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

July 2025
FEDAI NEWSLETTER

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RBI (Pre-payment Charges on Loans) Directions, 2025 Click here to see details

These directions prohibit Regulated Entities from levying pre-payment charges on all floating rate loans and advances granted for business purposes to individuals and MSEs, with or without co-obligants. For all loans granted for business purpose to individuals & MSEs, with or without co-obligant(s) commercial banks (excluding Small Finance bank, RRBs and Local Area bank) shall not levy such charges.
Further, REs shall not impose any charges or fees retrospectively at the time of pre-payment, particularly where such charges had been previously waived. The prohibition on levying pre-payment charges shall apply irrespective of the source of funds used for pre-payment, whether in part or in full, and without any minimum lock-in period.

Bill of Lading Act 2025 Click here to see details

The Bill of Lading Act 2025, is notified vide Gazette Notification dated 24 July 2025, replacing Indian Bills of Lading Act, 1856. The legislation provides that the shipper's contractual rights and liabilities pass to the consignee or endorsee if property in the goods passes upon or by reason of the consignment or endorsement. Though digitised bills of lading are recognised under Section 4 of the Information Technology Act, 2000, the position is different for e-bills of lading and new Act is not resulting in legal recognition of e-bills of lading.

Draft Directions hosted by RBI inviting comments from stakeholder

FEDAI is coordinating and shall be submitting comments on the following;
- Export Data Processing and Monitoring System – Closure of Shipping Bills
- Reserve Bank of India (Novation of OTC Derivative Contracts) Directions, 2025

India – UK Comprehensive Economic & Trade Agreement (CETA)

India and the United Kingdom have taken a major step in building a stronger economic partnership with the signing of the CETA. The agreement provides for elimination or reduction of customs duties from the date of implementation or in a phased manner. The Executive Summary released by His Majesty's Government of UK see it as agreement between world's 5th & 6th largest economies and envisaged various positive result including increase bilateral trade.
As part of FEDAI's discussion series, the next session scheduled for 11 August 2025, will explore the recently concluded "India–United Kingdom Comprehensive Economic and Trade Agreement (CETA)."

FATF High risk and other monitored jurisdictions – June 12-13, 2025 Click here to see details

As per the latest publication, there is no change in list of 'High-Risk Jurisdictions subject to a Call for Action. With reference to list of jurisdictions placed under Increased Monitoring; name of Croatia, Mali & Tanzania are removed and Bolivia & Virgin Islands (UK) have been added; Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Mozambique, Namibia, Nepal, Nigeria, South Africa, South Sudan, Syria, Venezuela, Vietnam & Yemen continued with no change in their status.

Updates from FEDAI

FEDAI has issued a Special Circular comprising the queries raised by member banks and replies from RBI, addressing key aspects of the recent RBI Notifications FEMA 5(R) and FEMA 10(R).
The 8th FEDAI Annual Day will be held on 08 August 2025. Shri T. Rabi Sankar, Deputy Governor, Reserve Bank of India, has graciously consented to deliver the keynote address at the event. Sh Rama Mohan Rao Amara, Managing Director, State Bank of India has kindly consented to be the Chief Guest.

Updates from IFSCA

- IFSCA has posted consultation paper for reporting and clearing of OTC Derivatives in IFSC, seeking comments specific to (i) Should entities other than IFSCA registered IBUs & Broker-Dealers be allowed to issue OTC Derivatives (ii) What should be minimum net worth requirement for non-banking entities that will be permitted to issue such OTC Derivatives and (iii) Should parties to such OTC Derivative be given option bilateral clearing (outside CCP)? If yes, what should be the margin requirements in the case of bilateral clearing?

Updates from DGFT

- Para 2.12 of the FTP 2023 is a facilitative provision to allow clearance of goods to the importers whose authorisation of import, such as Advance Authorisation, are issued subsequent to the arrival of the imports. DGFT now issued clarification that requirement for warehousing of goods before release for home consumption, is not mandatory to avail this provision.
- Vide DGFT Policy Circular dated July 15, 2025 Organic textiles are excluded from the accreditation prescribed under the National Programme for Organic Production (NPOP). Consequently, there is no requirement for a Transaction Certificate from a NAB-accredited body, as outlined in the relevant Public Notice. However, such certification are issued under globally recognised frameworks such as Global Organic Textile Standards are acceptable along with export documents

ICC News

- ICC and WCO release trade facilitation recommendations for enhanced integrity at borders - The role of trade facilitation in the fight against corruption
- ICC has published its Policy Paper on "AI Governance and Standards" on 11th July 2025.

FEDAI Workshop – Upcoming workshops

4 to 8 Aug 2025: 5-Day Classroom Workshop (Non - Residential) on "Foreign Trade and Foreign Exchange Business" at Central Bank of India, SPBTC, Mumbai.
6 and 7 Aug 2025: 2-Day Classroom Workshop (Non-Residential) on "Treasury and Foreign Exchange Market" at FEDAI Conference room, Mumbai.
13-Aug-2025: Online (3 hours) Workshop on "EDPMS/IDPMS Guidelines, Operational Procedures"
20-Aug-2025: Online (3 hours) Workshop on ""SWIFT - Financial messaging services".
21-Aug-2025: One Day Classroom (Non-Residential) Workshop on "Handling Documents under Letters of Credit with specific focus on ICC Opinions" at FEDAI Conference Room, Mumbai.

Upcoming Market Events

RBI MPC Meeting	-	04th to 06th August 2025
ECB Monetary	-	10th to 11th September 2025
FOMC Meeting	-	16th to 17th September 2025

ECB decided to keep the three key ECB interest rates unchanged since the inflation is currently at the 2% medium-term target. FMOC too decided status-quo; announced continuation to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent. Central Bank of Monetary Authority in Canada, Japan & Singapore too decided status-qua in their MPC Announcement this month.

Market News

- RBI appointed Sh. Kesavan Ramachandran as Executive Director with effect from July 01, 2025.
- The Central Government has nominated Ms. Anuradha Thakur, Secretary, Department of Economic Affairs, Ministry of Finance, GoI as a Director on the Central Board of Rbi w.e.f. July 24' 2025.
- Council of the European Union formally approved the accession of Bulgaria to the euro area on 01 January 2026, she will be 21st European Member Country to adopt Euro.
- BIS released Annual Report 2024-25.

ICC - UCPDC 600
Commentary on Art. 27 & 28

Article 27:

Continued from Previous month…

Examples of Not Clean Documents:
"Goods partly wet.", "Packaging torn.", "20 steel bars are rusty" and "Drums are leaking"
Even if the overall shipment is in an acceptable condition, the presence of such notations makes it a discrepant document.

ISBP Provisions related to Article 27:
Paragraphs D24 and D25 (Multimodal Transport Document), E20 and E21 (Bill of Lading), F18 and F19 (Non-Negotiable Sea Waybill), G18 and G19 (Charter Party Bill of Lading), H20 and H21 (Air Transport Document), and J15 and J16 (Road, Rail or Inland Waterway Transport Document), all of which provide a similar wording for the type of transport document to which they relate.

Article 28 – Insurance Document and Coverage:

28(a): Issuance and signature requirements:
An insurance document, such as an insurance policy, an insurance certificate or a declaration under an open cover, must appear to be issued and signed by an insurance company or an underwriter or their agents or their proxies. Any signature by an agent or proxy must indicate whether the agent or proxy has signed for or on behalf of the insurance company or underwriter.
This clause ensures the authenticity and reliability of the insurance document. It stipulates that the issuing party must be a recognised insurer or underwriter, or someone with express authority to act on their behalf. If signed by an agent or proxy, their capacity must be clearly shown, preventing ambiguity or dispute over who is ultimately backing the coverage.

28(b): Multiple Originals:
When an insurance document is issued in more than one original and the document is indicating the numbers, all those originals must be presented. As multiple originals are considered equally authentic and valid, when all originals are presented to the bank, it prevents any fraudulent use and ensures no duplicate claims are made, when an event arises.

To be continued …