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WRITEUP ON EXPORTS IMPORTS INR

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2022

Executive Summary

In this update document, we are discussing amendments in foreign trade policy regarding invoicing, payment and settlement of exports / imports in INR.

Amendment in Foreign Trade Policy 2015-20 and the hand book thereon

The Government of India has made suitable amendments in the Foreign Trade Policy and Handbook of Procedures to allow for International Trade Settlement in Indian Rupees (INR) i.e., invoicing, payment, and settlement of exports / imports in Indian Rupees. Accordingly, the Directorate General of Foreign Trade (DGFT) had earlier introduced Para 2.52(d) vide Notification No. 33/2015-20 dated 16.09.2022 to permit invoicing, payment and settlements exports and imports in INR in sync with RBI's A.P. (DIR Series) Circular No.10 dated 11th July 2022.

In continuation to the above notification, the Directorate General of Foreign Trade (DGFT) has come up with two public notices ie. Public Notice No.35 and 43 dated 9th November 2022.

1. Public Notice No.35/2015-20 dated 9th November 2022 – Amendment in Para 5.11 of the Handbook of Procedures 2015-20:

Para 5.11 of Handbook of Procedures 2015-20 deals with realization of export proceeds. As per the existing procedure export proceeds to be realized in freely convertible currency except for deemed exports.

Impact of Amendment:

As per the amendment the export proceeds can be realized in freely convertible foreign currency or in Indian Rupees. The amendment came into immediate effect from 9th November 2022.

2. Notification No.43/2015-20 dated 9th November 2022 – Amendment in Para 2.46, Para 2.53, 3.20 and 4.21 of Foreign Trade Policy 2015-20:

The purpose of the amendment in the above said paras are as follows:

- a. Export Realization in Indian rupees been notified for, imports for exports (Para 2.46 of FTP).
- b. Changes have been introduced under Para 2.53 of the Foreign Trade Policy, for grant of exports benefits / fulfilment of Export Obligation under the Foreign Trade Policy, for export realizations in Indian Rupees as per the RBI guidelines dated 11th July 2022.
- c. Export Realization in Indian rupees been notified for export performance for recognition as Status Holders (Para 3.20 of FTP).
- d. Export Realization in Indian rupees been notified for Realization of export proceeds under Advance Authorization (AA) and Duty Free Import Authorization (DFIA) schemes (Para 4.21 of FTP).

The relevant public notices are enclosed for your reference.

<https://content.dgft.gov.in/Website/dgftprod/87789704-368a-4b07-b2ff-1299551bfdd3/PN%2035%20dt%2009-11-22%20Eng.pdf>

<https://content.dgft.gov.in/Website/Notification%2043%20of%202015-20%20English.pdf>