

Relevant Amendments under Set A: Corporate and Economic Laws for November 2026 Examinations for Paper 6- Integrated Business Solutions (IBS) of Final Course containing amendments till 30th April, 2026

Relevant edition of the Study Material: September 2025

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2025

Vide Notification No. SEBI/LAD-NRO/GN/2025/289, dated 15 December 2025, in exercise of the powers conferred under section 11, sub-section (2) of section 11A, and section 30 of the Securities and Exchange Board of India Act, 1992, read with section 31 of the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (SEBI) has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2025.

1. In regulation 7,

- (a) in the heading, the words "Share Transfer Agent" shall be substituted with the words "Registrar to an Issue and Share Transfer Agent";
- (b) in sub-regulation (1), the words, "share transfer agent" shall be substituted with the words "registrar to an issue and share transfer agent";

Amended Provisions

Registrar to an Issue and Share Transfer Agent

7.(1) The listed entity shall appoint **a registrar to an issue and share transfer agent** or manage the share transfer facility in-house .

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2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026

Vide Notification No. SEBI/LAD-NRO/GN/2026/299 dated 16 March 2026, the Securities and Exchange Board of India (SEBI) has notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026 to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. These Regulations came into force on the date of their publication in the Official Gazette.

Following are the relevant Amendments in the principal regulations i.e. the SEBI(ICDR)Regulations, 2018-

1. In Regulation 17,

- (i) the existing regulation shall be numbered as sub-regulation (1);

- (ii) in the proviso thereto, the words "regulation" shall be substituted with the words and symbol "sub-regulation";
- (iii) after the regulation so numbered as sub-regulation (1), the following sub-regulation shall be inserted, namely,-

"(2) Subject to sub-regulation (1), where lock-in of the specified securities cannot be created, the depositories shall, upon receipt of instructions from the issuer, record such securities as "non-transferable" for the duration of the applicable lock-in period."

Amended Provisions

Lock-in of specified securities held by persons other than the promoters.

17. (1) The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of six months from the date of allotment in the initial public offer:

Provided that nothing contained in this **sub-regulation** shall apply to:

- (a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme or a stock appreciation right scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;
- (b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme or a stock appreciation right scheme:

Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- (c) equity shares held by a venture capital fund or alternative investment fund of Category I or Category II or a foreign venture capital investor:

Provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of Category I or Category II or foreign venture capital investor.

Explanation (i)—For the purpose of clause (c), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of six months period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.

- (ii) For the purpose of clause (c), in case such equity shares have resulted pursuant to a bonus issue, then the holding period of such equity shares against which the bonus issue

is made as well as holding period of resultant bonus equity shares together shall be considered for the purpose of calculation of six months period, subject to the following:

- (a) that the bonus shares being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with the Board; and
- (b) that the bonus shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.
- (iii) For the purpose of clauses (a) and (b), equity shares shall include any equity shares allotted pursuant to a bonus issue against equity shares allotted pursuant to an employee stock option or employee stock purchase scheme or a stock appreciation right scheme.

(2) Subject to sub-regulation (1), where lock-in of the specified securities cannot be created, the depositories shall, upon receipt of instructions from the issuer, record such securities as "non-transferable" for the duration of the applicable lock-in period.

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2. in Regulation 25 -

- (i) in **sub-regulation (2)**, after clause (c), the following clause shall be inserted, namely, -
"(d) a draft abridged prospectus as per Part E of Schedule VI.";
- (ii) in **sub-regulation (7)**, after the words "Copy of the offer documents", and before the words "shall also be filed with the Board", the words "along with the abridged prospectus" shall be inserted;
- (iii) in **sub-regulation (8)**, the words "and the offer document" appearing after the words "draft offer document" and before the words "shall also be furnished", shall be substituted with the words and symbols ", the offer document, the draft abridged prospectus, and the abridged prospectus".

Amended Provisions

- (1) Prior to making an initial public offer, the issuer shall file three copies of the draft offer document with the Board, in accordance with Schedule IV, along with fees as specified in Schedule III, through the lead manager(s).
- (2) The lead manager(s) shall submit the following to the Board along with the draft offer document:
 - (a) a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s);
 - (b) a due diligence certificate as per Form A of Schedule V;
 - (c) in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V;
 - (d) a draft abridged prospectus as per Part E of Schedule VI.**

- (3) The issuer shall also file the draft offer document with the stock exchange(s) where the specified securities are proposed to be listed, and submit to the stock exchange(s), the Permanent Account Number, bank account number and passport number of its promoters where they are individuals, and Permanent Account Number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoter is registered, where the promoter is a body corporate.
- (4) The Board may specify changes or issue observations, if any, on the draft offer document within thirty days from the later of the following dates:
- (a) the date of receipt of the draft offer document under sub-regulation (1); or
 - (b) the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them; or
 - (c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or
 - (d) the date of receipt of a copy of in-principle approval letter issued by the stock exchange(s)
- (5) If the Board specifies any changes or issues observations on the draft offer document, the issuer and lead manager(s) shall carry out such changes in the draft offer document and shall submit to the Board an updated draft offer document complying with the observations issued by the Board and highlighting all changes made in the draft offer document and before 3[***] filing the offer documents with the Registrar of Companies or an appropriate authority, as applicable
- (6) If there are any changes in the draft offer document in relation to the matters specified in Schedule XVI, an updated offer document or a fresh draft offer document, as the case may be, shall be filed with the Board along with fees specified in Schedule III.
- (7) Copy of the offer documents **along with the abridged prospectus** shall also be filed with the Board and the stock exchange(s) through the lead manager(s) promptly after filing the offer documents with Registrar of Companies.
- (8) The draft offer document , **the offer document, the draft abridged prospectus, and the abridged prospectus** shall also be furnished to the Board in a soft copy.
- (9) The lead manager(s) shall submit the following documents to the Board after issuance of observations by the Board or after expiry of the period stipulated in sub-regulation (4) of regulation 25 if the Board has not issued observations:
- (a) a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the offer document;

- (b) a due diligence certificate as per Form C of Schedule V, at the time of 4[filing] of the offer document;
- (c) a copy of the resolution passed by the Board of directors of the issuer for allotting specified securities to promoter(s) towards amount received against promoters' contribution, before opening of the issue;
- (d) a certificate from a statutory auditor, before opening of the issue, certifying that promoters' contribution has been received in accordance with these regulations, accompanying therewith the names and addresses of the promoters who have contributed to the promoters' contribution and the amount paid and credited to the issuer's bank account by each of them towards such contribution;
- (e) a due diligence certificate as per Form D of Schedule V, in the event the issuer has made a disclosure of any material development by issuing a public notice pursuant to para 4 of Schedule IX.

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3. In Regulation 26,

- (i) in **sub-regulation (1)**, after the words "sub-regulation (2) by hosting it" and before the words "on the websites", the words "along with the draft abridged prospectus" shall be inserted;
- (ii) in **sub-regulation (4)**, after the words "the offer documents" and before the words "are hosted on the websites", the words "and the abridged prospectus" shall be inserted.

Amended Provisions

26.(1) The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (2) by hosting it **along with the draft abridged prospectus** on the websites of the issuer, the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.

(2) The issuer shall, within two working days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.

(3) The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.

(4) The issuer and the lead manager(s) shall ensure that the offer documents **and the abridged prospectus** are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, Board and the stock exchanges, as applicable.

(5) The lead manager(s) and the stock exchanges shall provide copies of the offer document to the public as and when requested and may charge a reasonable sum for providing a copy of the same.

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4. In Regulation 123,

(i) **in sub-regulation (2)**, after clause (d), the following clause shall be inserted, namely,-

"(e) a draft abridged prospectus as per Part E of Schedule VI.";

(ii) **in sub-regulation (7)**, after the words "Copy of the offer documents", and before the words "shall also be filed with the Board", the words "along with the abridged prospectus" shall be inserted;

(iii) **in sub-regulation (8)**, the words "and the offer document" appearing after the words "draft offer document" and before the words "shall also be furnished", shall be substituted with the words and symbols ", the offer document, the draft abridged prospectus, and the abridged prospectus".

Amended Provisions

Filing of the draft offer document and offer documents.

123.(1) Prior to making a further public offer, the issuer shall file three copies of the draft offer document with the Board, in accordance with Schedule IV, along with fees as specified in Schedule III, through the lead manager(s).

(2) The lead manager(s) shall submit the following to the Board along with the draft offer document:

- (a) a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s);
- (b) a due diligence certificate as per Form A of Schedule V;
- (c) in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V;
- (d) a certificate confirming compliance of the conditions specified in Part C of Schedule VI;

(e) a draft abridged prospectus as per Part E of Schedule VI.

(3) The issuer shall also file the draft offer document with the stock exchange(s) where the specified securities are proposed to be listed, and shall submit to the stock exchange(s), the Permanent Account Number, bank account number and passport number of its promoters where they are individuals, and Permanent Account Number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoter is registered, where the promoter is a body corporate.

(4) The Board may specify changes or issue observations on the draft offer document within a period of thirty days from the later of the following dates:

- (a) the date of receipt of the draft offer document under sub-regulation (1); or
- (b) the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them; or
- (c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or
- (d) the date of receipt of a copy of in-principle approval letter issued by the stock exchange(s).

(5) If the Board specifies changes or issues observations on the draft offer document, the issuer and the lead manager(s) shall carry out such changes in the draft offer document and shall submit to the Board an updated draft offer document complying with the observations issued by the Board and highlighting all changes made in the draft offer document before filing the offer documents with the Registrar of Companies or the appropriate authority, as applicable.

(6) If there are any changes in the draft offer document in relation to the matters specified in Schedule XVI, the updated offer document or a fresh draft offer document, as the case may be, shall be filed with the Board along with fees specified in Schedule III.

(7) Copy of the offer documents **along with the abridged prospectus** shall also be filed with the Board and the stock exchanges through the lead manager(s) simultaneously while filing the offer documents with Registrar of Companies.

(8) The draft offer document **the offer document, the draft abridged prospectus, and the abridged prospectus** shall also be furnished to the Board in a soft copy in the manner as may be specified.

(9) The lead manager(s) shall submit the following documents to the Board after issuance of observations by the Board or after expiry of the period stipulated in sub-regulation (4) of regulation 123 if the Board has not issued observations:

- (a) a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the offer document;

- (b) a due diligence certificate as per Form C of Schedule V, at the time of ² [filing] of the offer document;
- (c) a copy of the resolution passed by the board of directors of the issuer for allotting specified securities to promoters towards amount received against promoters' contribution, before opening of the issue;
- (d) a certificate from a Chartered Accountant, before opening of the issue, certifying that promoters' contribution has been received in accordance with these regulations, accompanying therewith the names and addresses of the promoters who have contributed to the promoters' contribution and the amount paid and credited to the bank account of the issuer by each of them towards such contribution;
- (e) a due diligence certificate as per Form D of Schedule V, in the event the issuer has made a disclosure of any material development by issuing a public notice.

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4. in Regulation 124,

- (i) **in sub-regulation (1)**, after the words "sub-regulation (2) by hosting it" and before the words "on the websites", the words "along with the draft abridged prospectus" shall be inserted;
- (ii) **in sub-regulation (4)**, after the words "the offer documents" and before the words "are hosted on the websites", the words "and the abridged prospectus" shall be inserted.

Amended Provisions

Draft offer document and offer document to be available to the public.

124.(1) The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (2) by hosting it **along with the draft abridged prospectus** on the websites of the issuer, the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.

(2) The issuer shall, within two working days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing to the public the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.

(3) The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.

(4) The issuer and the lead manager(s) shall ensure that the offer documents **and the abridged prospectus** are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, the Board and the stock exchanges, as applicable.

(5) The lead manager(s) and the stock exchanges shall provide copies of the offer documents, to the public as and when requested and may charge a reasonable sum for providing a copy of the same.

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5. in Regulation 131(2),

the words "be accompanied by a copy of the abridged prospectus" shall be substituted with the words "include a QR code and link to access the red herring prospectus, the abridged prospectus, and the price band advertisement".

Amended Provisions

Abridged prospectus.

131.(1) The abridged prospectus shall contain the disclosures as specified in Part E of Schedule VI and shall not contain any matter extraneous to the contents of the offer document.

(2) Every application form distributed by the issuer or any other person in relation to an issue shall **include a QR code and link to access the red herring prospectus, the abridged prospectus, and the price band advertisement.**

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3. The Foreign Exchange Management Act, 1999

Vide A.P. (DIR Series) Circular No. 19 dated January 12, 2026, there is a modification in the Guidelines of Import and Goods and Services w.r.t the issue of guarantees by an authorised dealer.

It has stated that for issuance of guarantees, AD Banks may be guided by Foreign Exchange Management (Guarantees) Regulations, 2026.

Prior to modification it read as "**B.8.1** An authorised dealer may give a guarantee in respect of any debt, obligation or other liability incurred by a person resident in India and owned to a person resident outside India, as an importer, in respect of import on deferred payment terms in accordance with the approval by the Reserve Bank of India for import on such terms.

B.8.2 An authorised dealer may give guarantee, Letter of Undertaking of Letter of Comfort in respect of any debt, obligation or other liability incurred by a person resident in India and owned to a person resident outside India (being an overseas supplier of goods, bank or a financial institution), for import of goods, as permitted under the Foreign Trade Policy

announced by Government of India from time to time and subject to such terms and conditions as may be specified by Reserve Bank of India from time to time.

B.8.3 An authorised dealer may, in the ordinary course of his business, give a guarantee in favour of a non-resident service provider, on behalf of a resident customer who is a service importer, subject to such terms and conditions as stipulated by Reserve Bank of India from time to time:

Provided that no guarantee for an amount exceeding USD 500,000 or its equivalent shall be issued on behalf of a service importer other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government:

Provided further that where the service importer is a Public Sector Company or a Department / Undertaking of the Government of India / State Government, no guarantee for an amount exceeding USD 100,000 or its equivalent shall be issued without the prior approval of the Ministry of Finance, Government of India.

B.8.4 An authorised dealer may, subject to the directions issued by the Reserve Bank of India in this behalf, permit a person resident in India to issue corporate guarantee in favour of an overseas lessor for financing import through operating lease effected in conformity with the Foreign Trade Policy in force and under the provisions of the Foreign exchange Management (Current Account Transactions) Rules, 2000 framed by the Government of India vide Notification No. G. S. R. 381 (E) dated May 3, 2000 and the Directions issued by Reserve Bank of India under Foreign Exchange Management Act, 1999 from time to time."

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4. The Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026

Vide Notification No. FEMA 23(R)/2026-R, Dated 13-1-2026, in exercise of the powers conferred by Section 7, Section 8, subsection (6) of Section 10 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 and **in supersession of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015** (Notification No. FEMA 23(R)/2015-RB dated January 12, 2016), except in respect of things done or omitted to be done before such supersession, Reserve Bank of India makes the following Regulations, namely:

Short title and commencement.

1.(1) These Regulations may be called the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026.

(2) These regulations shall come into force from October 01, 2026.

Definitions.

2.(1) In these Regulations, unless the context requires otherwise, -

- (a) "Act" means the Foreign Exchange Management Act, 1999 (42 of 1999);
- (b) "Authorised Dealer" means a person authorised as an authorised dealer under sub-section (1) of Section 10 of the Act;
- (c) "Export Declaration Form" (EDF) means the form given at Annex;
- (d) "Project Export" shall have the same meaning as defined in the Foreign Trade Policy;
- (e) "Software" means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called in or on any medium other than in or on any physical medium;
- (f) "Specified authority" means:
 - (i) Commissioner of Customs in Domestic Tariff Area (DTA) and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for goods;
 - (ii) An Authorised Dealer in DTA and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for services other than software; and
 - (iii) An Authorised Dealer or Software Technology Parks of India (STPI) in DTA, and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for software.

Explanation. - For the purpose of these regulations, 'services' shall also include 'software'.

(2) The words and expressions used but not defined in these Regulations shall have the same meanings as assigned to them in the Act or rules or regulations made thereunder.

Declaration of exports.

3. (1) An exporter of goods shall furnish to the specified authority, a declaration in the Export Declaration Form (EDF) specifying the amount representing the full export value of goods, at the time of export:

Provided that the EDF will be deemed to be submitted as part of shipping bill for goods exported through Electronic Data Interchange (EDI) port;

Provided further that a traveller moving personal effects (which are either accompanied or unaccompanied) from India shall not be treated as exporter for the purpose of these Regulations.

(2) An exporter of services shall furnish to the specified authority, a declaration in EDF specifying the amount representing the full export value of services, within 30 days from the end of month in which 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.

(3) In the case of a non-EDI port for export of goods; or where the specified authority for export of services is other than an Authorised Dealer, the duly authenticated EDF, shall be forwarded by the specified authority to the respective Authorised Dealer.

Manner of Receipt and Payment

4.(1) The receipts and payments for export and import of goods and services shall be in the manner specified in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023, as amended from time to time.

(2) An Authorised Dealer shall make a credit or debit to the account of an exporter or an importer, for receipt of export or payment for import, only after having satisfied itself of the genuineness of the transaction, and shall, simultaneously close or update the respective entry in Export Data Processing and Monitoring System or Import Data Processing and Monitoring System (EDPMS or IDPMS) ²:

Provided that in the case of export where the shipping bill (for goods) or invoice (for services) is up to Rs.10 lakh (or its equivalent in foreign currency), entry in EDPMS may be closed based on a declaration from the exporter to the effect that the payment against the shipping bill/invoice has been realised either in full or otherwise. Alternatively, such declaration may be submitted by an exporter to the Authorised Dealer on a quarterly basis for bulk closure of entries in EDPMS;

Provided further that in the case of import where the Bill of Entry (for goods) or invoice (for services) is up to Rs.10 lakh (or its equivalent in foreign currency), entry in IDPMS may be closed based on a declaration from the importer to the effect that the payment for import has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the Authorised Dealer on a quarterly basis for bulk closure of entries in IDPMS.

Time period for realisation of exports

5.(1) The amount representing the full export value (or reduced export value in terms of Regulation 6 of these Regulations) of goods and services shall be realised (including by way of set off in terms of Regulation 7 of these Regulations) and repatriated by the exporter within the period specified below:

- (a) fifteen months from the date of shipment in case of goods (other than goods exported to a warehouse outside India) and from the date of invoice in case of services;
- (b) fifteen months from the date of sale of goods from the warehouse in case of goods exported to a warehouse outside India;
- (c) as per payment terms of the contract, in case of project exports:

Provided that where the export of goods and services is invoiced or/and settled in Indian Rupees, the period for realisation and repatriation of full export value shall be eighteen months, from the date of shipment in case of goods (other than goods exported to a warehouse outside India), from the date of invoice in case of services, and from the date of sale of goods in case of goods exported to a warehouse outside India;

Provided further that the Authorised Dealer may, on request by an exporter citing reasons for the delay, allow extension of time for realisation of export proceeds beyond the specified period, if the Authorised Dealer is satisfied of the reasons cited.

(2) An Authorised Dealer shall put in place systems and processes to monitor and follow up with an exporter to realise export proceeds within the period specified above.

Reduction in the export realization.

6. An Authorised Dealer may, on request from the exporter citing reasons for under-realisation or non-realisation of full export value, allow reduction in realisation of export value, provided the Authorised Dealer is satisfied of the reasons cited:

Provided that where the export value is up to ` 10 lakh (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services), the reduction of export value (including non-realisation of full export value) may be permitted based on a declaration from the exporter.

Set off of export receivables against import payables.

7. An Authorised Dealer may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realisation of export proceeds or extended period, if any, allowed by the Authorised Dealer.

Third party receipts and payments.

8. An Authorised Dealer may permit third party (other than the parties undertaking export and import) receipts and payments for export and import transactions provided that the Authorised Dealer is satisfied with the bonafides of the transactions.

Time period for making import payment.

9. An Authorised Dealer shall monitor its IDPMS entries and follow up with the respective importer for making payment for its imports within the period specified in the underlying contract:

Provided that the Authorised Dealer may, on request from the importer citing reasons for the delay, allow extension of time for making payment, beyond the period specified in the contract, if the Authorised Dealer is satisfied of the reasons cited.

Advance payment for exports and imports and delayed payment for imports.

10.(1) An exporter shall, in case of advance receipt for export, route the advance amount, and realisation of export proceeds, if any, through the same Authorised Dealer.

However, an exporter may route the transactions through any other Authorised Dealer provided the exporter has intimated the change to both the Authorised Dealers.

(2) In case of advance payment for imports, an importer shall route the advance payment and its subsequent payments, if any, through the same Authorised Dealer. However, an importer may route the transactions through any other Authorised Dealer provided the importer has intimated the change to both the Authorised Dealers.

(3) An Authorised Dealer may permit advance remittance for import after satisfying itself of the genuineness of the requirement for advance remittance. The Authorised Dealer may consider specifying thresholds for advance payment, beyond which, the payment may require a standby Letter of Credit or a guarantee.

(4) An exporter, or an importer, as the case may be, shall ensure that interest payable, if any, on advance payment received for export, or on delayed payment for imports, shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

Import of gold and silver.

11. Save as otherwise provided in the Act, Rules, Regulations or Directions made there under, and notwithstanding the provisions of these Regulations, no advance remittance shall be permitted by an Authorised Dealer for the import of gold or silver.

Import not materialised.

12.(1) Where an importer is unable to import within the contract period, or the extended period, the importer shall repatriate the advance payment made, if any.

(2) If the advance payment is not repatriated by the importer within the contract period or extended period, if any, allowed by the Authorised Dealer or where the IDPMS entry has not been marked-off in terms of Regulation 18(1)(j), any future advance payment for imports by the importer shall require an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute or a guarantee of an Authorised Dealer in India, which is issued against a counter-guarantee of an international bank of repute.

Unrealised exports.

13. If the export proceeds of an exporter remain unrealised for a period beyond one year from the due date of realisation or extended period, if any, allowed by an Authorised Dealer, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit.

Export of goods and services against repayment of State credits.

14. For the implementation of the provisions of the Inter banking arrangement, an Authorised Dealer shall adhere to instructions and directions issued by the Reserve Bank from time to time on export of goods and services against repayment of State credits granted by the erstwhile Soviet Union.

Project Export.

15.(1) An Authorised Dealer may permit receipts/payments for project exports as per the underlying contract, after satisfying itself of the genuineness of the project.

(2) Subject to monitoring by an Authorised Dealer, a project exporter may deploy temporary cash surplus, generated outside India, from such exports, for investments in short-term instruments (with original or residual maturity of one year or less) including in treasury bills and in deposits with banks, outside India.

Merchanting Trade Transaction (MTT).

16.(1) A person undertaking Merchanting Trade, in accordance with the Foreign Trade Policy, shall ensure that:

- (a) the period between the outward remittance and inward remittance or vice versa does not exceed six months:

Provided that the Authorised Dealer may, on request citing reasons for delay, allow extension of time, if the Authorised Dealer is satisfied of the reasons cited.

- (b) outward remittances are sent only to the overseas seller and inward remittances are received only from the overseas buyer:

Provided that the Authorised Dealer may, on request from the customer citing reasons, allow receipt from and/or payment to any third party, if the Authorised Dealer is satisfied of the reasons cited.

- (c) the documents evidencing the MTT are provided to the Authorised Dealer, to establish the genuineness of the transactions.

(2) An Authorised Dealer shall:

- (a) credit or debit the account of its customer for any cross-border transaction related to MTT after having been satisfied with the genuineness of the same and shall, simultaneously close or update the respective entry in EDPMS and/or IDPMS.
- (b) monitor and follow-up with the person undertaking merchant trading to ensure that both the legs of the transaction are completed within the period and manner as specified in these Regulations.

International Trade Invoicing and Settlement in Indian Rupees (INR).

17. The Authorised Dealer may be guided by the extant guidelines on the broad framework as well as instructions issued by the Reserve Bank in this regard, from time to time.

Reporting.

18.(1) EDPMS (Export Data Processing and Monitoring System) and IDPMS (Import Data Processing and Monitoring System) -

An Authorised Dealer:

- (a) shall enter details of EDF (of its customers) as received from non-EDI (Electronic Data Interchange) port in EDPMS within five working days of receipt of EDF.

- (b) shall enter details of EDF of service (of its customers) in EDPMS within five working days of receipt of EDF from an exporter.
- (c) shall enter details of import (of its customers) as received from non-EDI port in IDPMS within five working days of receipt of documents.
- (d) shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.
- (e) shall enter details of inward and outward remittances for all exports, imports and Merchanting Trade Transactions (MTT) in EDPMS and/or IDPMS.
- (f) shall monitor all transactions in EDPMS and IDPMS for closure of outstanding entries and follow-up with an exporter, an importer and person undertaking MTT for submission of documents for the same.

Mark-off/closure of entries:

- (g) shall in the case of an export, mark-off the entry in EDPMS after ensuring that the export value has been realised.
 - (h) shall in the case of an import, mark-off the entry in IDPMS after ensuring that the payment for the import has been made.
 - (i) may on request by an exporter citing reasons, close the entry relating to export advance transactions in EDPMS, where no export has been made and where refund of such advance is not possible, after having been satisfied of the genuineness of the reasons cited.
 - (j) may on request by an importer citing reasons, close the entry relating to import advance transactions in IDPMS, where no import has taken place and where repatriation of such advance is not possible, after having been satisfied of the genuineness of the reasons cited.
 - (k) may on the request of importer, close the entry in IDPMS where import transaction has been settled at reduced value, after having been satisfied of the genuineness of the reasons cited.
 - (l) shall in the case of an MTT, close or update the respective entry in EDPMS and IDPMS *after making the receipt and payment for both legs of the MTT.*
- (2) An Authorised Dealer shall report all foreign trade transactions in Foreign Exchange Transaction Electronic Reporting System (FETERS) in terms of extant guidelines issued by the Reserve Bank from time to time.

Internal Policy and Standard Operating Procedure (SOP) for handling transactions.

19.(1) An Authorised Dealer shall put in place a separate, comprehensive, well-documented internal policy and SOP, for handling transactions (including the reporting thereof) related to export and import of goods and services as well as MTT, in accordance with the Act, and Rules, Regulations and Directions issued thereunder. The policy should at least include the following:

- (a) List of documents, timelines and charges for each process and approval.
 - (b) Extension of the time-period for export realisation and repatriation/import payments.
 - (c) Adjustment (under, over and non-realisation) of export proceeds to be realised and repatriated.
 - (d) Advance receipts for exports and advance payments for imports.
 - (e) Delegation of powers for internal approvals for each process.
 - (f) Export factoring and import factoring.
- (2) While laying down internal policy and SOP, an Authorised Dealer shall ensure that the responsibility for approving transactions is clearly delegated across internal levels. The policy and SOP shall also have an escalation process for handling customer grievances and an appeal mechanism wherein the appeal is handled at a higher internal level. The higher internal level should take a final decision based on the genuineness of the submissions made by the customer.
- (3) An Authorised Dealer shall ensure that the charges levied for handling transactions and associated processes are reasonable and proportional to the services rendered. An Authorised Dealer shall not levy any charges or penalty on its constituent (exporter or importer or merchant trader) for any regulatory delay/violation by the constituent.
- (4) An Authorised Dealer shall disclose policy and the main features of the SOP on its website.