

## FOREIGN EXCHANGE MANAGEMENT (EXPORT AND IMPORT OF GOODS AND SERVICES) REGULATIONS, 2026



**Notification no: FEMA 23(R)/2026-RB | Date of Issue: January 13, 2026 | Effective from: October 1, 2026**

### Introduction

FEMA Circular No. FEMA 23(R)/2026-RB dated January 13, 2026, issued by the Reserve Bank of India under the Foreign Exchange Management Act, 1999, consolidates and updates the regulatory framework governing specified foreign exchange transactions. The circular prescribes revised rules, operational guidelines, and compliance requirements for authorized persons and regulated entities, with the objective of simplifying procedures, enhancing transparency, and aligning FEMA regulations with current policy and economic considerations. The provisions of this circular shall come into force with effect from October 01, 2026, and shall be binding on all persons and entities to whom it applies.

### 1. Summary of the Circular

- Introduces the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026.
- Consolidates export and import regulations for goods, services, and software under a single unified framework.
- Supersedes the earlier FEMA 23(R)/2015-RB and related circulars on export of goods and services.
- Applies to all persons and entities undertaking cross-border trade transactions under FEMA.
- Prescribes uniform declaration and reporting requirements, including use of Export Declaration Form (EDF).
- Mandates digital reporting and monitoring of export/import transactions through RBI systems (EDPMS / IDPMS).
- Specifies time limits for realisation and repatriation of export proceeds, including differentiated timelines for foreign currency and INR-denominated exports.
- Clarifies provisions relating to advance receipts, delayed realisation, write-off, and set-off of export proceeds.
- Strengthens the role and responsibilities of Authorised Dealer (AD) banks in verification, monitoring, and compliance.
- Requires trade-related applications and approvals to be routed through the PRAVAAH portal.

### 2. Critical Timeline Updates

The new rules provide more room for exporters to bring money back to India, (especially for those billing in Rupees).

- Standard Realisation Period: Exporters of goods and services now have fifteen months from the date of shipment or invoice to realise and repatriate export proceeds.
- Warehouse Exports: For goods exported to a warehouse outside India, the 15-month clock starts from the date of sale from that warehouse.
- INR Exports Benefit: If the export is invoiced or settled in Indian Rupees (INR), the realisation period is extended to eighteen months.

## FOREIGN EXCHANGE MANAGEMENT (EXPORT AND IMPORT OF GOODS AND SERVICES) REGULATIONS, 2026



### 3. Operational Simplification: Small Value & Services

To reduce paperwork for smaller deals, the RBI has introduced a "Self-Declaration" route.

- **Small Value Closure (₹10 Lakh Limit):** To reduce the compliance burden for smaller transactions, the regulations have introduced a simplified "Self-Declaration" route. For any export shipping bill or import invoice valued up to ₹10 Lakh, businesses can now close their outstanding entries in the monitoring systems (EDPMS for exports or IDPMS for imports) based solely on a simple declaration that the payment has been settled, without needing extensive individual documentation. To make this even more efficient, businesses are not required to file these immediately; they can submit these declarations on a quarterly basis, allowing for the bulk closure of multiple small entries in a single step.
- **Service Exports Reporting:** Exporters of services are required to file the Export Declaration Form (EDF) within 30 days from the end of the month in which the invoice is raised. Where services are provided to multiple clients during a month, a consolidated EDF may be filed covering all such export transactions for that period.

### 4. Strict Compliance: Restrictions & Penalties

The regulations introduce stricter controls on specific high-risk areas to prevent money laundering and default.

- **Gold & Silver Ban:** No advance remittance is permitted for the import of gold or silver. You must pay only after receipt or shipment, notwithstanding other regulations.
- **Unrealised Exports:** If an exporter does not receive payment for exports within one year from the allowed due date (including any extension given by the bank), then for future exports the exporter can ship goods or provide services only if the buyer pays in full in advance or provides an irrevocable Letter of Credit.
- **Merchanting Trade Transaction (MTT):** The time gap between receiving payment from the overseas buyer (export leg) and making payment to the overseas seller (import leg) must not exceed six months. Further, the flow of funds must be directly between the overseas buyer and the overseas seller, and routing of payments through any third party is not permitted unless specifically approved by the Authorised Dealer (AD).

### 5. Authorised Dealer (AD) Obligations

The RBI has shifted significant responsibility to the Authorised Dealer (your bank) to manage the process fairly.

- **No Penalties for Regulatory Delays:** The AD shall not levy any charges or penalty on the exporter/importer for delays that are purely regulatory or procedural.
- **Internal Policy & SOP:** ADs must publish a comprehensive Standard Operating Procedure (SOP) and internal policy on their website, detailing timelines, charges, and an escalation mechanism for grievances.

[Click here to read the FEMA regulation](#)

#### KNOWLEDGE DESK

~**Abutalib Syed**  
(Knowledge Executive)

~**Gurumurthy Pattabiraman**  
(Director)