

**Barter Trade with Myanmar under the
Indo-Myanmar Border Trade Agreement
A.P.(DIR Series) Circular No.17 (October 16, 2000)**

**RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI 400 001**

A.P.(DIR Series) Circular No.17

October 16, 2000

To

All Authorised Dealers in Foreign Exchange

Dear Sirs,

**Barter Trade with Myanmar under the
Indo-Myanmar Border Trade Agreement**

Please refer to A.D.(G.P. Series) Circular No.8 dated 17th May 1997 on guidelines for the border trade between Myanmar and India, under the Border Trade agreement dated 21st January 1994 signed between the Government of Myanmar and the Government of India.

It has been decided in consultation with the Government of India that under the border trade arrangement between the two countries, imports from Myanmar into India should precede exports from India to Myanmar. Accordingly, the revised guidelines for the border trade are as follows:-

- i) The barter trade shall be restricted to land route as per the Border Trade Agreement between the two countries. Such barter trade transactions shall take place only by way of head load or non-motorised transport system.
- ii) Imports from Myanmar to India shall precede export from India to Myanmar.
- iii) The border trade will be restricted to items agreed to as per the Border Trade Agreement between India and Myanmar as listed in Annexure I.
- iv) There will be no monetary transaction under the barter trade arrangement.
- v) The consignments of imports and exports should be invoiced in U.S. dollars.

- vi) The value of goods exported under barter trade should not exceed U.S.\$ 20,000 per transaction.
 - vii) Exports from India to Myanmar under barter trade of the value not exceeding U.S.\$ 1,000 per transaction are exempt from declaration on the prescribed form viz. GR form, in terms of Reserve Bank Notification No.FEMA.23/2000-RB dated 3rd May 2000. However, such transactions should be completed in one or two days. Customs authorities at the Indo-Myanmar border will report import/export transactions of the value not exceeding U.S.\$ 1,000 to the Exchange Control Department, Reserve Bank of India, Guwahati, on monthly basis.
 - viii) On import of goods the party should submit documentary evidence such as Bill of Entry to the designated bank, where the value exceeds U.S.\$ 5,000.
 - ix) The export of goods from India to Myanmar against import of goods from Myanmar to India should be completed within a period of six months from the date of import.
 - x) The exporters should get the GR forms countersigned by one of the designated banks viz. United Bank of India, Moreh Branch, Manipur and State Bank of India, Champai Branch, Mizoram before submitting them to the Custom authorities. A copy of the contract for import and export with Myanmar parties should also be submitted along with the GR forms.
 - xi) On completion of export, the exporter should submit duplicate copy of GR form along with all commercial documents viz. copy of invoice certified by Customs, etc. within 21 days from the date of export, to the concerned designated bank.
2. (i) The following branches of authorised dealers (i.e. banks) have been designated for the purpose of monitoring transactions under the barter trade arrangement.
- (a) United Bank of India (UBI), Moreh Branch, Manipur.

(b) State Bank of India (SBI), Champai Branch, Mizoram.

- (ii) The designated banks' branches should only handle proposals for barter trade and documents relating to imports and exports thereunder.
- (iii) The designated banks' branches should countersign GR forms original and duplicate, submitted to them by the exporters (before submitting to the Customs authorities) after satisfying themselves that the GR forms are supported by a Bill of Entry for import of goods from Myanmar to India. Both original and duplicate copies of the forms should be returned to the exporter. The GR forms may be superscribed as under:

“Exports under barter arrangement with Myanmar. The payments have been received in the form of goods/commodities of the equivalent value”.

- (iv) The designated banks should maintain a record of the transactions under the barter trade arrangement on the basis of GR forms countersigned by them, in a register as per proforma enclosed (Annexure II).
- (v) The designated banks should forward a monthly statement as per the above form to the Exchange Control Department, Reserve Bank of India, Guwahati, within 15 days from the close of the month.
- (vi) On completion of export against receipt of payment in the form of import of goods/commodities from Myanmar, the concerned designated bank should surrender the duplicate copy of GR form and evidence of import to the Exchange Control Department, Reserve Bank of India, Guwahati along with the monthly statement, duly certified as under:

“Value of goods exported adjusted against value of goods imported under barter trade arrangement as per Contract dated”. Before certifying the GR forms, the

designated banks should verify documentary evidence for import of goods/commodities of corresponding value and ensure that the commodities exchanged are as per Annexure 1.

(vii) The transactions relating to barter trade should not be reported in R Returns.

3. Authorised dealers may bring the contents of this circular to the notice of their concerned constituents.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and any contravention or non-observance thereof is subject to the penalties prescribed under the Act.

Yours faithfully,

K.J. UDESHI
Chief General Manager

ANNEXURE – I**Commodities identified for exchange by residents
living along the border between India and Myanmar**

1. Mustard/Rape Seed
2. Pulses and Beans
3. Fresh Vegetable
4. Fruits
5. Garlic
6. Onions
7. Chillies
8. Spices (excluding nutmeg, mace, cloves, Cassia)
9. Bamboo
10. Minor forest products excluding Teak
11. Betel Nuts and leaves
12. Food items for local consumption
13. Tobacco
14. Tomato
15. Reed Broom
16. Sesame
17. Resin
18. Corriander Seeds
19. Soyabean
20. Roasted Sunflower Seeds
21. Katha
22. Ginger
23. Any other commodities as may be mutually agreed upon between the two sides.