



# November 2023 FEDAI NEWS LETTER

## Opening of Current Account for Intl. Trade Settlement in INR

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12568&Mode=0>

RBI had earlier introduced a framework for the opening & operation of current accounts and CC/OD accounts with a view to enforce credit discipline while allowing some relaxations to certain categories of customers, type of transactions. Now, in terms of this provision and in order to provide greater operational flexibility to the exporters, AD Banks maintaining Special Rupee Vostro Account are permitted to open special current account for its exporter constituent exclusively for settlement of their export transactions in INR.

## Report on Management of Foreign Exchange Reserves 1<sup>st</sup> Half of FY'23

<https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=22061>

RBI publishes this report for every half-year on management of foreign exchange reserves as part of its efforts towards enhanced transparency and levels of disclosures. The report released on November 09, 2023 states foreign exchange reserves at USD 587.71 billion which is sufficient to cover our import for 10.2 months. In value term, Gold contributes to the extent 7.37% to the reserves. India's International Investment Position reported negative, i.e. external liabilities exceeding external assets by USD 379.7 billion. This report contains important information relevant to Fx Market particularly the objectives of Reserve Management, Legal Framework, Risk Management Practices, Transparency and Disclosure covered in Part II of the report.

## Import of Silver into India

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12565&Mode=0>

<https://www.rbi.org.in/commonperson/English/Scripts/Content.aspx?id=336>

RBI has allowed "Qualified Jewellers" as notified by International Financial Services Centres Authority (IFSCA) to import silver from IIBX. They are also permitted to remit advance for up to 11 days for import of silver through IIBX subject to certain compliances.

## Federal Open Market Committee's Latest Statement

<https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>

The Board of Governors of the Federal Reserve System voted unanimously to raise the interest rate paid on reserve balances to 3.9% and agree to undertake open market operations as necessary to maintain the federal funds rate in a target range of 3-3/4 to 4 % to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 %. The committee voted unanimously to maintain the interest rate paid on reserve balances at 5.4 percent, effective November 2, 2023.

## RBI updates the Alert List of unauthorized forex trading platforms

[https://rbi.org.in/scripts/bs\\_viewcontent.aspx?Id=4235](https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=4235)

RBI has added entities/platforms/websites to the Alert List of unauthorized forex trading platforms. Updated Alert List is available on RBI website. AD Banks are advised to share the information with their clients and actively monitor any activity being undertaken through these platforms.

## IFSCA News

<https://www.ifsc.gov.in/>

- IFSCA issued an amendment to IFSCA Banking Handbook - Conditions for opening a Global Administrative Office (GAO) and Representative Office (RO).
- IFSCA in consultation with the RBI issued circular to allocate IFSC codes to IBUs.
- IFSCA floated consultation paper on IFSCA (Banking) Regulations, 2020 (as amended) and invited comments.

## DGFT Notifications

- Trade Notice 33/2023-24 dated November 10<sup>th</sup> 2023: DGFT has revamped eBRC system and did soft launch w.e.f. 15<sup>th</sup> November 2023. FAQ issued on this is available in the website [www.dgft.gov.in](http://www.dgft.gov.in) under section 'Application Help & FAQs'.
- Trade Notice 32/2023-24 dated November 6<sup>th</sup> 2023: In its continuous endeavour to enhance Trade Facilitation and provide efficient grievance redressal mechanisms, DGFT has introduced a new facility of centralized Video Conference facility at DGFT HQs on every Wednesday between 10 am to 12 noon. Any interested party may avail this facility by registering on the DGFT portal in advance or otherwise if time slot is available for unregistered participants.

## ICC News

- ICC, Boston Consulting Group and Global Credit Data have teamed up once again to release the annual 'ICC Trade Register report – Global risks in Trade Finance'.
- The ICC published paper titled '**How to fix the WTO: A holistic framework for reform**' setting out our holistic vision for reforming the World Trade Organization.

## FEDAI workshops & training activities - Upcoming

- 12 Dec 23: A day's online workshop on Remittances to India – Regulatory Provisions for Bankers
- 22 Dec 23: A day's online workshop on Banking and investment facilities for NRI/PIO.

Annual Trainer's meet was held on November 22, 2023 to discuss and review the training activities conducted by FEDAI. The meet also chalked out various plans and initiatives for the next year.

## Upcoming Market Events

RBI MPC Meeting	06 <sup>th</sup> to 08 <sup>th</sup> December 2023
FOMC Meeting	12 <sup>th</sup> to 13 <sup>th</sup> December 2023
ECB Monetary Policy Meeting	14 <sup>th</sup> December 2023

## Market News

- RBI has appointed Shri Manoranjan Mishra as Executive Director w.e.f. from Nov. 01, 2023.
- Shri Vinay M. Tonse has been elevated and has taken charge as Managing Director, SBI.
- Shri Venkat Nageswar Chalasani, former Chairman, FEDAI and Dy.MD, SBI has taken over as Chief Executive, Association of Mutual Funds in India (AMFI).
- Board of Directors of Abhyudaya Cooperative Bank Ltd has been superseded by Administrator, appointed by Reserve Bank of India.
- Shri Rohit Rishi has taken charge as Executive Director, Bank of Maharashtra.
- Former RBI Governor Shri Venkatramanan passed away; he will be remembered for providing leadership to RBI during turbulent period from December 22, 1990 to December 21, 1992.
- RBI included Sovereign Green Bonds issued by the Government of India in the fiscal year 2023-24 in list of 'specified securities' eligible under 'Fully Accessible Route' (FAR) for investment.
- October 2023 Plenary, the FATF agreed on amendments to Recommendation 8 aiming to protect Non-Profit Organizations from potential terrorist financing. Accordingly, the FATF has now published Best Practices on Combating the Abuse of Non-Profit Organizations.

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## ICC - UCPDC 600 Commentary on Art. 14

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Documents may be dated prior to the issuance date of the LC, but must not be dated later than its date of presentation.

For example:

LC issuance date: Nov 03, 2023

Date of Presentation: Nov 20, 2023

Date of Invoice: Nov 01, 2023

Date of Packing List: Nov 22, 2023

In this presentation the invoice is dated prior to LC issuance date but the packing list is dated after the date of presentation. The invoice complies with sub article 14 (i) however, packing list doesn't. In simple terms, a document may be dated any date up to and including the date of its presentation.

When the addresses of the beneficiary & the applicant appear in any stipulated document, they need not be the same as those stated in the letter of credit or in any other stipulated document, but must be within the same country as the respective addresses mentioned in the letter of credit. Contact details (telephone, email & the like) stated as part of the beneficiary's & the applicant's address will be disregarded. However, when the address & contact details of the applicant appear as part of the consignee or notify party details on a transport document subject to article 19,20,21,21,23,24 or 25, they must be as stated in the credit.

The shipper or consignor of the goods indicated on any document need not be the beneficiary of the LC. A transport document may be issued by any party other than a carrier, owner, master or charterer provided that the transport document meets the requirement of article 19, 20,21,22, 23 or 24 of these rules.

If LC requires a certificate, certification, declaration or statement, it is to be signed. Whether it is to be dated on or not depends on the type of document that has been requested, it's required wording and the wording that appears within the document.

For example: A certificate that the ship does not exceed 20 years of age at the time of shipment, shall be valid without issue date only if indicates the date on which the ship was built.