



From the CEO's Desk



September 2026 has been a month of significant developments for FEDAI and the foreign exchange industry. The implementation of FEMA 23(R) from 1 October 2026 marks an important transition towards an AD-led framework, with greater responsibility and operational flexibility for AD Banks. FEDAI has been working closely with its members to facilitate this transition through a Model Policy, SOPs, indicative TATs and other operational guidance.

At the institutional level, FEDAI is also progressing towards an important phase of governance transition. An Extraordinary General Meeting is proposed to be held on 31 October 2026 for consideration and adoption of the Amended and Restated MoA and AoA, along with the consequential changes in the governance structure and reconstitution of the Board of Directors.

These developments mark an important phase in FEDAI's journey as an SRO. As we move forward, our focus will remain on strengthening governance, supporting our member banks and facilitating effective and consistent implementation of the evolving regulatory framework.

Best Regards

Vivek Wahi

FEMA 23(R) Takes Effect: From RBI Approvals to AD Judgement

A new AD-led framework for export, import and merchanting trade transactions from 1 October 2026

The Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 [FEMA 23(R)/2026-RB], notified by the Reserve Bank of India (RBI) on January 13, 2026, came into effect on 1 October 2026. Together with the Amendment Regulations notified on September 22, 2026 [FEMA 23(R)/(1)/2026-RB], which also take effect from 1 October 2026, they mark a significant change in the manner in which export, import and merchanting trade transactions are handled under FEMA.

A shift in decision-making to Authorised Dealers

The defining feature of the new framework is the authority entrusted to AD Category-I banks (ADs). Several operational matters that earlier required specific RBI approval are now decided by ADs, based on the genuineness of the transaction, the circumstances presented by the customer and their own internal policies. For instance, subject to the conditions prescribed in the Regulations, ADs may:

- extend the time for realisation of export proceeds or for making import payments;
- permit reduction in export realisation;
- allow set-off of export receivables against import payables; and
- permit third-party receipts and payments.

Rationalized timelines

The September amendment substitutes the realisation periods in Regulation 5(1) of the principal Regulations. The normal period for realisation and repatriation of export

proceeds is now nine months, in place of the fifteen months originally provided, while the period under the first proviso, for exports invoiced or settled in Indian Rupees, is twelve months, in place of eighteen months. ADs remain empowered to grant extensions where the exporter furnishes reasons and the AD is satisfied with the justification, preserving flexibility for cases that genuinely need it.

Merchanting Trade and Project Exports

The framework provides greater operational flexibility for Merchanting Trade Transactions (MTT). ADs may permit extensions beyond the prescribed six-month period and, where justified, allow third-party payments or receipts after satisfying themselves about the reasons. For Project Exports, ADs may permit receipts and payments in accordance with the underlying contract once satisfied about the genuineness of the project, and the Regulations also provide for deployment of temporary cash surpluses generated outside India, subject to monitoring by the AD.

A mandatory internal policy and SOP

Every AD is now required to put in place a separate, comprehensive and well-documented internal policy and Standard Operating Procedure (SOP) covering export, import and MTT transactions, including reporting. The policy must provide for:

- delegation of powers and approval processes;
- timelines and documentation;
- extensions, adjustments and advance transactions; and
- an internal escalation and appeal mechanism.

ADs must also disclose the policy and its main features on their websites. Exporters and importers would do well to familiarize themselves with their bank's policy, as it will govern how their requests are decided.

Bridging the transition

The September 22, 2026 amendment provides two important bridges between the old and new regimes. First, a new Regulation 20, inserted after Regulation 19, expressly authorizes ADs to handle export, import and merchanting trade transactions undertaken prior to 1 October 2026 which hitherto required RBI approval under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, the Master Direction – Export of Goods and Services and the Master Direction – Import of Goods and Services. Legacy transactions thus have a clear path from the earlier approval-based approach to the new AD-led framework.

Second, a proviso added to Regulation 13 clarifies that exporters in the Caution List as on September 30, 2026, under orders issued by RBI under Regulation 16 of the 2015 Regulations, will continue to be governed by those orders until they are removed from the Caution List. ADs should therefore continue to apply existing caution-listing restrictions to such exporters.

FEDAI's role in facilitating the transition

Recognizing the scale of this shift, FEDAI has taken a proactive role in supporting a smooth and consistent transition. It has prepared a Model Policy Framework,

Standard Operating Procedures, indicative Turnaround Times (TATs), delegation and approval matrices and other operational guidance covering export, import, Merchanting Trade and Project Export transactions, communicated to members. The objective is to give AD banks a common reference framework and promote a consistent market practice, to the extent practicable. The documents are indicative, not prescriptive, and each bank is expected to align them with its own risk management systems, governance structure and customer profile.

Looking ahead

FEMA 23(R) gives AD banks greater operational authority and, with it, greater accountability. The success of the new framework will depend significantly on the quality of banks’ internal policies, delegation frameworks, risk assessment, documentation standards, monitoring mechanisms and consistency in decision-making. For AD banks and their customers, 1 October 2026 marks a transition from a largely permission-driven regime to one in which the AD is the principal operational decision-maker, within the framework prescribed by RBI.

FEMA 23(R) – Amendment to Export and Import Regulations, 2026

The Reserve Bank of India has notified the Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026, further amending the principal regulations notified on January 13, 2026. The amendments shall come into force with effect from October 1, 2026.

The key amendments are as follows:

- Reduction in timelines under Regulation 5: The period of 15 months has been reduced to 9 months, while the period of 18 months specified in the first proviso has been reduced to 12 months.
- Caution-listed exporters: Exporters who are on the Caution List as on September 30, 2026, under orders issued by RBI pursuant to Regulation 16 of the erstwhile FEMA (Export of Goods & Services) Regulations, 2015, will continue to be governed by those orders until they are removed from the Caution List.
- Powers of Authorised Dealers – legacy transactions: A new Regulation 20 provides that Authorised Dealers shall handle transactions relating to export and import of goods and services, as well as merchanting trade, undertaken prior to October 1, 2026, which had hitherto required RBI approval under the earlier FEMA Regulations, 2015 and the relevant Master Directions.

Effective date: The amendments will take effect from October 1, 2026. [RBI Notification No. FEMA 23\(R\)/\(1\)/2026-RB dated September 22, 2026.](#)

Novation of OTC Derivative Contracts

The Reserve Bank of India (RBI) has finalized the instructions relating to novation of OTC derivative contracts, following feedback received on the draft *Reserve Bank of India (Novation of OTC Derivative Contracts) Directions, 2025*, issued on July 9, 2025.

To consolidate the applicable instructions, the provisions relating to novation have been incorporated into the respective Directions governing OTC foreign exchange, interest rate, government securities and credit derivative contracts, namely:

- Master Direction – Risk Management and Inter-Bank Dealings dated July 5, 2016, as amended from time to time;
- RBI (Rupee Interest Rate Derivatives) Directions, 2025 dated December 8, 2025;
- RBI (Forward Contracts in Government Securities) Directions, 2025 dated February 21, 2025; and
- RBI (Credit Derivatives) Directions, 2026 dated June 25, 2026.

The instructions are applicable to any novation undertaken on or after September 22, 2026, i.e. the date of issue of the circular.

[RBI Circular RBI/2026-27/263 – FMRD.DIRD.No.04/14.03.066/2026-27 dated September 22, 2026.](#)

Forex Inflows under RBI’s USD-INR Forex Swap Facility

The Reserve Bank of India introduced a special USD-INR Forex Swap facility on June 8, 2026, covering forex inflows through FCNR(B) deposits, External Commercial Borrowings (ECBs) and Overseas Foreign Currency Borrowings (OFCBs). The facility was available for FCNR(B) deposits up to August 31, 2026, while the facility for ECBs and OFCBs remains open up to December 31, 2026.

As reported by Authorised Dealer Banks, forex inflows under the facility up to September 18, 2026 amounted to USD 1,43,596 million. Of this, FCNR(B) deposits accounted for USD 1,32,980 million, OFCBs for USD 5,320 million, and ECBs for USD 5,296 million. The FCNR(B) figure relates to deposits mobilized up to August 31, 2026. [RBI Press Release dated September 21, 2026 \(2026-2027/1160\).](#)

Reporting Requirements for Accounts of Non-resident Banks

The Reserve Bank of India, on review, has dispensed with the existing reporting requirements relating to accounts of non-resident banks, with immediate effect.

Accordingly, Authorised Dealer Category-I banks are no longer required to:

- furnish to RBI, by January 15 each year, an updated list of their offices/branches maintaining Rupee accounts of non-resident banks; and
- report to RBI temporary overdrafts by overseas branches/correspondents beyond the permissible limit, where such overdrafts are not adjusted within five days.

The circular has been issued under Sections 10(4) and 11(1) of FEMA, 1999 and takes effect immediately. [RBI, A.P. \(DIR Series\) Circular No. 20 dated September 2, 2026.](#)

RBI Appoints Shri Suman Ray as Executive Director

The Reserve Bank of India has appointed Shri Suman Ray as Executive Director (ED) with effect from September 1, 2026. Prior to his appointment, Shri Ray was serving as the Regional Director for Maharashtra.

Shri Ray is a career central banker with over three decades of experience in the Reserve Bank, having worked in areas including Currency Management, Financial Inclusion, Payment and Settlement Systems, Consumer Education and Protection, and Human Resources. He has also served as Secretary to the Western Area Local Board.

As Executive Director, Shri Suman Ray will look after the Deposit Insurance and Credit Guarantee Corporation (DICGC) and the Premises Department. [RBI Press Release 2026-2027/1013 dated September 1, 2026.](#)

Clarifications on Implementation of FEMA (Export and Import of Goods and Services) Regulations, 2026

The Reserve Bank of India, vide its letter dated September 21, 2026, has provided clarifications on certain operational matters relating to the implementation of the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026. FEDAI has summarized the clarifications for information and necessary action by member banks.

Authenticated EDFs of Non-EDI Ports: In respect of exports from non-EDI ports, RBI has informed that it has requested Customs authorities to direct the concerned Customs Authorities to send a copy of the duly authenticated Export Declaration Form (EDF) to the centralized team of the concerned AD. FEDAI has requested member banks to provide the contact details of their designated officials/centralized teams to facilitate this process.

Absence of Due Date in Bill of Entry Data: Where the due date is not available in the Bill of Entry (BoE) data, ADs should follow up with the importer to ascertain the due date based on the underlying contract for payment.

Unrealized Exports and Imports Not Materialized: RBI has clarified that ADs may handle such transactions based on the declaration from the concerned exporter/importer. Suitable reports will be made available in E/IDPMS from October 1, 2026, to facilitate tracking of outstanding entries, including where the customer maintains relationships with more than one AD.

Further, where export proceeds remain unrealized beyond one year from the due date of realisation, or such extended period as may be permitted by the AD, the requirement that further exports be undertaken only against full advance payment or an irrevocable Letter of Credit applies only to future exports between the specific exporter and the specific overseas buyer responsible for the unrealized proceeds. It does not extend to exports by the same exporter to other overseas buyers who are not responsible for the unrealized proceeds. [FEDAI Circular SPL-07/Trade/202n6 dated September 23, 2026](#)

DTA-to-SEZ Transactions – Issuance of e-BRC

The Reserve Bank of India (RBI) has clarified the reporting treatment of transactions involving supply of goods or provision of services from Domestic Tariff Areas (DTAs) to Units or Developers in Special Economic Zones (SEZs). Such supplies are treated as exports under Section 2(m)(ii) of the SEZ Act, 2005.

RBI noted that some Authorised Dealer banks were assigning Purpose Code P1505 – Deemed Exports to DTA-to-SEZ transactions and reporting the corresponding IRMs as such on the DGFT portal. This was creating difficulties for exporters in generating correct e-BRCs and claiming export-related benefits.

RBI has clarified that although DTA-to-SEZ transactions may be classified differently for Balance of Payments (BoP) purposes, reporting in FETERS/R-Return and reporting on the DGFT portal serve distinct purposes. Such transactions are not covered under “Deemed Exports” under Chapter 7 of FTP 2023, while e-BRCs are issued for these transactions.

Accordingly, AD banks have been advised to issue e-BRCs in the prescribed format under Appendix 2U of the Handbook of Procedures and upload the relevant details in the IRM module on the DGFT portal, including the Shipping Bill number, date and Port Code, wherever available through EDPMS. DTA-to-SEZ transactions should not be reported on the DGFT portal as “Deemed Exports” merely on the basis of the purpose code used for FETERS/R-Return reporting. [FEDAI Circular SPL-06/Trade/2026 dated September 7, 2026.](#)

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

FEDAI, following deliberations by its Technical Advisory Committee (Trade & Remittances) on July 24, 2026, has provided clarification on foreign exchange billing and remittance issues in transactions involving freight forwarders.

Where a Person Resident in India (PRI) receives foreign exchange for onward remittance to a Person Resident Outside India (PROI), the payment should relate to an underlying foreign exchange liability, and the PRI should act only as a pass-through intermediary. Such intermediary should not quote an exchange rate or collect any margin/mark-up on the foreign exchange transaction.

In freight forwarding transactions, foreign currency remittances should not exceed the amount of the invoice raised by the overseas transporter, as any excess would not represent an underlying foreign exchange liability. AD banks should satisfy themselves, based on the underlying transaction and supporting documents, that the remittance represents the actual liability towards the PROI.

Any charges for intermediary services, where not being remitted to a PROI, should be denominated in INR.

FEDAI has also advised member banks to exercise due diligence where requests for foreign currency remittances rely on circulars or advisories issued by industry bodies, and to ensure that such communications are authentic, currently valid and applicable to the transaction concerned. [FEDAI Circular SPL-05/Trade/2026 dated August 21, 2026.](#)

DGFT: Notifications/Circulars	
De minimis Exemption from RCMC Requirements for Low-Value Exports	The Directorate General of Foreign Trade (DGFT) has amended paragraph 2.57 of the Foreign Trade Policy (FTP) 2023 to provide a de minimis exemption from the requirement of a Registration-cum-Membership Certificate (RCMC) or Certificate of Registration for low-value export consignments.
DGFT Notification No. 36/2026-27 dated September 15, 2026	With immediate effect, the requirement of an RCMC or Certificate of Registration shall not apply to an export consignment where the FOB value does not exceed ₹3,00,000. The exemption is intended to facilitate small-value exports, particularly exports through postal, courier and other emerging channels. Export consignments with an FOB value exceeding ₹3,00,000 will continue to require a valid RCMC or

	Certificate of Registration wherever such requirement is otherwise applicable under FTP 2023.
Amendment to Import of Gold or Silver through IIBX IFSCA Circular IFSCA-PMTS/10/2023-Precious Metals/2026/5 dated September 22, 2026, “Amendment to the Circular on Import of Gold or Silver by Qualified Jewellers and Valid India-UAE CEPA TRQ Holders through IIBX.”	The International Financial Services Centres Authority (IFSCA) has amended the consolidated circular dated October 10, 2025 relating to the import of gold or silver by Qualified Jewelers and valid India-UAE CEPA TRQ holders through the India International Bullion Exchange (IIBX). The consolidated circular was last updated on June 15, 2026. Based on representations received and consultations with stakeholders, IFSCA has relaxed the eligibility criteria for notification as a Qualified Jeweler. Entities that have been issued authorisation by the DGFT for import of items under specific relevant ITC (HS) codes may now be notified as Qualified Jewelers. Such Qualified Jewelers will, however, be eligible to import through the IIBX only those items for which they have been specifically authorised by the DGFT.
IFSCA (Electronic Trading Platforms) Regulations, 2026 IFSCA, F.No. IFSCA/GN/2026/016 – International Financial Services Centres Authority (Electronic Trading Platforms) Regulations, 2026.	The International Financial Services Centres Authority (IFSCA) has notified the International Financial Services Centres Authority (Electronic Trading Platforms) Regulations, 2026, under the powers conferred by the IFSCA Act, 2019 and the relevant provisions of the Reserve Bank of India Act, 1934. The Regulations establish the regulatory framework for Electronic Trading Platforms (ETPs) in International Financial Services Centres. The Regulations are titled the IFSCA (Electronic Trading Platforms) Regulations, 2026 and come into force from the date of their publication in the Official Gazette.



India's Foreign Exchange Reserves Continue to Rise –

India’s foreign exchange reserves increased from US\$740.80 billion as on August 28, 2026, to US\$765.90 billion as on September 18, 2026, recording an overall increase of approximately US\$25.10 billion during the period. The reserves touched US\$785.71 billion on September 4, 2026, before moderating in the subsequent two weeks. The latest level continues to reflect a substantial reserve position, providing an important buffer for India’s external sector.

 Forthcoming Meetings & Key Events – October 2026

Central Bank / Institution	Country / Region	Forthcoming Policy Meeting / Announcement	Date
Reserve Bank of India (RBI)	India	Monetary Policy Committee (MPC) Meeting	5–7 October 2026
IMF & World Bank Group	Global	Annual Meetings, Bangkok	12–18 October 2026
People's Bank of China (PBoC)	China	Loan Prime Rate (LPR) fixing	20 October 2026
Federal Reserve (FOMC)	USA	FOMC Meeting	27–28 October 2026
European Central Bank (ECB)	Euro Area	Governing Council – Monetary Policy Meeting	28–29 October 2026
Bank of Canada (BoC)	Canada	Interest Rate Announcement & Monetary Policy Report	28 October 2026
Hong Kong Monetary Authority (HKMA)	Hong Kong	Base Rate decision linked to US Fed policy	29 October 2026 (following the Fed decision)
Bank of Japan (BoJ)	Japan	Monetary Policy Meeting & Outlook Report	29–30 October 2026
Monetary Authority of Singapore (MAS)	Singapore	Monetary Policy Statement	Late October 2026 (TBC)

FEDAI – KNOWLEDGE INITIATIVES

Training Programmes Calendar – October 2026

FEDAI conducts specialised training programmes on Foreign Exchange, Trade Finance, FEMA and related banking operations, designed to enhance professional knowledge and practical skills.

5-Day Orientation Workshop (NON - RESIDENTIAL) on “Foreign Trade and Foreign Exchange Business” at Bank of Maharashtra, Staff Training College, Pashan, Pune, Maharashtra - 05-09 October 2026

One-Day (3 hours) Online Workshop on “Understanding SRVA, SNRR Accounts and Rupee Invoice-based Settlements” – 16 Oct 2026

One-Day (3 hours) Online Workshop on “Understanding SRVA, SNRR Accounts and Rupee Invoice-based Settlements” on 16-Oct-2026

For programme details and upcoming training schedules, please visit www.fedai.org.in or get in touch with us.

Weekly Quiz	Daily Quiz Questions	FEDAI Workshops	Learning Modules	Knowledge Series	
FEDAI LOCAL CHAPTERS					
Ahmedabad	Bengaluru	Chennai	Delhi (NCR)	Kochi	Kolkata

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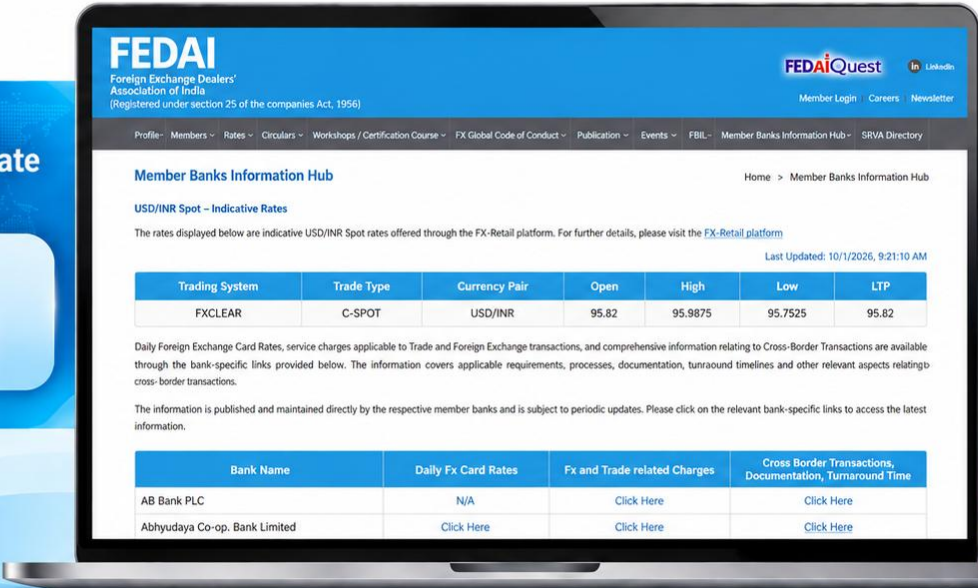
FEDAI
Foreign Exchange Dealers’
Association of India

Member Banks Information Hub

A single window for key information on Foreign Exchange and Cross-Border Transactions

Live USD/INR Rate
(Indicative)

USD/INR
95.82



Trading System	Trade Type	Currency Pair	Open	High	Low	LTP
FXCLEAR	C-SPOT	USD/INR	95.82	95.9875	95.7525	95.82

Bank Name	Daily Fx Card Rates	Fx and Trade related Charges	Cross Border Transactions, Documentation, Turnaround Time
AB Bank PLC	N/A	Click Here	Click Here
Abhyudaya Co-op. Bank Limited	Click Here	Click Here	Click Here

Daily Foreign Exchange Card Rates
Bank-wise card rates for your reference

Service Charges
Applicable to Trade and Foreign Exchange transactions

Cross-Border Transaction Information
Requirements, processes, documentation, turnaround timelines and more

Bank-wise Links
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