

AEPC Circular No. -125

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Dear Members,

Sub: DGFT issues Notification No 33/2015-2020 dated 16.09.2022 inserting Para 2.52(d) under the Foreign Trade Policy, permitting invoicing, payment and settlement of exports/imports in Indian Rupees (INR).

Please refer to the AEPC Circular No. – 111 dated 12.07.2022 (copy enclosed) on issuance of Circular No. 10 - RBI/2022-2023/90 A.P.(DIR Series) dated 11th July, 2022 by the RBI regarding International Trade Settlement in Indian Rupees (INR). RBI had issued the Circular No.10 - RBI/2022-2023/90 A.P.(DIR Series) dated 11th July, 2022 putting in place an additional arrangement for invoicing, payment and settlement of exports/imports in INR. RBI had stated that this mechanism has been put in place in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community in INR.

2. Further, vide AEPC Circular No. – 111 dated 12.07.2022, it was conveyed to the trade that at present, in the Foreign Trade Policy (FTP), the regulations relating to payments and receipts on imports/exports are prescribed in Para 2.52 of the FTP. If there is any change in Paragraph 2.52 of the FTP also, this will be informed to the trade, if it happens and as and when it happens.

3. Now, DGFT has issued a Notification No 33/2015-2020 dated 16.09.2022 (copy enclosed) inserting Para 2.52(d) under the Foreign Trade Policy in sync with RBI A.P.(DIR Series) Circular No.10 dated 11th July 2022, as under:

“2.52(d) Invoicing, payment and settlement of exports and imports is also permissible in INR under RBI’s A.P. (DIR Series) Circular No 10 dated 11th July, 2022. Accordingly, settlement of trade transactions in INR may also take place through the Special Rupee Vostro Accounts opened by AD Banks in India as permitted under Regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016”, in accordance to the following procedures:

(i) Indian importers undertaking imports through this mechanism shall make payment in INR which shall be credited into the Special Vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller / supplier.

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(ii) Indian exporters, undertaking exports of goods and services through this mechanism, shall be paid the export proceeds in INR from the balances in the designated Special Vostro account of the correspondent bank of the partner country.

4. AEPC's Circulars are available on AEPC's Website www.aepcindia.com.
5. This is for your information please.

With warm regards

Yours sincerely

Dr. L. B. Singhal
Secretary General – AEPC