

MSME bodies urge RBI to tweak norms for ecom exports

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Micro, small and medium enterprises (MSME) industry bodies have requested the Reserve Bank of India (RBI) for certain changes in the regulations for ecommerce exports. These MSME bodies met the central bank in Ahmedabad, Gujarat, last week.

“The industry bodies told the RBI that the current system of manually matching shipping bills with inward remittances (IRMs) is impractical for high-volume ecommerce exports,” an industry source privy to the development said.

The source noted that they have requested the RBI to develop an automated reconciliation system within the Export Data Processing and Monitoring System (EDPMS), leveraging artificial intelligence (AI) algorithms, to match IRMs with shipping bills based on exporter records, even when amounts vary due to marketplace fees or refunds.

“This system should also allow bulk uploads of transactions, reducing the need for exporters to handle each bill individually. Additionally, the requirement for CA certificates for small exporters should be removed, replacing it with self-declaration forms for MSME with an annual turnover of ₹5 crore or less,” the source said.

A digital verification system linked to bank



INDUSTRY CONCERNS

- Manual process of matching shipping bills with IRMs impractical for high-volume ecommerce exports

- Request for AI-powered system within the EDPMS to automatically match IRMs with shipping bills

- Standardise shipping bill regularisation fees

- Remove the requirement for CA certificates for MSMEs with annual turnover of ₹5 crore or less, and replace it with self-declaration forms

- Allow bulk uploads of transactions, reducing the need for handling individual bills

- Limit per-bill charges to ₹100 for transactions over \$1,000

accounts could further streamline the process. The MSME bodies have also suggested reducing costs, as they urged the RBI to standardise fees for shipping bill regularisation, introducing a fixed annual reconciliation fee (e.g., ₹5,000 for exporters under ₹5 crore turnover), and limiting per-bill charges to ₹100 for transactions over \$1,000. Furthermore, a digital dispute resolution portal should be established to address issues like unfair penalties and delayed processing, with a seven-day resolution timeframe.

“Small-value shipments under \$1,000 should be exempt from EDPMS reporting, allowing exporters to declare these transactions annually via a simplified system,” the source said.

“It’s crucial for India to sort out compliance and regulatory strongholds to unleash the full power of ecommerce exports from MSME, given the \$200 billion ecommerce export target of the government by 2030. We need to address glaring issues on an urgent basis to help sustain and

motivate the existing band of ecommerce sellers, and engage the aspirants,” said Vinod Kumar, president, India SME Forum.

The industry also highlighted that the MSME B2C (business-to-consumer) exporters were facing severe financial strain due to high compliance costs, excessive banking fees, and unpredictable logistics expenses.

Shipping bill regularization fees, which range from ₹200 to ₹2,500 per shipment, depending on the bank, disrupt cash flow and increase operational costs, particularly for small exporters handling thousands of shipments annually. Excessive documentation requirements and procedural bottlenecks further add to the burden, as exporters must submit cover letters, FIRC (foreign inward remittance certificates), payment gateway statements, and CA certificates. These demands divert resources from business growth, and delays shipping bill closure, exacerbating cash flow issues, the industry bodies highlighted.

“High logistics costs, especially for small parcels under \$25, or 2 kg, make small-scale exports unviable, and fluctuating shipping rates add unpredictability. Additionally, expensive warehousing solutions, particularly for MSME under the CBFTE (capacity building of first-time exporters) scheme, further reduce profit margins,” the industry bodies told the RBI.