



N. A. SHAH ADVISORS LLP

BULLETIN

FOREIGN EXCHANGE BULLETIN JANUARY 2024

NEW MANNER OF RECEIPT AND PAYMENT REGULATIONS

- ◆ The RBI has introduced new Foreign Exchange Management (Manner of Receipt and Payment) Regulations (Regulations by superseding the erstwhile regulations governing how payments can be made and received from individuals and entities outside India.
- ◆ The Regulations provides that all the receipts and payments made between a Person Resident in India (PRII) and a Person Resident outside India (PROI) shall be made through an Authorised Bank/Person.
- ◆ The Regulations has bifurcated the transactions for receipts and payments into two categories:
 - a. Trade transactions
 - b. Non-trade transactions

Particulars	Nepal / Bhutan	Member countries of ACU* (other than Nepal and Bhutan)	Countries other than member countries of ACU
Trade transactions	In INR only, except in case of exports from India where the importer in Nepal has been permitted by the Nepal Rashttra Bank to make payment in foreign currency	Through ACU mechanism. In case of import in India by non-ACU suppliers, payment can be made in INR or foreign currency	In INR or any foreign currency
Non-trade transactions	In INR only. For overseas investments in Bhutan, foreign currency is also permitted	In INR or any foreign currency	

* Asian Clearing Union ("ACU") have the Central Banks and the Monetary Authorities of Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka as its members.

- ◆ Only INR is permissible for any current account transaction, other than a trade transaction, between any PRII and a PROI, who is on a visit to India.

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