Foreign Exchange Dealers' Association of India
(Registered under section 25 of the companies Act, 1956)

January 2026
FEDAI NEWSLETTER

Recognition of FEDAI as Self-Regulatory Org. for all Authorised Dealers Click here for details

The Foreign Exchange Dealers' Association of India (FEDAI) applied for recognition as a Self-Regulatory Organization (SRO) under the Omnibus Framework announced by RBI in its Press Release dated March 21, 2024. Acknowledging FEDAI's six-decade role in regulating member conduct, RBI has formally recognized FEDAI as an SRO for all Authorised Dealers, granting one year to align its governance framework with the Omnibus standards and to extend membership across all categories of Authorised Dealers.

RBI FEMA Notifications - Revisions Click here and here for details

Foreign Exchange Management (Guarantees) Regulations, 2026

A resident in India may act as a surety or principal debtor for a guarantee if the transaction is permitted under FEMA and the parties are eligible to lend and borrow under the Borrowing and Lending Regulations, 2018. This lending/borrowing condition does not apply when the guarantee is issued by an authorised dealer bank backed by a counter-guarantee or full collateral from a non-resident, by an Indian agent of a foreign shipping or airline company for statutory obligations in India, or where both the surety and debtor are residents.

The reporting of guarantee issuance, modification, and invocation, which was previously carried out through various channels, has now been consolidated, with a provision for levying a late fee in cases of delayed reporting.

Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026

The **FEMA 23(R)/2026-RB** Regulations were published in the Official Gazette on January 15, 2026, and will come into effect from October 1, 2026. These principle-based regulations aim to promote ease of doing business—particularly for small exporters and importers—and empower Authorised Dealer banks to provide faster, more efficient services. AD banks are advised to formulate internal policies and upgrade their systems to ensure compliance. Each Authorised Dealer must also establish a separate, comprehensive, and well-documented internal policy and SOP for handling and reporting transactions related to exports, imports, and merchanting trade, in accordance with the Act and applicable Rules, Regulations, and Directions.

Interest Subvention for Export Credit Click here and here for details

DGFT notified Interest Subvention Scheme for Pre- and Post - Shipment Rupee Export Credit under the EXPORT PROMOTION MISSION – NIRYAT PROTSAHAN for MSME. The scheme is now being implemented on pilot basis for select ITC(HS) Codes extending benefit of 2.75% upfront.

Announcements in Budget

FTP – current value cap of ₹10 lakh per consignment on outbound courier exports is removed.

FEMA - Comprehensive review of NDI Rules (FDI) with objective to user-friendly framework for foreign investments consistent with India's evolving economic priorities. Individual Persons Resident Outside India (PROIs) will be allowed to invest in equity instruments of listed Indian companies under the Portfolio Investment Scheme. The individual investment limit is proposed to be raised from 5% to 10%, while the aggregate limit for all PROIs will increase from 10% to 24%.

TCS rate applicable for certain overseas remittances under LRS such as education, medical or travel is reduced to 2%

Government is setting-up a 'High Level Committee on Banking for Viksit Bharat'

Updates from DGFT / IFSCA/ ICC

- The format of eBRC is revised and additional new fields namely GSIN, GST Invoice No. and GST Invoice Date are added.
- DGFT launched pilot project of Collateral Support for Export Credit under Export Promotion Mission (EPM) – NIRYAT PROTSAHAN
- IFSCA invited comments on draft circular on "Participation of IFSC Banking Units (IBUs) in remote booking arrangements (RBA).
- IFSCA issued FAQs (60 Question) on Anti-Money Laundering, Counter Terrorist Financing and KYC Guidelines, 2022.
- Next ICC Global Banking Commission meeting scheduled at Paris, France on 18th & 19th March 2026

FEDAI Workshops

04th Feb. 2026: Online Workshop on "EDPMS and IDPMS Guidelines and Operational Procedures"

11th Feb. 2026 and 20th Feb 2026: Online Workshop on "Understanding Regulations and Market Practices for Trade Transactions between SEZ and DTA Units"

23rd to 27th Feb. 2026: 5-Day Classroom Orientation Workshop (Non-Residential) on "Foreign Trade and Foreign Exchange Business" at Bank of India – MDI, CBD-Belapur, Navi Mumbai.

Upcoming Market Events

RBI MPC Meeting	-	04th to 06th February 2026
ECB Monetary	-	04th to 05th February 2026
FOMC Meeting	-	17th to 18th March 2026

The FOMC voted unanimously to maintain the interest rate paid on reserve balances at 3.65 percent, effective January 29, 2026. as announced in its implementation note on 28 January 2026.

Market News

- RBI organised its annual conference of Authorised Dealers in Vizag on 24 January 2026.
- Sandeep Bakshi is reappointed as MD & CEO of ICICI Bank beginning 4th October 2026 till 3rd October 2028.
- Deepak Kumar Lalla has been appointed as the Chief Executive Officer of the Indian Institute of Banking and Finance.
- The RBI and the European Securities and Markets Authority (ESMA) signed a MoU concerning cooperation and exchange of information for the recognition of CCPs regulated and supervised by RBI. The primary objective of the MoU is to enable formal recognition of the Clearing Corporation of India Ltd. (CCIL) and other RBI-regulated Central Counterparties by ESMA.
- Ministry of Finance vide Gazette Notification dt. 15 January 2026 amended Postal Export (Electronic Declaration and Processing) Regulations, replacing the existing format of Shipping Bill. Also, Department of Posts, Ministry of Communications, through another notification, has operationalized that exports made through postal channel is now eligible for benefits under RoDTEP & RoSCTL.
- The RBI has decided to grant 'in-principle' approval to Sumitomo Mitsui Banking Corporation (SMBC), Japan for setting up a Wholly Owned Subsidiary (WOS) in India.
- Bank for International Settlement published a paper titled 'Dollarisation waves: new evidence from a comprehensive international bond database'

Contents

ICC - UCPDC 600

Commentary on Art. 31

Partial Drawings or Shipments

A partial drawing occurs when the beneficiary draws under the letter of credit for less than the total amount available. UCP 600 does not prohibit partial drawings unless the credit itself expressly disallows them.

If a beneficiary under a letter of credit ships the goods in a single lot, which is corresponding to the whole credit amount, loaded with a single means of conveyance is stated to be a complete shipment. All other shipments, which are not complete and/or loaded with more than one means of conveyance, can be defined as partial shipments.

Other related articles of UCP 600 such as Transport articles from 19-24, Article 30 on tolerance etc. should be taken in to consideration, depending on the scenario, while applying Article 31 along with LC terms and conditions.

Sub-Article (a): Partial drawings or shipments are allowed

Unless the credit explicitly prohibits partial shipments, beneficiaries are free to ship goods in multiple consignments and draw under the letter of credit accordingly. This flexibility reflects the practical realities of trade, where production schedules, space in the means of conveyance, or logistics may require splitting shipments. If the applicant wishes to avoid partial shipments, the credit must clearly state "Partial shipments not allowed."

Example: A Letter of Credit is issued for USD 200,000 worth of machinery. The beneficiary ships USD 120,000 worth in March and the remaining USD 80,000 in April. Since the letter of credit does not prohibit partial shipments, both presentations are acceptable.

Sub-Article (b): Transport documents and partial shipment rules:

This sub-article has two important aspects:

(i) Same means of conveyance, same journey:

If multiple sets of transport documents are presented, but they all relate to the same vessel, aircraft, or truck on the same journey to the same destination, it is not considered a partial shipment—even if the documents show different shipment dates or different ports of loading.

Example: A vessel sails from Shanghai to Hamburg. Part of the cargo is loaded in Shanghai on 1 June. Another part is loaded in Ningbo on 3 June. Two bills of lading are issued. Since both shipments are on the same vessel and voyage to Hamburg, this is not a partial shipment. The latest shipment date (3 June) will be regarded as the shipment date.

20th FEDAI Annual Conference organised in Paris from 11th to 14th April 2026

FEDAI Members are requested to register their delegates