



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2004-05/16
A.P.(DIR Series) Circular No.1

July 5, 2004

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Exim Bank's Line of Credit for USD 5 million
to Government of Angola**

The Export-Import Bank of India (Exim Bank) has concluded an agreement with the Government of Angola on February 20, 2004, making available to the latter a Line of Credit (LOC) upto an aggregate sum of USD 5 million (U.S.Dollar five million only). The credit agreement has become effective from June 16, 2004. The credit is available for financing export of goods and services, which are permitted under the 'Exim Policy' of the Government of India and agreed upon between the Exim Bank and the borrower.

2 The last dates for opening letters of credit and disbursement of credit are June 15, 2006 and December 15, 2006 respectively.

3 Shipments under the credit will have to be declared on GR/SDF Forms as per instructions issued from time to time.

4 While no agency commission shall be payable in respect of exports financed under the above line of credit, Reserve Bank may consider, on merit, requests for payment of commission upto a maximum extent of 5 per cent of the f.o.b./ c&f /c.i.f. value in respect of goods exported and which require after sales service. In such cases, commission will have to be paid in Angola only by deduction from the invoice of relevant shipment and the reimbursable amount by the Exim Bank to the negotiating bank will be 90 per cent of the f.o.b./ c&f /c.i.f value **minus** commission paid. Approval for the payment of commission should be obtained before the relevant shipment is effected. In other cases (i.e. exports not involving after sales service), if the exporter is required to pay agency commission, he will have to use his own resources for such payments.

5 Authorised Dealers may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from Exim Bank's office or its website.

6 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