

Export of Goods and Services - Payment of Claims by ECGC
A.P.(DIR Series) Circular No.22 (Sept 24, 2003)

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001

A.P.(DIR Series) Circular No.22

September 24, 2003

To
All Authorised Dealers in Foreign Exchange

Madam / Sirs,

Export of Goods and Services - Payment of Claims by ECGC

Attention of Authorised Dealers is invited to Paragraph C.17 of the annexure to A.P.(DIR Series) Circular No.12 dated September 9, 2000 in terms of which exporter is not absolved of the statutory obligation undertaken by him on the GR/SDF/PP/SOFTEX forms, to realise proceeds of the exports within prescribed period, even if the claim is settled by Export Credit Guarantee Corporation of India Ltd. (ECGC), under the policy issued by them. Further, Authorised Dealers are required to continue to hold the duplicate copies of GR/SDF/PP/SOFTEX forms in their custody and initiate follow-up measures in the normal manner.

2. It has now been decided that Authorised Dealers shall, on an application received from the exporter supported by a documentary evidence from the ECGC confirming that the claim in respect of the outstanding bills has been settled by them, write off the relative export bills and delete them from the XOS statement. Such write-off will not be restricted to the limit of 10 per cent indicated in paragraph C.18(b) of the circular *ibid*.

3. It is clarified that the claims settled in rupees by ECGC should not be construed as export realisation in foreign exchange and claim amount should not be allowed to be credited to Exchange Earner's Foreign Currency Account maintained in terms of Regulation 4 of FEMA Notification No.FEMA 10/2000-RB dated May 3, 2000.

4. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie
Chief General Manager