same overseas buyer and supplier and that consent for set-off has been obtained from him.
- (vii) Export / import transactions with ACU countries should be kept outside the arrangement.
- (viii) All the relevant documents are submitted to the concerned AD who should comply with all the regulatory requirements relating to the transactions.

C.27 Netting-off of export receivables against import payments – Units in SEZ

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

- (i) The netting-off of export receivables against import payments is in respect of the same Indian entity and the overseas buyer / supplier (bilateral netting) and the netting may be done as on the date of balance sheet of the unit in SEZ.
- (ii) The details of export of goods and import of goods services are documented / respective declarations should be made as the case may be. The relative EDF will be treated as complete by the designated AD only after the entire proceeds are adjusted / received.
- (iii) Both the transactions of sale and purchase in R>Returns and FETERS are reported separately.
- (iv) Export / import transactions with ACU countries are kept outside the arrangement.

(v) All the relevant documents are submitted to the concerned AD who shall comply with all the regulatory requirements relating to the transactions.

C.28 Exporters' Caution List

(i) The list of exporters who are cautioned shall be shared with the ADs and they may approve EDF of such exporters if they produce evidence of having received an advance payment or an irrevocable letter of credit in their favor covering full value of the proposed exports.

(ii) Such approval may be given even in cases where usance bills are to be drawn for the shipment provided the relative letter of credit covers the full export value and also permits such drawings and the usance bill matures within nine months from the date of shipment.

(iii) AD should obtain prior approval of the Reserve Bank for issuing guarantees for caution-listed exporters.

Part –D

Remittances connected with Export

D.1 Agency commission on exports

(i) AD may allow payment of commission, either by remittance or by deduction from invoice value, on application submitted by the exporter provided:-

a) Amount of commission has been declared on EDF/SOFTEX form and accepted by the Customs authorities or Ministry of Information Technology, Government of India / EPZ authorities as the case may be. In cases where the commission has not been declared on EDF/SOFTEX form, remittance may be allowed after satisfying the reasons adduced by the exporter for not declaring commission on form, provided a valid agreement/written understanding between the exporters and/or beneficiary for payment of commission exists.

b) The relative shipment has already been made.

(ii) AD may allow payment of commission by Indian exporters, in respect of their exports covered under counter trade arrangement through Escrow Accounts designated in US Dollar, subject to the following conditions:

a) The payment of commission satisfies the conditions as at (i) a) & b) above.

b) The commission is not payable to Escrow Account holders themselves.

c) The commission should not be allowed by deduction from the invoice value.

(iii) Payment of commission is prohibited on exports made by Indian Partners towards equity participation in an overseas joint venture / wholly owned subsidiary as also exports under Rupee Credit Route except commission up to 10 per cent of invoice value on exports of tea & tobacco.

D.2 Refund of export proceeds

AD through whom the export proceeds were originally realized may consider requests for refund of export proceeds of goods exported from India and being re-imported into India on account of poor quality. While permitting such transactions, AD shall:

(i) Exercise due diligence regarding the track record of the exporter;

(ii) Verify the bona-fides of the transactions;

(iii) Obtain from the exporter a certificate issued by DGFT / Custom authorities that export incentives availed, if any, have been surrendered;

(iv) Obtain an undertaking from the exporter that the goods will be re imported within three months from the date of remittance and

(v) Ensure that all procedures as applicable to normal imports are adhered to.

Form EFC

(Application for opening foreign currency account with a bank in India or abroad by exporters)

Instructions:

1. *The application should be completed in duplicate and submitted through the designated branch of a bank authorized to deal in foreign exchange in India with which the foreign currency account is to be maintained/which will monitor the account, to the Office of Reserve Bank under whose jurisdiction the exporter is located.*
2. *Before forwarding the application to Reserve Bank, authorised dealers should properly scrutinize it to ensure that it is complete in all respects.*

Documentation:

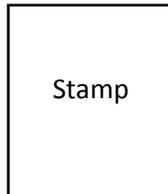
3. *Exporter's declaration duly certified by his auditors, indicating export bills realized during the preceding 3 years and the export bills outstanding beyond the due date.*
4. *Auditor's certificate giving country-wise break-up of imports made during the preceding 3 years.*
5. *Certified copies of a letter from overseas bank indicating terms & conditions of the loan/overdraft/line of credit facilities offered.*
6. *Certified copies of Reserve Bank's approval in respect of foreign currency loans raised giving their maturity patterns.*

1.	Name and address of the Exporter				
2.	Importer-exporter's code number				
3.	Name and address of the bank/branch with which foreign currency account is proposed to be maintained.				
4.	In case the account is to be maintained with a bank out-side India, name and address of the branch of a bank in India which will monitor the transactions put through the foreign currency accounts.				
5.	Details of exports made and proceeds realized during the period the preceding 3 years and outstanding at the end of the period.	Financial Year	Total exports made (Rs.)	Amount realised (Rs.)	Outstanding at the end of the period (Rs.)
6.	Details of imports made Calendar Year Country Amount (Rs.) during the preceding 3 years, country-wise.	Financial Year	Country	Amount (Rs.)	
7.	In case the account is proposed to be opened with a bank abroad, indicate the details of arrangements				

	made for availing of loans/overdrafts/lines of credit from the bank with which the account will be maintained.	
8.	Quarterwise projections of export receipts to be credited to the account and payments in foreign exchange (itemwise) to be made from the account under various heads, during the next year.	
9.	Whether the applicant's name has been/was placed on exporters' caution list at any time.	
10.	Details of foreign currency loan raised by	
11.	Any other information that the applicant may like to provide in support of this application.	

Place:

Date:



(Signature of Applicant/
Authorised Official)

Name:

.....

Designation:

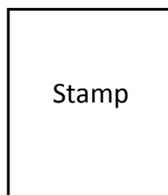
.....

(Space for Authorised Dealer's comments)

Comments of the branch of the bank in India with which the account is proposed to be maintained or which will monitor the operations on account maintained with a bank abroad, as the case may be.

Place:

Date:



(Signature of Applicant/
Authorised Official)

Name:

.....

Designation:

Name and Address of Authorised Dealer:

.....

Export Declaration Form

1. General Information:				
Customs Security No.:		Form No:		
Nature of Cargo: [] Government [] Non-Government	Shipping Bill No. & Date:		Mode of Transport: [] Air [] Land [] Sea [] Post/Couriers [] others	
Category of Exporter: [] Custom (DTA units) [] SEZ [] Status holder exporters [] 100% EOU [] Warehouse export [] others (Specify).....		RBI approval no. & date, if any:		
IE Code:		AD code:		
Exporters Name & Address:		AD Name & Address:		
Consignee's Name & Address:		Mode of Realisation : [] L/C [] BG [] Others (advance payment, etc. including transfer/remittance to bank account maintained overseas)		
Third Party name & Address (In case of third Party Payments for Exports)		Port of Loading / Source Port in case of SEZ :		
		Country of Destination:	Port of Discharge:	
Name of the Indian bank and AD code, in case of LC/BG		Whether payment to be Received through ACU? [] Yes [] No	Let Export order (LEO) Date:	
General Commodity Description:		State of Origin of Goods:		
Total FOB value in words (INR):		Custom Assessable value (INR)*:		
2. Invoice –Wise details of Export Value (If more than one invoice for a particular shipping bill , the block 2 will repeat as many times of invoices)				
Invoice No.	Invoice Currency:		Nature of Contract:	
Invoice date.	Invoice Amount:		[] FOB [] CIF [] C&F [] CI [] Others	
Particulars	Currency	Amount in FC	Exchange Rate	Amount (INR)
FOB Value				
Freight				
Insurance				
Commission				
Discount				
Other Deduction				
Packing Charges				
Net Realisable value				

EXPORT DECLARATION FORM

3. Applicable for Export under FPO/Couriers	
	Stamp & Signature of Authorised Dealer
4. Declaration by the Exporters (All types of exports)	
<p>I /We hereby declare that I/we @am/are the seller/consignor of the goods in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer/third party represents the export value contracted and declared above. I/We undertake that I/we will deliver to the authorised dealer bank named above the foreign exchange representing the full value of the goods exported as above on or before..... (i.e. within the period of realisation stipulated by RBI from time to time) in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999.</p> <p>I/We @ am/are not in the Caution List of the Reserve Bank of India.</p> <p>Date: _____ (Signature of Exporter)</p>	
5. Space for use of the competent authority (i.e. Custom/SEZ) on behalf of Ministry concerned:	
<p>Certified, on the basis of above declaration by the Custom/SEZ unit, that the Goods described above and the export value declared by the exporter in this form is as per the corresponding invoice/gist of invoices submitted and declared by the Unit.</p> <p>Date: _____ (Signature of Designated/Authorised officials of Custom /SEZ)</p>	

*@ Strike out whichever is not applicable.
* Unit declared Value in case of exports affected from SEZs*

**Format of Softex Forms submitted in bulk for royalty receipt
Summary Sheet
Section A**

Name and address of Exporter		IEC Code.	
Letter of Permission (LOP) No.(STP/EHTP/SEZ/EPZ/100% EOU/DTA Unit)		Date of LOP issued	
Name of Authorised Datacom Service Provider		STPI/SEZ centre	
Name and address of Authorised Dealer/Bank		Authorized Dealer Code	

Section - B

**List of Invoices for offshore export value through datacom link
Details of invoices for Royalty on software Packages/ products exported
during the Period raised from _____ to _____**

SI No	SOF TEX No	Name of Client	Add ress of Clie nt	Cou ntry	Curr ency	Invoi ce Num ber	Invoice Date (DD/MM /YYYY)	Unique Internal Project code/Co ntract/ Agreem ent/PO Date	Offs hore Exp ort valu e in Inovi ce curr ency	Type of softw are Exp orted	Details of Software Packages / Products exported				Mo de of real isat ion of Roy alt y val ue	Cal cul atio n of Roy alt y am oun t
											GR/SDF /PP/SOF TEX /EDF Form No. on which exports were declared	Dat e of Exp ort	Royalty agreement details			

SECTION - C

DECLARATION BY EXPORTER

I/ We@ hereby declare that I/we@ am/are@ the seller of the software in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer represents the export value contracted and declared above. I/ We@ also declare that the software has been developed and exported by using Authorised and legitimate datacom link and certified that the software described above was actually transmitted. I/ We@ undertake that I/ we@ will deliver to the authorised dealer bank named above the foreign exchange representing the full value of the software exported as above on or before..... (i.e. within the period of realisation stipulated by RBI from time to time) in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999.

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

Place:

Date:

(Signature of Exporter)

Name:

Designation

Space for use of the competent authority in STPI/EPZ/SEZ

Certified, on the basis of above declaration by the SEZ/ STPI unit, that the software described above and the export value declared by the exporter in this form is as per the corresponding invoice/gist of invoices submitted and declared by the Unit.

Place:

Date:

(Signature of the Designated/ Authorised Official
of STPI/EPZ/SEZ)

Name:

Designation

@ Strike out whichever is not applicable

**Format of Softex Forms submitted in bulk
Summary Sheet
Section A**

Name and address of Exporter		IEC Code.	
Letter of Permission (LOP) No.(STP/EHTP/SEZ/EPZ/100% EOU/DTA Unit)		Date of LOP issued	
Name of Authorised Datacom Service Provider		STPI/SEZ centre	
Name and address of Authorised Dealer/Bank		Authorized Dealer Code	

Section - B

List of Invoices for offshore export value through datacom link
Period of invoices raised from _____ to _____

SI No	SOF TEX No	Name of Client	Add ress of Clie nt	Cou ntry	Internal Project Code/ Contract/ Agreement No & date	Type of S/W Expor ted	Mode of realisati on	Invoi ce Num ber	Invoi ce Date (DD/ MM/ YY)	Curren cy	Analysis of Export Value				
											Val ue of soft war e Exp ort (A)	Trans missi on Charg e (B)	Commis sion (C)	De duc tion (D)	Net Re alis abl e val ue [A+ B)- (C+ D)]

SECTION - C

DECLARATION BY EXPORTER

I/ We@ hereby declare that I/we@ am/are@ the seller of the software in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer represents the export value contracted and declared above. I/ We@ also declare that the software has been developed and exported by using Authorised and legitimate datacom link and certified that the software described above was actually transmitted. I/ We@ undertake that I/ we@ will deliver to the authorised dealer bank named above the foreign exchange representing the full value of the software exported as above on or before..... (i.e. within the period of realisation stipulated by RBI from time to time) in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999.

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

Place:

Date:

(Signature of Exporter)

Name:

Designation

Space for use of the competent authority in STPI/EPZ/SEZ

Certified, on the basis of above declaration by the SEZ/ STPI unit, that the software described above and the export value declared by the exporter in this form is as per the corresponding invoice/gist of invoices submitted and declared by the Unit.

Place:

Date:

(Signature of the Designated/ Authorised Official
of STPI/EPZ/SEZ)

Name:

Designation

@ _____ Strike _____ out _____ whichever _____ is _____ not _____ applicabl

Annex IV

**Quarterly Statement showing details of overdue Export Advances
(Statement for the quarter ended , 20...)**

Sl. No	AD Code (Part-I code)	AD reference No.	Name & Address of the Exporter	Name & Address of the Foreign buyer	Details of Advance Received			Amount outstanding (in case of part exports)	Reasons for non-export	If reference made to DoE	
					Date	Currency	Amount			Date	Reasons

Name and Address of the Bank: