

RBI may relook FEMA norms for e-comm players

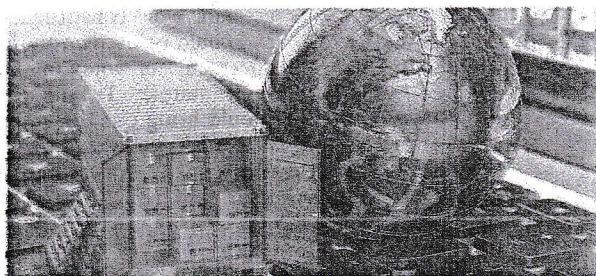
EXPORT PUSH. Central bank promises Commerce Department to consider its inputs

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The RBI has assured the Commerce Department that it would take a relook at the Foreign Exchange Management Act (FEMA) guidelines with the objective of easing operations of e-commerce players based on inputs received from it and get back on the matter soon.

“DGFT officials have explained at length to the RBI the need of easing guidelines for e-commerce exporters including giving them more time for realising payments in B2B shipments. Based on the recommendations, the RBI has assured that it is taking a relook at the guidelines and will get back on the matter soon,” an official told *businessline*.

The Directorate General of Foreign Trade’s nudge to the



EASING OPERATIONS. The RBI is also working with DGFT to allow self-declaration-based electronic Bank Realisation Certificate for e-commerce players

RBI to relax FEMA guidelines for e-commerce is in line with the larger policy direction of increasing exports through e-commerce.

270-DAY UPPER LIMIT

“It is important that the RBI relaxes the 270-day upper limit (in place for normal B2B transactions) for realisation of foreign exchange in case of exports through e-com-

merce. That is because e-commerce takes place in a slightly different ecosystem and needs more time,” the official said.

For instance, if an e-commerce player is not directly exporting to the consumers but sending it to a warehouse outside, from where it gets sold later, say after a year, then it would take that much more time for realisation of

foreign exchange, the official explained. “Hopefully the RBI will realise the merit of the argument and bring in flexibilities accordingly,” the official added.

The RBI is also working with DGFT to allow self-declaration-based e-BRCs (electronic Bank Realisation Certificate) for e-commerce players, especially ones who deal with a large number of orders of small values. At present, banks have to upload the e-BRCs on the DGFT system upon the realisation of export payments which is a time consuming process. FTP 2023 announced last year had a number of measures to push e-commerce exports which included extension of all FTP benefits to such exports, increasing value limit for exports through couriers and formulation of guidelines to streamline e-commerce export facilitation.