



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2012-2013/378

FMD.MOAG. No. 1082 /01.06.016/2012-13

January 14, 2013

To  
All Scheduled Banks [excluding Regional Rural Banks (RRBs)]

Dear Sir/ Madam,

**Swap Facility for Expansion of Export Credit in Foreign Currency**

Please refer to [Reserve Bank of India \(RBI\) circular MPD No. 359/07.01.279/2012-13 dated January 14, 2013](#) on special export credit refinance facility.

2. As stated in para (1) of the circular, *ibid*, a US Dollar-Rupee swap facility has been introduced to support incremental Pre-shipment Export Credit in Foreign Currency (PCFC). Scheduled banks (excluding RRBs) have the option to access rupee refinance to the extent of the swap with RBI under a special export credit refinance facility. The salient features of the new swap facility are as under:

- (a) The swap facility will be available to scheduled banks (excluding RRBs) from January 21, 2013 till June 28, 2013 for fixed tenor of 3/6 months. During any particular month, the maximum amount of dollars that banks would be eligible to avail of from RBI through swaps would be equal to the incremental PCFC disbursed with reference to a base date (November 30, 2012), subject to a limit. The limits would be communicated to eligible individual banks separately. The limits would be reviewed periodically based on actual utilization and other relevant factors.
- (b) Under the swap arrangement, a bank can buy US Dollars, up to its eligible swap limit, from RBI and simultaneously sell the same amount of US Dollar forward as per the term of the swap at the prevailing market rates for swaps of similar tenor. At the

end of the swap term, the bank will exchange with RBI the US Dollars against Rupee. Reserve Bank's decision regarding the pricing of the swap shall be final and no request for any modification/revision to the same would be entertained.

- (c) Banks desirous of availing the swap facility will have to furnish a declaration duly signed by their authorised signatories that they have actually disbursed the eligible incremental PCFC during the preceding month (s).
- (d) The swap facility will be operationalised by the Financial Markets Department of the Bank at Mumbai. Depending upon the prevailing market conditions, RBI would exercise the right to decide on the day of operation, number of banks that can avail of the facility on any particular day, the maximum amount of swap that RBI would undertake with the banks on any particular day and the maximum quantum of swap that each bank can do on any particular day keeping in view the market conditions and other relevant factors.
- (e) Banks desirous of availing refinance under special export credit refinance facility may approach the Regional Office of the RBI at Fort, Mumbai with the required promissory note and a declaration indicating that they have availed the swap facility and the amount of refinance sought does not exceed the amount of swap outstanding under the swap facility.
- (f) The new scheme comes into effect on **January 21, 2013**. Eligible banks can approach the Financial Markets Department by [e-mail](#) with their request for US Dollar swap facility indicating the amount of US Dollars, tenor (3 month or 6 month) along with the declaration as mentioned at (c) above.

Yours sincerely

(G. Mahalingam)  
Chief General Manager

Related Press Release/Notification	
Jan 14, 2013	<a href="#">Swap Facility for Expansion of Export Credit in Foreign Currency</a>
Jan 14, 2013	<a href="#">Special Export Credit Refinance Facility</a>