

Relaxing FEMA reforms to boost global trade

FEM (Export of Goods & Services) Regulations, 2015

1. Extended Period for realisation of exports from 9 months to 15 months [Reg 9]

- For realisation and repatriation of value of exported goods/ services/ software.
- For realisation and repatriation of value of the goods/ services/ software exported to SEZ / Status Holder exporter / EOUs and units in EHTPs, STPs and BTPs.
- For both cases,
 - Alignment of timeline with exception of 15 months earlier carved out for export to a warehouse outside India with RBI's approval.
 - Further extension by approval of RBI / AD Bank (if authorised by the RBI).

1. Additional Period for receipt of advance payment against exports from 1 year to 3 years [Reg 15]

- The period begins from the date of receipt of advance payment.
- Can be more than 3 years if export agreement specifies.
- Accordingly, time period of restriction on making the refund of the unutilised portion or payment of interest also extended.



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FEM (Foreign currency accounts by a person resident in India) Regulations, 2015

Relaxations for accounts opened in banks in IFSC

- Where value of export realised in foreign currency account maintained with a bank in an IFSC, funds may be repatriated within 3 months from the date of receipt of the funds. [[Regulation 5\(CA\)](#)]
 - Timeline of 1 month for
 - a. banks located in other jurisdictions
 - b. all banks under previous regime.
- Foreign currency accounts opened in IFSCs explicitly included under foreign currency accounts opened outside India. [[Explanation to Reg 5](#)]

Other Amendments - FEM (Borrowing and Lending) Regulations, 2018

- AD Banks now permitted to lend to persons resident outside India being a resident in Bhutan, Nepal or Sri Lanka including banks for cross border trade transactions. [[Regulation 7.A.iv](#)]

Read our article on the Trade Relief Measures Directions, 2025 [here](#).

Our Resource Centre on FEMA - click [here](#).