



N. A. SHAH ADVISORY SERVICES LLP

BULLETIN


FOREIGN EXCHANGE LAWS BULLETIN
DECEMBER 2022

AMENDMENTS IN IMPORT OF GOODS AND SERVICES

- ◆ **Time limit for Deferred payment arrangements:** RBI has reduced the time limit for deferred payment arrangements from 5 years from the date of shipment to:
 - For Capital Goods: 3 years
 - For Non-Capital Goods: 1 year or operating cycle whichever is less.

- ◆ **Interest on Import Bills:** AD banks may now allow remittance of interest in case of pre-payment of usance import bills at a rate which has been claimed or LIBOR or any other widely accepted or alternative reference rate of the currency in which the goods was invoiced.

- ◆ **Import of Other Precious Metals:** AD Banks are permitted to allow extension of time limit for clean credit in respect of import of precious metals which are subject to certain conditions. RBI has now introduced a new requirement of filing half yearly report detailing the extensions provided customer wise. AD Banks will have to file the said report with the respective Regional Office of the RBI within 15 days of the respective half years.



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B41-45, Paragon Centre,
Pandurang Budhkar Marg, Mumbai – 400013
Tel: 91-022-4073 3014
E-mail Id: info@nashahadvisors.com