



**RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
MUMBAI – 400 001**

RBI/2004/54
A.P.(DIR Series) Circular No.68

February 11, 2004

To
All Authorised Dealers in Foreign Exchange

Madam / Sirs,

Export of Goods and Services – Liberalisation

Attention of Authorised Dealers is invited to paragraph C 20 of Part C to the Annexure to AP(Dir Series) Circular No.12 of September 9, 2000 in terms of which they were prohibited from either accepting for negotiation/collection shipping documents from caution listed exporters concerning exports declared on GR / SDF / PP / Softex forms or countersigning PP forms completed by them unless these forms bear approval of the Reserve Bank.

2. It has now been decided that any declaration to be furnished to the specified authority by the caution listed exporters should be submitted to the Authorised Dealer for prior approval. Accordingly, GR / PP / SDF and Softex forms of exporters who have been placed on the caution-list may be approved by Authorised Dealers, if the exporters concerned produce evidence of having received an advance payment or a valid irrevocable letter of credit in their favour covering the full value of the proposed exports. Such approval may be given even in cases where usance bills are to be drawn for the shipment, provided the relative letter of credit covers the full export value and also permits such drawings and the usance bills mature for payment within six months from the date of shipment.

3. A Notification amending the relevant provisions of Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 notified vide Notification No.FEMA.23/ RB-2000 dated May 3, 2000 is being issued separately.

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 Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager