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

# May 2025
# FEDAI NEWSLETTER

**RBI Policy Statement: Framework for Formulation of Regulations** Click here to see details
The Framework lays down the broad principles for formulation & amendment of Regulations by the RBI. Before issuance of a Regulation, the RBI shall publish a draft on www.rbi.org.in & seek public comments. RBI shall also conduct an impact analysis of the Regulation, to the extent feasible. While the RBI shall update, amend or repeal the existing Regulations, as deemed necessary, it shall periodically undertake a review of the Regulations in force.

**Reporting on FIRMS portal – issuance of Partly Paid Units** Click here to see details
Investment Vehicles (**IVs**) were allowed to issue partly paid units under Non Debt Investment (NDI) Rules 2019, permitted under the regulations framed by the SEBI, in consultation with Government of India vide amendment in Rules on 14 March 2024. IVs which have issued its units to a person resident outside India are required to file Form InVI within 30 days from the date of issue of units as per the Regulation No. 4(10) in Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. Now RBI vide A.P. (DIR Series) Circular No. 06 dated May 23, 2025 has allowed **IVs** to report issuances of partly paid units made prior to the date of the circular in Form InVI within 180 days from the date of this circular without late submission fees.

**Investments by FPI in Corporate Debt Securities – Relaxations** Click here to see details
Investments by an FPI through General Route in corporate debt securities with residual maturity up to one year were so far required to not exceed 30% of the total investment of the FPI in corporate debt securities. Further, investment in corporate debt securities by an FPI were to be capped at 15% of prevailing investment limit for the securities in case of long-term FPIs & 10% of prevailing investment limit for other FPIs. Now RBI vide its latest notification dated May 08, 2025 has dispensed with both the short-term investment limit and the concentration limit.

**Draft Regulations comments are invited from public/stakeholders by RBI**
RBI posted draft over its website, inviting comments within respective specified period on 'Investment by Regulated Entities in Alternate Investment Funds', 'Inoperative Accounts/ Unclaimed Deposits in Banks (Amendment) 2025 & 'Updation/ Periodic Updation of KYC – Revised Instructions'

**FEM (Foreign Currency Accounts by a Person Resident in India) Regulations, 2025**
Vide sixth amendment in referred regulations on 29 April 2025, RBI align extant regulations with conditions stipulated for DDA in Foreign Trade Policy 2023 and henceforth the required period of dealing in purchase/ sale of rough or cut and polished diamonds/precious metal etc. for opening of Diamond Dollar Account is increased to 3 years from 2 years.

**Foreign Contribution Regulation Act (FCRA) – New developments** Click here to see details
The Central Government made certain amendment in Foreign Contribution (Regulation) Rules 2011, revising the Application for FCRA registration/renewal. The ministry of Home Affairs also allowed association whose FCRA registration validity has expired, to pay the compounding penalty and fee from the FCRA Account held with State Bank of India, New Delhi Main Branch. However, any other receipt/utilisation from FCRA Account of such association until the registration is renewed, would amount to the violation of FCRA 2010 and liable for penal action.

**Updates from IFSCA**
- IBUs may participate as/be members of international payment systems for making or receiving payments to/from banks/financial institutions outside IFSC without prior approval of the Authority. However, for domestic (i.e. IFSC) transactions, it would require authorisation from the IFSCA.
- With the objective to revamp Regulatory Framework for Global Access in the IFSC, IFSCA has floated a discussion paper seeking comments, suggestions from the public and stakeholders.

**Updates from DGFT**
- DGFT has prohibited direct or indirect import or transit of goods originated in or exported from Pakistan w.e.f. 02 May 2025.
- DGFT in sync with Finance Act 2025 amended Import Policy and Policy condition specific to ITC(HS) Codes in Schedule-I and Export Policy ITC(HS) Codes in Schedule-II vide Notification No. 8/2025-26 & No. 9/2025-26 respectively, on 19 May 2025.
- Central Government imposed port restrictions for Import of certain goods from Bangladesh.
- Central Government notified restoration of RoDTEP for Advance Authorisation holders, SEZs and Export Oriented Units from 01 June 2025.

**ICC News**
- ICC has shared revised draft opinion reference no. 470/TA 949rev discussing receipt of Surrendered Bill of Lading, inviting inputs from National Committees.
- ICC calls for G7 leadership to revitalise global trade system.
- ICC published note on 'Opinion Handling Procedure and Terms of Reference'.

**FEDAI Workshop**
05th June 2025: One day workshop on "Handling Documents under Letters of Credit with specific focus on ICC Opinions" at FEDAI, Mumbai.
11th June 2025: Online workshop on "External Commercial Borrowings and Structured Obligations"
18th June 2025: Online workshop on "Customs Procedures & Practice – Bankers' Perspective"
23rd to 27th June 2025: 5 Day orientation workshop (Non-Residential) on "Foreign Trade and Foreign Exchange Business" at UCO Bank, Staff Training Centre, Salt Lake, Kolkata
24th June 2025: One day workshop on "FX Derivatives: Pricing, Structuring and Risk Management" at FEDAI Conference room, Mumbai in association with BLOOMBERG

**Upcoming Market Events**

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| RBI MPC Meeting | 04th to 06th June 2025 |
| ECB Monetary Policy | 04th to 05th June 2025 |
| FOMC Meeting | 17th to 18th June 2025 |

**Market News**
- Bureau of Board of Financial Institutions recommended name of Shri Asheesh Pandey for MD & CEO, Union Bank of India and Shri Kalyan Kumar for MD & CEO, Central Bank of India.
- The revamped OCI portal has been launched with an up-to-date user interface make.
- The RBI granted in-principle approval to Emirates NBD Bank PJSC for setting up a Wholly Owned Subsidiary in India, earlier DBS Bank India Ltd. & SBM Bank (India) Ltd. are set under this route.
- RBI Board reviewed the Economic Capital Framework adopted in 2019 on recommendations on Dr. Bimal Jalan Committee. The board approved revised framework and in line thereof transferred Rs.2,68,590.07 crore as surplus to the Central Government for the accounting year 2024-25.
- RBI recognised FIMMDA as a Self Regulatory Organisation in financial markets regulated by it.
- India concluded a Free Trade Agreement (FTA) with UK, third bilateral trade agreement following agreements with Australia and the United Arab Emirates in recent years.
- ECGC issued revised Country Risk Classification List. Pakistan is in category D, 'Off Cover' for Medium & Long Term.

## Contents



## ICC - UCPDC 600

### Commentary on Art. 25

**Article 25 Courier Receipt, Post Receipt or Certificate of Posting:**
Article 25 (a) (i) of UCP 600 - a courier receipt, however named, is to indicate the name of the courier service and be stamped or signed by the named courier service at the place from where goods are to be shipped as stated in the letter of credit. Courier receipt should evidence receipt of goods for transport.
As per sub – article 25 (c), a post receipt or certificate of posting, however named, should evidence receipt of goods for transport & must be stamped or signed as well as dated at the place from where goods are to be shipped as stated in the LC.
**Indication of pick-up or receipt of goods:** As per sub–article 25 (a) (ii), a courier receipt must indicate a pick-up date or receipt of goods date or wording to this effect. This date is deemed to be the date of shipment.
As per sub – article 25 (c), in a post receipt or certificate of posting, the date of the document will be deemed to be the date of shipment.
**Courier Charges**: As per sub – article 25 (b) of UCP 600, a transport document issued by a courier service evidencing that courier charges are for the account of a party other than the consignee satisfies the requirement regarding courier charges paid or prepaid.

**Article 26:**
"On Deck", "Shipper's Load and Count", "Said by Shipper to Contain" and Charges Additional to Freight on Deck Shipments: a transport document must not explicitly state that goods are or will be loaded on deck. However, a clause indicating that goods may be loaded on deck is acceptable. This distinction is crucial because goods stored on deck are exposed to weather & other risks, which could affect insurance coverage.

To be continued ...