

June 03, 2008

To,

All Category – I Authorised Dealer Banks

Madam / Sir,

**Export of Goods and Services-
Realisation and Repatriation of Export Proceeds-Liberalisation**

Attention of Authorised Dealer Category – I (AD Category- I) banks is invited to the provisions of sub-regulation (1) of Regulation 9 of the Notification No.FEMA.23 /2000-RB dated May 3, 2000, as amended from time to time, in terms of which the amount representing the full export value of goods or software exported should be realised and repatriated to India within six months from the date of export.

2. Reserve Bank has been receiving representations from Exporters / Trade bodies to extend the period of realisation of export proceeds in view of the external environment. It has, therefore, been, in consultation with Government of India, announced in the Annual Policy Statement for the Year 2008-09 (para 134) to enhance the present period of realization and repatriation to India of the amount representing the full export value of goods or software exported, from **six months to twelve months** from the date of export, subject to review after one year. The provisions in regard to period of realization and repatriation to India of the full export value of goods or software exported by a unit situated in Special Economic Zone (SEZ) as well as exports made to warehouses established outside India with the permission of Reserve Bank remain unchanged.

3. Necessary amendments to Notification No. FEMA.23/RB-2000 dated May 3, 2000 [Foreign Exchange Management (Export of Goods and Services) Regulations, 2000] are being notified separately.

4. AD Category - I banks may please bring the contents of this Circular to the notice of their constituents and customers concerned.

5. The directions contained in circular have been issued under Section 10(4) and 11(1) of Foreign Exchange Management Act, 1999 (42 of 1999) and without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Salim Gangadharan)
Chief General Manager-In-Charge