

# **Exchange Control**

## **July 2000**

### **1. Foreign Currency - Rupee Swaps**

Authorised dealers have been permitted to arrange foreign currency rupee swaps for corporates, who run long term foreign currency exposures, as far as possible on a matched basis. Instances have come to the notice that banks are structuring swaps which would tantamount to corporates prepaying external commercial borrowings using the swap route. As this practice is in violation of the existing Government regulations pertaining to pre-payment of external commercial borrowings, authorised dealers were advised to put through such swap transactions only on a fully matched basis with effect from June 23, 2000.

### **2. Export of Goods and Services Against Repayment of State Credits Granted by Erstwhile Soviet Union.**

It was decided to include Oriental Bank of Commerce, State Bank of Patiala and Bank of Punjab Ltd., in the list of Nominated banks in India for handling matters relating to exports to Russia against repayment of State eCredits.