Foreign Exchange Dealers' Association of India
[Registered under section 25 of the companies Act, 1956]

November 2025
FEDAI NEWSLETTER

Trade Relief Measures Click here and here for details

The Reserve Bank of India (RBI) has amended the Foreign Exchange Management (Export of Goods and Services) Regulations, 2025, extending the period available to exporters for realization of export proceeds. Exporters are now permitted up to 15 months, compared to the earlier maximum of 9 months, to realize and repatriate export earnings and also relaxed the requirement for completing shipments against advance received against export from one year to three years.

AD Cat-I Banks may permit exporters to receive advance payments for exports requiring shipment beyond 3 years, subject to conditions, with a maximum period of 10 years. RBI Master Directions Export of Goods and Services (paras A.2(i), C.2(1), C.2(3)) stand modified

The Department of Regulations has issued the Reserve Bank of India (Trade Relief Measures) Directions, 2025, advising REs may extend relief to export borrowers from eligible sectors impacted by global trade disruptions.

Reliefs are:

- REs may grant a moratorium on TL instalments and defer recovery of interest on CC/OD facilities falling due between September 1, 2025 and December 31, 2025, with interest accruing only on a simple interest basis and convertible into a Funded Interest Term Loan (FITL) repayable between March 31, 2026 and September 30, 2026.
- Further, REs eligible for export financing may permit an enhanced credit period of up to 450 days for pre-shipment and post-shipment export credit disbursed till March 31, 2026.
- In respect of packing credit facilities availed on/before 31-Aug-2025, if dispatch fails, liquidation may be from alternate sources (domestic sale proceeds or substituted export order).

To avail benefits under these directions, the borrower must have an outstanding export credit facility with RE as of August 31, 2025, and such facility/ies should have been classified as 'Standard' on that date.

RBI Published Master Directions After Review Click here for details

The Department of Regulation, Reserve Bank of India (RBI), after review, has issued 244 consolidated Master Directions on 28 November 2025, pursuant to which 9,445 circulars repealed/withdrawn.

RBI (Commercial Banks – Credit Facilities) Directions, 2025

- Chapter XII covers credit facilities to overseas JVs, WOS, or step-down subsidiaries of Indian companies, while Chapter XV provides instructions on export credit.
- Banks are permitted to utilize foreign currency funds generated through buy-sell swaps in the domestic forex market for extending export credit in foreign currency.
- Exporters may also avail PCFC (Packing Credit in Foreign Currency) from overseas under established lines of credit.

RBI (Commercial Banks – Interest Rate on Deposits) Directions, 2025

- Chapter IV deals with interest on INR deposits of non-residents, and Chapter V with interest on foreign currency deposits. Interest rates on NRE/NRO deposits shall not exceed those offered by banks on comparable domestic rupee term deposits.

Credit Guarantee Scheme for Exporters Click here and here for details

The Union Cabinet approved introduction of Credit Guarantee Scheme for Exporters for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions for extending additional credit facilities up to Rs.20,000 crore to eligible exporters, including MSMEs. The scheme shall be implemented by Department of Financial Services through NCGTC. The cabinet also approved Rs.25,060 crore for period FY 2025–26 to FY 2030–31 for Export Promotion Mission to strengthen India's export ecosystem.

Updates from DGFT

DGFT partially amended/ modified para 2.08 of HBP and now it reads "The details submitted in the IEC Application shall be validated through online integration with record maintained by relevant Ministries/ Departments/ Organisations/ Banks wherever feasible". This means to the extent it will be implemented, it enables electronic verification of details submitted in the IEC Application.

FEDAI Circular and Events

FEDAI issued clarification obtained from Reserve Bank of India on RBI (Electronic Trading Platforms) Directions, 2025.

Annual Training Meeting was held on 29 November 2025 with participation from different member institutions as well as Trainers, with Smt. Suranjana Dutta, CGM-STU, SBI as Chief Guest.

FEDAI Workshops and Event

01st to 05th December 2025: 5-Day Classroom Orientation Workshop (Non - Residential) on "Foreign Trade and Foreign Exchange Business" at Punjab National Bank, Advanced Learning Institute, Civil Lines, Delhi.

08th to 12th December 2025: 5-Day Classroom Orientation Workshop (Non - Residential) on "Foreign Trade and Foreign Exchange Business" at Punjab National Bank, Staff Training College, CBD-Belapur, Navi Mumbai.

Upcoming Market Events

RBI MPC Meeting	-	03rd to 05th December 2025
ECB Monetary	-	17th to 18th December 2025
FOMC Meeting	-	09th to 10th December 2025

Market News

- Amit Kumar Srivastava, Amresh Prasad, E. Ratan Kumar, Mini T.M., Prabhat Kiran, Pramod Kumar Dwibedi, and Sunil Kumar Chugh have assumed charge as Executive Directors in Punjab National Bank, Union Bank of India, Canara Bank, Indian Bank, Bank of Maharashtra, Bank of India, and Canara Bank, respectively.
- The 4 new Labour Codes: the Code on Wages - 2019, the Industrial Relations Code - 2020, the Code on Social Security - 2020 and the Occupational Safety, Health and Working Conditions Code - 2020 have been enforced with effect from 21 November 2025
- RBI & NPCI, in coordination with ECB, have begun the realisation phase to link UPI with TIPS, the Eurosystem's instant payment platform.
- The Financial Stability Board (FSB), with BCBS and national authorities, has released the 2025 list of 29 Global Systemically Important Banks (G-SIBs) 29 G-SIB,
- Self-Regulated PSO Association (SRPA) has been recognised an SRO for Payment System Operators by the Reserve Bank of India.
- Shri Piyush Goyal, Union Minister launched Trade Intelligence and Analytics Portal.
- As per the latest FATF Publication Burkina Faso, Mozambique, Nigeria and South Africa are no longer subject to increased monitoring by the FATF.

Contents

ICC - UCPDC 600
Commentary on Art. 29

Extension of Expiry Date or Last Day for Presentation

Sub-Article (a): Extension of Expiry/Presentation - If the expiry date of the letter of credit or the last day for presentation of documents falls on a day when the bank to which presentation is to be made, is closed for reasons other than those referred under article 36, the expiry date or the last day for presentation, as the case may be, will be extended to the first following banking day.

This rule protects beneficiaries from being penalized when banks are, say, closed due to weekends or public holidays.

Example: LC expiry date: 26th January 2026 (India's Republic Day, Bank holiday). As Banks are closed, expiry date of LC will be extended to 27th January 2026 (next working day).

This ensures fairness and avoids disputes.

Sub-Article (b): Statement by Nominated Bank - If documents are presented on the first following banking day (under the extension in 29(a), the nominated bank must clearly provide the letter of credit issuing bank or confirming bank with a statement in its covering schedule that the presentation was made within the extended time limits.

This provides transparency and prevents confusion for the issuing or confirming bank when reviewing documents.

Example: Documents presented on Thursday, 28th August 2025 because 27th August 2025 was a holiday in Mumbai.

The nominated bank's schedule must note: "Presentation made within the extended time limits under UCP 600 Article 29(a)."

This procedural safeguard ensures that the issuing bank understands why documents arrived later than the original expiry date.

Sub-Article (c): Shipment date not extended - The latest shipment date mentioned in the LC is not extended even if the expiry/presentation date is extended under 29(a). Shipment obligations are meant for the Beneficiary of the letter of credit and they have to adhere to the relevant deadlines.

Example: Latest shipment date: 10th August 2025 (Sunday). Goods must be shipped by 10th August 2025, even though banks are closed.

Presentation of documents can be extended to 11 August 2025 (Monday), but shipment cannot be extended.