



Foreign Exchange Dealers' Association of India

(Self-Regulatory Organisation of all Authorised Dealers regulated by RBI)

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Sub.: Clarification on Foreign Exchange Billing and Remittance Issues Faced by Freight Forwarders

This is with reference to a communication received from the Reserve Bank of India regarding certain issues relating to foreign exchange billing and remittances in the context of transactions related to freight forwarders.

The matter was deliberated by the FEDAI Technical Advisory Committee (Trade & Remittances) in its meeting held on 24 July 2026. Based on the deliberations and the regulatory position, the following is reiterated for the guidance of member banks:

1. Foreign exchange payment to a Person Resident in India

Payment in foreign exchange to a Person Resident in India (PRI) should be towards an underlying foreign exchange liability and the PRI receiving such foreign exchange should act as a pass-through where the foreign exchange is being collected for onward remittance to a Person Resident Outside India (PROI).

2. No margin/mark-up by pass-through intermediary

Where a PRI acts as an intermediary/pass-through entity for collecting foreign exchange for onward remittance to a PROI, the intermediary cannot quote an exchange rate or collect any margin/mark-up on the foreign exchange transaction.

The foreign exchange received by the intermediary in such cases should represent the amount required to meet the underlying foreign exchange liability to the PROI and should not include any amount by way of exchange margin/mark-up.

3. Foreign currency remittance vis-à-vis underlying liability

In the context of freight forwarding transactions, the Committee observed that foreign currency remittances within India should not exceed the amount of the invoice raised by the overseas transporter, as any amount in excess thereof would not represent an underlying foreign exchange liability.

AD banks may accordingly satisfy themselves, based on the underlying transaction and supporting documents, that the foreign currency remittance represents the actual foreign exchange liability arising towards the PROI.

4. Charges for intermediary services

Charges, if any, for services provided by the intermediary/pass-through PRI in facilitating the cross-border transaction should be denominated in INR, where such charges are not being remitted to a PROI.

5. Verification of circulars/advisories

It has also been observed that, in certain instances, requests for foreign currency remittances have been supported by reference to circulars/advisories issued by certain industry bodies. Members are advised to ensure that any such circular, advisory or communication relied upon for processing a transaction is authentic, currently valid and applicable to the transaction concerned.

AD banks may accordingly exercise due diligence and satisfy themselves regarding the current validity and applicability of such communications before relying upon them for processing foreign exchange transactions.

For information and necessary action of member banks

Chief Executive Officer