

Sr. No.	Topic of Regulation	FAQ	Answer
1	General Points	How will transactions initiated before 1 October 2026 but remaining outstanding or requiring action after that date be dealt with under FEMA 23(R)?	FEMA 23(R)/2026-RB comes into force on 1 October 2026. RBI has indicated that clarification on the treatment of transactions initiated prior to 1 October 2026 but remaining under execution, outstanding or pending regularisation after that date will be provided separately
2	Regulation 4. Manner of Receipt and Payment	What documents are required to be submitted at the time of request for outward payment?	For an outward import payment request: the Bill of Entry (goods) or invoice (services) and underlying transport document; a duly completed application-cum-declaration for outward remittance; a standby LC/bank guarantee where an advance exceeds the AD's internal threshold (Regulation 10(3)); and Form 145 / 146 where applicable as part of the AD's standard cross-border remittance compliance.
3	Regulation 4. Manner of Receipt and Payment	What is the format for the declaration for closure of Shipping Bills and Bills of Entry for entries up to ₹10 lakh?	The proviso and further proviso to Regulation 4(2) permit self-declaration closure of import (Bill of Entry/invoice) entries up to ₹10 lakh or FCY equivalent, bill-wise or via consolidated quarterly declaration, as per Bank's indicative self-declaration format. At minimum, the declaration should capture the BOE number and date, invoice reference, declared and paid value, date of payment and a signed accuracy declaration from an authorised signatory, consistent with the standalone format this SOP series has issued as Annexure to SOP.
4	Regulation 8. Third Party Receipts and Payments	What documents are to be submitted to the AD Bank to satisfy it regarding the bona fides of the transaction?	Typically a written request identifying the third party and its relationship to the actual seller (group/associate company, factoring/assignment arrangement, insurance subrogation, etc.); the underlying import contract or invoice, showing that a third-party payment/receipt is contemplated or has become necessary; documentary evidence of the relationship or arrangement
5	Regulation 8. Third Party Receipts and Payments	Can payment to a third country be in a currency different from the invoice currency?	Regulation 8 does not itself prescribe the settlement currency; this is governed by Regulation 4(1) and the Manner of Receipt and Payment Regulations, 2023, which permit settlement in Indian Rupees or any foreign currency for trade with non-ACU countries (and via the ACU mechanism or in INR for Nepal/Bhutan/other ACU members, as applicable). A payment/receipt in a currency other than the invoice currency is accordingly permissible, subject to the AD being satisfied of the bona fide of the transaction and the conversion being transacted at the prevailing exchange rate.
6	Regulation 9. Time Period for Making Import Payment	What is the procedure for a time extension for payment to be made beyond the period specified in the contract or invoice?	The importer submits a written request to the AD before or promptly after the contractual due date, citing the specific reason for the delay (e.g., a quality dispute, a documentary discrepancy, or a financing delay), together with the underlying invoice/Bill of Entry reference. The AD records its satisfaction with the reasons cited and communicates the extended timeline; the AD's own delegation matrix should fix approval levels calibrated to the value and ageing of the outstanding payment.
7	Regulation 9. Time Period for Making Import Payment	What is the maximum time period allowed for delayed payments?	Regulation 9 prescribes no absolute maximum, there is no equivalent hard trigger for delayed import payment under the 2026 Regulations. Extension remains available on a continuing basis, each time subject to the AD's satisfaction of the reasons cited.
8	Regulation 9. Time Period for Making Import Payment	What documents need to be submitted to satisfy the AD Bank for a delayed payment?	The written extension request with reasons; invoice and Bill of Entry; evidence supporting the cause of delay (buyer-side dispute correspondence, a quality/quantity claim, or financing documentation); and, where the delay is prolonged, a repayment plan or revised settlement timeline for the AD's assessment.
9	Regulation 10. Advance Payment for Exports and Imports, and Delayed Payment for Imports	What documents are to be submitted by the importer for a change of AD Bank for routing advance payments?	A written intimation of the change, addressed to both the existing and the new AD; the existing AD's confirmation/letter of intimation (or at minimum, a statement of the outstanding advance position and IDPMS reference) for the new AD's records; and the underlying import contract, to enable the new AD to continue monitoring the import obligation against the advance already paid.
10	Regulation 10. Advance Payment for Exports and Imports, and Delayed Payment for Imports	What documents are to be submitted to satisfy the AD Bank regarding the genuineness of the requirement for advance remittance?	The underlying import contract or purchase order specifying the advance-payment term; the overseas supplier's KYC; a demand or invoice raised by the counterparty (where applicable); and, for import advances above the AD's internal threshold, the standby LC/bank guarantee from an international bank of repute (or an AD guarantee counter-guaranteed by one) securing the advance.
11	Regulation 10. Advance Payment for Exports and Imports, and Delayed Payment for Imports	Can an advance payment for imports be made for any amount? If not, what are the thresholds?	Regulation 10(3) leaves the AD to "consider specifying thresholds for advance payment, beyond which the payment may require a standby Letter of Credit or a guarantee" – no RBI-fixed monetary threshold applies under the 2026 Regulations, unlike the erstwhile USD 200,000 benchmark (with specified relaxations for PSUs/Government departments and certain capital-goods imports) under the pre-2026 framework. Our threshold(s) as part of its Regulation 19(1)(a) policy has been USD 500,000 for goods and USD 250,000 for services. PSU/ Government departments may comply with their respective Ministry / Department directions or guidelines in this regard. AD Bank need not separately seek a confirmation from the PSU / Government department as FEMA 23 does not prescribe any such documentary evidence / threshold.

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12	Regulation 10. Advance Payment for Exports and Imports, and Delayed Payment for Imports	What if the agreement with the counter-party stipulates a higher rate of interest than the prescribed all-in-cost ceiling?	Regulation 10(4) requires that interest payable on delayed import payment, must not exceed the all-in-cost ceiling for trade credit prescribed under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time. We cannot process a remittance that would exceed the prescribed ceiling. For other scenarios like prepayment of usance bill / receipt of interest for the advance payment made by importer, the interest payable can be as per the contractual rate agreed between the importer and exporter.
13	Regulation 10. Advance Payment for Exports and Imports, and Delayed Payment for Imports	What is the maximum allowed period of delayed payment for imports?	Where an advance payment was made and the import does not materialise or the payment is not repatriated within the contracted/extended period, Regulation 12 becomes the operative provision, conditioning the importer's future advance payments on a standby LC/bank guarantee rather than imposing a fixed time-bar.
14	Regulation 11. Import of Gold and Silver	What are the permissible modes of import of gold and silver?	Regulation 11's own scope is limited to the FEMA treatment of advance remittances (which it prohibits); the permissible channels for physically importing gold/silver – nominated banks/agencies, qualified jewellers under the RBI-DGFT scheme, and the India International Bullion Exchange at GIFT City – are prescribed under the Foreign Trade Policy and DGFT notifications.
15	Regulation 11. Import of Gold and Silver	How does one know if an item is classified as gold or silver, and whether it is covered under this regulation?	Classification for this purpose follows the Customs Tariff (HS Code) declared on the Bill of Entry/import documents, read with the applicable DGFT/FTP notifications governing bullion and precious-metal imports – this is a customs-classification question rather than one Regulation 11 itself answers. Where an import's classification is unclear (for example, a semi-manufactured or mixed-metal item), the AD's SOP should require the importer to produce the applicable customs ruling or HS classification advice before the AD permits any advance remittance for it.
16	Regulation 12. Import Not Materialised	What documents are required to be submitted to satisfy the AD Bank to close the outstanding entry in IDPMS?	Either evidence that the import has since taken place (Bill of Entry and other customary import-evidence documents, for the AD to mark off the IDPMS entry in the ordinary course), or evidence that the advance has been repatriated (an inward FIRC/credit advice for the refund, matched to the original outward advance-payment reference) – either of which allows the AD to close the specific outstanding IDPMS entry.
17	Regulation 12. Import Not Materialised	Once Regulation 12 becomes applicable to an importer, which further imports shall be subject to these conditions? Will it be applicable to all further imports?	The Regulation 12(2) consequence attaches specifically to future advance payments by that importer – it does not affect the importer's ability to conduct imports on a documents-against-payment, collection, or letter-of-credit basis (i.e., non-advance imports), which continue as normal. It is, in that sense, not a blanket restriction on "all further imports", but a standby LC/bank-guarantee condition attaching to any future advance remittance specifically, until the earlier default is regularised.
18	Regulation 12. Import Not Materialised	Once Regulation 12 becomes applicable, under what conditions does it stop applying?	The condition lifts once the earlier unresolved advance is regularised – either the goods are eventually imported and the Bill of Entry lodged with the IDPMS entry marked off, or the advance is repatriated and the IDPMS entry closed on that basis or write-off of the entry in IDPMS subject to satisfactory reason. There is no automatic time-based lapse; regularisation of the specific transaction is what removes the standby LC/guarantee requirement for subsequent advances.
19	Regulation 12. Import Not Materialised	Can the importer approach another AD Bank to handle imports without attracting this regulation?	Switching AD does not, by itself, extinguish the underlying regulatory consequence attaching to the importer's unresolved advance – the condition is tied to the importer's compliance position, not to a particular AD's books. It is the obligation of the importer to ensure adherence to the FEMA regulations.
20	Regulation 16. Merchanting Trade Transaction (MTT)	What documents are required by the AD Bank to establish the bona fide of an MTT?	The trade contract with the overseas seller and the sale contract with the overseas buyer; invoices for both legs; the transport document/bill of lading showing the goods moving directly from the seller's country to the buyer's country without entering India; confirmation (per the Foreign Trade Policy) that the goods do not require an import/export licence for the transaction to proceed as MTT.
21	Regulation 16. Merchanting Trade Transaction (MTT)	What documents need to be submitted to the AD Bank to get an extension in time?	A written request citing the specific reason the six-month period between the outward and inward remittance cannot be met (e.g., a shipping delay, a buyer-side payment delay, or a documentary discrepancy), together with the underlying trade contracts/invoices for both legs and evidence of the cause of delay.
22	Regulation 16. Merchanting Trade Transaction (MTT)	For allowing receipt from or payment to a third party, what documents are required by the AD Bank?	A written request citing reasons for the third-party arrangement, together with documentation establishing the relationship or basis for it – for example, a group/associate company confirmation, an assignment/factoring agreement, or equivalent evidence – sufficient for the AD to satisfy itself of the reasons cited before permitting receipt from, or payment to, a party other than the actual overseas buyer/seller.

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23	Regulation 18. Reporting	How should payments for import of services be classified for reporting purposes?	The classification of service-related remittances between import of services to be reported in IDPMS and A2 remittances will be based on the purpose-code wise classification on Tradable Services as per the WTO-GATS Services Sectoral Classification List. Tradable services in the FETERS purpose code wise services are identified and the list of purpose codes to be treated as import of services for IDPMS reporting and those to continue as A2 remittances are in the Annexure.
24	Regulation 18. Reporting	What is the mechanism for creation, monitoring and closure of IDPMS entries for import of services?	The Approach Document for IDPMS reporting has been uploaded by RBI. Bank will follow the Approach Document for the fields to be populated, creation of entries, monitoring and closure of IDPMS entries relating to import of services.
25	Regulation 18. Reporting	What is the mechanism for E/IDPMS reporting of Merchanting Trade Transactions (MTT)?	The Approach Document for E/IDPMS reporting available in the E/IDPMS login portal will be referred to for the reporting of MTT transactions, including the relevant fields and workflow for creation, monitoring and closure of E/IDPMS entries.
26	Regulation 18. Reporting	Will the existing Trade Credit framework continue to apply to import transactions having a usance period beyond 180 days?	The existing regulatory framework on Trade Credit will continue to apply notwithstanding the contract-period-based approach under FEMA 23(R). Accordingly, transactions attracting Trade Credit reporting requirements should continue to be dealt with under the extant Master Direction on Trade Credit.
27	Regulation 18. Reporting	Can an importer agree a usance period exceeding one year for raw materials or three years for capital goods under FEMA 23(R)?	The existing Trade Credit framework will continue to apply. Accordingly, the maximum usance tenor for imports will be one year for raw materials and three years for capital goods.
28	Regulation 18. Reporting	Where the period for import payment exceeds three years, will the transaction be subject to the ECB framework?	The existing regulatory framework on External Commercial Borrowings (ECB) will continue to apply. Accordingly, where an import transaction falls within the applicable ECB framework based on its tenor and structure, the transaction should be dealt with in accordance with the extant ECB regulations.
29	Regulation 18. Reporting	What usance period may be allowed for import of services, and when will Trade Credit reporting apply?	For import of services, the usance period may be kept at the same level as applicable to goods imports, i.e. up to one year for short-term services and up to three years where the services form part of capital expenditure and are capitalised in the books of the importer. Where the usance period exceeds 180 days, the transaction will need to be reported under Trade Credit and will be eligible for Trade Credit financing in accordance with the applicable framework. The financing period is to be reckoned from the date of invoice.
30	Regulation 18. Reporting	Can an import payment be made after three years from the date of import under the revised FEMA framework?	Delayed import payment beyond three years, without interest, can be made. Accordingly, the erstwhile three-year outer limit for making delayed import payments without interest does not preclude such payment under the revised framework.
31	Regulation 18. Reporting	Can small-value Shipping Bills and Bills of Entry be closed on the basis of a customer declaration?	The small-value closure facility up to ₹10 lakh, based on a customer declaration, will apply to all imports.

Disclaimer : These FAQs are for guidance only. Customers may contact their branch, RM or Trade team for any additional clarification.