



Foreign Exchange Dealers' Association of India

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Misc. Circular No.2/SPL-2018/YESBANK/2018

3rd January 2018

ATTN.:

- General Manager, HRD, Training Division**
- General Manager, International Division**

Dear Sir,

(B)

**FEDAI 2 Days Special Workshop (NON-RESIDENTIAL) on
“Guarantees / Standby L/Cs under FEMA, 1999 with reference to URDG 758 and ISP 1998”
under 2018 Series in Mumbai on 15th and 16th February 2018**

LAST DATE FOR RECEIVING NOMINATIONS IS 8TH FEBRUARY 2018

We are pleased to inform member banks that, **Yes Bank Limited** will be conducting 2 Days Special Workshop (**Non-Residential**) under 2018 Series in **MUMBAI** as per details given below.

VENUE	CONTACT DETAILS	PERIOD AND TIMINGS
YES BANK LTD IFC Tower 1, 5th Floor Aquamarine Training Room Senapati Bapat Marg Elphinstone Road (W) Mumbai – 400 013	<u>CHIEF CO-ORDINATOR</u> Mr. Rituraj Saxena Executive Vice President Trade Finance & Services, TBG Cell: 09967156677 Tel: 022 – 3347 7936 Email: rituraj.saxena@yesbank.in	15 th and 16 th February 2018 Thursday and Friday 9.00 a.m. to 5.00 p.m.

In the revised process of GST, issuance of Invoice is necessary. The nominating banks should inform FEDAI about the same and call for Invoice. On the basis of Invoice, payments can be remitted through NEFT. Payment should be made within 5 Days of receipt of Invoice as per account details mentioned below:

Participation Fee	: Rs. 8,000/-	NO TDS as per FEDAI Workshop Guidelines
+ GST 18% OR	: Rs. 1,440/-	
(applicable at the time of remittance)	Rs. 9,440/-	GSTIN: 27AAATF0610P1ZR
		PAN: AAATF0610P

Mode of payment : Cheque favouring FEDAI payable at Mumbai **OR NEFT** as follows

a) Beneficiary Name	: Foreign Exchange Dealers' Association of India
b) Bank's Name	: Canara Bank, Cuffe Parade Br. Mumbai- 400005
c) Account Type	: Savings Bank
d) Account No.	: 1879101005526
e) IFSC Code	: CNRB0001879
f) Remark	: Please provide name of the Participant

*** BACKGROUND ***

In the on-going process of de-regulation in foreign trade and exchange control administration, focus is now on various avenues for development of **non fund based / fee based business**. Newer instruments are used to perform various trade / non trade and Capital Account transactions. Apart from very common instruments used like Documentary Letters of Credit, there are Standby LCs also which can be used for trade payments. These LCs are governed by UCP 600 as well as ISP 1998 which are relevant publications of ICC, Paris. For trade as well as non trade transactions, there are guarantees issued / received by Banks / Customers. The International Bank Guarantees are governed by URDG 758.

In our 5 day orientation workshop of Foreign Trade and Foreign Exchange business, this area is not covered in detailed and the feedback received suggests need for a special programme on the above subject and hence this workshop.

It is therefore imperative that the officers of member banks are well equipped to understand and develop the business of Standby LCs and Guarantees complying with regulatory guidelines under FEMA 1999 and ICC publications applicable to such instruments.

*** OBJECTIVE OF THE WORKSHOP***

- To create awareness on FEMA, 1999 and various Acts, Agencies and Guidelines applicable to such instruments involving Trade / Non Trade Transactions
- Discussing operational issues relevant to Documentary Credits and Standby LCs with comparison of both the instruments
- To study ISP 1998 in comparison with UCP 600 and URDG 758
- Discuss various types of Guarantees permissible under FEMA 1999
- To have clarity on issues related to compliance and reporting to be ensured by corporate customers and AD I banks
- To have comprehensive knowledge on above instruments with the help of caselets under FEMA, 1999, ISP 1998 and URDG 758

*** TARGET GROUP***
NOMINATION CRITERIA

The target group will be Officers at various B Category branches of AD I Banks and those in Compliance / Audit / Inspection Departments handling Foreign Trade/ Exchange Transactions in general and the transactions related to Standby LCs and Guarantees in particular.

In view of the above, the AD I Banks are requested to ensure that the nominated officer has an experience of working in Foreign Trade / Exchange Business in general and dealing with the above instruments in particular. AD I banks may also depute officers of Compliance/ Audit and Inspection Department who are responsible to check this portfolio in the branches

*** FACULTY ***

In-house faculty of FEDAI / Faculty identified by FEDAI

*** INPUTS TO BE PROVIDED ***

- Overview of Foreign Trade / Foreign Exchange Business and FEMA, 1999 – Relevant Provisions to Standby LCs and International Bank Guarantees
- Various Acts /Agencies/ Guidelines impacting these transactions, and FEDAI guidelines related to Standby Letters of Credit
- Guarantees permitted as per latest Master Circulars of RBI on Guarantees and Co-acceptance
- Guarantees permitted under FEMA 1999 for Current / Capital Account Transactions
- Comparison of UCP 600 and ISP 1998 between Documentary Credits and Standby LCs
- Important provisions of ISP 1998 and URDG 758
- Compliance issues related to all the above products / instruments
- Reporting mechanism – for Corporate and AD Category I Banks
- Caselets on above topics wrt FEMA, 1999, ISP 1998 and URDG 758

As seating capacity is limited to 35 participants at the training venue, the nomination will be accepted on first-cum-first basis. The nomination should be received by YES Bank Limited at the contact details given above, latest by **Thursday, the 8th February 2018**. To make the workshop operationally useful, we expect member banks to take due care while nominating officers conforming to the criteria prescribed above.

Yours faithfully,

Chief Executive