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RSM team



**RSM India Newsflash – New Framework
for Export and Import Transactions
Effective 1 October 2026**

Newsflash

New Framework for Export and Import Transactions Effective 1 October 2026

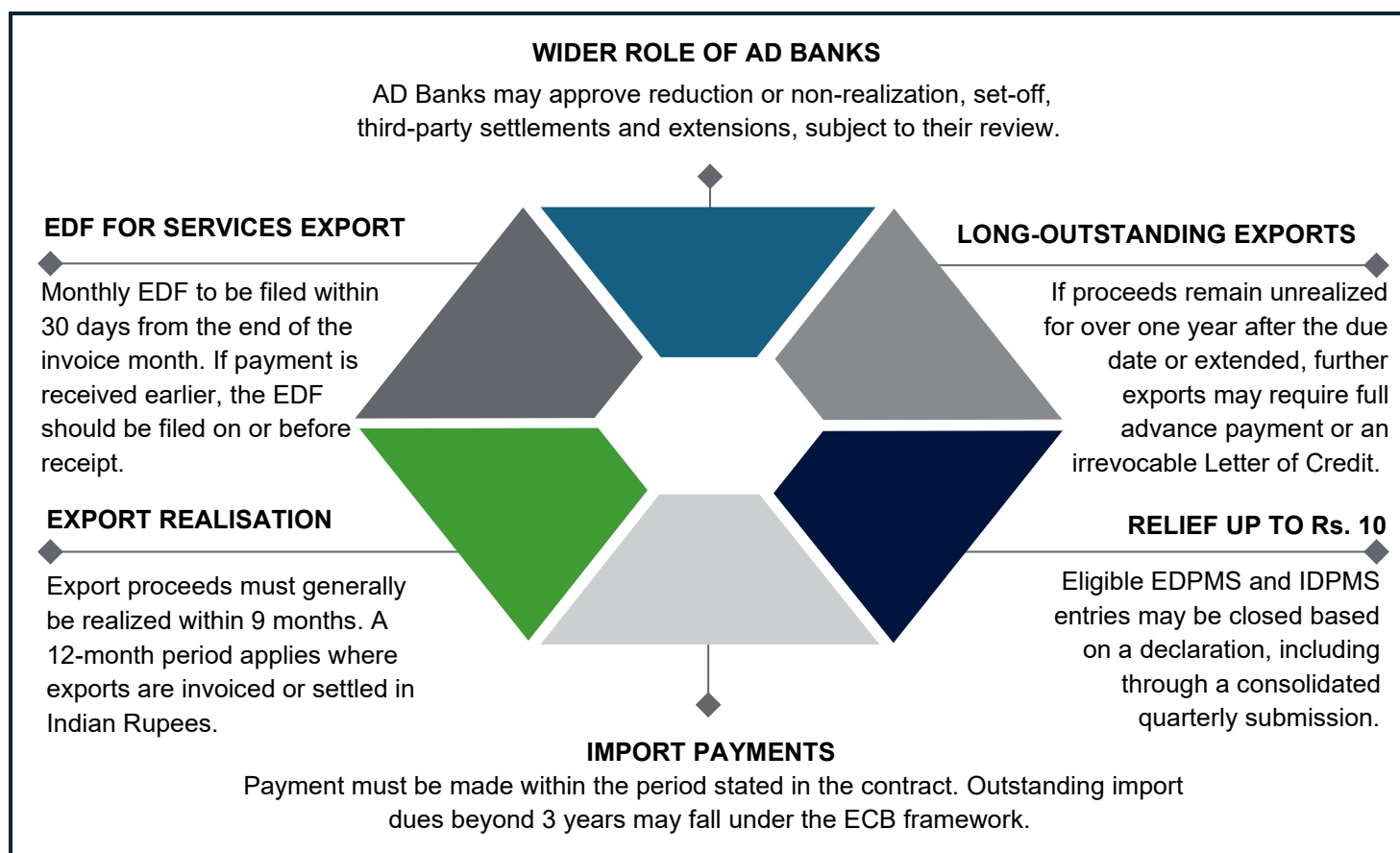
*For Circulation
14 October 2026*

1.0 Introduction

The Reserve Bank of India ("RBI") has introduced the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, were issued on 13 January 2026. The Regulations, as amended by the Notification dated 22 September 2026, **came into effect on 1 October 2026**.

The revised framework consolidates the rules governing export and import of goods and services and gives wider powers to Authorised Dealer banks ('AD Banks') to deal with transaction-level approvals. It also introduces a reporting framework for export of services, simplifies the closure of small-value transactions and sets out the consequences of long-outstanding export and import entries.

1.1 Major changes at a glance



In this Newsflash, we provide an overview of the key changes under the revised framework, including the new EDF filing requirement for service exports, simplified EDPMS/IDPMS closure mechanism for eligible export and import transactions of up to Rs. 10 lakh, revised timelines for realisation of export proceeds, consequences for long-outstanding export proceeds and wider delegation of powers to AD Banks.

2.0 New EDF requirement for Export of goods and services

2.1 Export of goods

For export of goods through an Electronic Data Interchange (“EDI”) port, the declaration made through the shipping bill will be treated as the EDF. Therefore, a separate EDF filing should generally not be required for such exports.



For exports through non-EDI ports, the EDF will be authenticated by the relevant customs or SEZ authority and forwarded to the exporter’s AD Bank. The AD Bank will thereafter record the transaction in the Export Data Processing and Monitoring System (“EDPMS”).

2.2 Export of services

The extension of the EDF requirement to export of services is one of the more significant changes under the new framework. A service exporter will be required to submit the EDF within 30 days from the end of the month in which the invoice is raised.

A single EDF may cover multiple invoices issued during a month, including invoices raised on more than one overseas customer. However, the exporter will need to provide invoice-wise particulars, including details of the customer, country, invoice number and date, currency, invoice value and nature of services.

For example, invoices raised during October 2026 may be covered in a consolidated EDF filed by 30 November 2026.

2.3 Software exports and SOFTTEX

Software continues to be treated as a service under the revised framework. Depending on the location of the exporter, the relevant declaration may be submitted through the AD Bank or STPI in the Domestic Tariff Area, or through the Development Commissioner in an SEZ.

The existing SOFTTEX process is expected to continue where applicable. Software exporters should nevertheless check the revised filing procedure with their AD Bank, STPI or SEZ authority, as the operational process may differ depending on the exporter’s location and the internal procedure adopted by the relevant authority.

2.4 Receipt of payment before the EDF filing date

For export of services other than software, where the payment is received before the normal EDF filing deadline, the EDF should be submitted on or before the date of receipt of the funds.

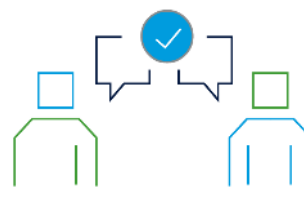
For instance, if a service invoice is raised on 10 October 2026, the normal EDF due date would be 30 November 2026. However, if the payment is received on 5 November 2026, the EDF should be submitted on or before 5 November 2026.

Service exporters should therefore coordinate between their billing, treasury and compliance teams so that the EDF is filed before an early inward remittance is processed or allocated by the AD Bank.

3.0 Frequently Asked Questions

- **Is a separate EDF required for every service invoice?**

No. A single EDF may cover multiple service invoices raised during a month, including invoices raised on different overseas customers. Invoice-wise details will, however, need to be provided.



- **What is the timeline for filing the EDF for export of services?**

The EDF must ordinarily be filed within 30 days from the end of the month in which the invoice is raised. If the payment is received earlier, the EDF should be submitted on or before the date of receipt.

- **Can the AD Bank extend the EDF filing timeline?**

Yes. The AD Bank may grant an extension where the exporter provides appropriate reasons for the delay and the bank is satisfied with the explanation.

- **Will SOFTEX continue for software exporters?**

Software remains covered within the definition of services. The filing may be made through the AD Bank, STPI or the SEZ Development Commissioner, as applicable. Businesses should check the final process prescribed by their respective AD Bank or relevant authority.

4.0 Timelines for Export realisation and Import payments

4.1 Export realisation

Export proceeds must generally be realised and repatriated within the following periods:

- **Goods:** Nine months from the date of shipment;
- **Services, including software:** Nine months from the date of invoice;
- **Goods exported to an overseas warehouse:** Nine months from the date of sale from the warehouse;
- **Exports invoiced or settled in Indian Rupees:** Twelve months from the relevant date; and
- **Project exports:** As per the payment terms agreed under the underlying contract.

The Regulations initially issued in January 2026 had provided a longer realisation period. However, the amendment issued on 22 September 2026 reduced the general period to nine months and the period for exports invoiced or settled in Indian Rupees to twelve months.

Where the exporter is unable to realise the proceeds within the applicable period, it may approach its AD Bank for an extension. The AD Bank may allow the extension after considering the reasons for the delay and the supporting documents.

4.2 Import payments

Payments for imports must be completed within the period specified in the underlying contract. This replaces the earlier general approach of prescribing a standard period for making import payments.

Where payment cannot be made within the contractual period, the importer may approach its AD Bank for an extension. The bank will generally examine the reason for the delay, revised payment terms and the status of the underlying import before allowing the extension.

Where an import payment remains outstanding for more than three years from the date of import, the outstanding amount will be governed by the applicable framework for External Commercial Borrowings under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018.

Advance payments for gold and silver imports: It is pertinent to note that the Regulations generally do not permit AD Banks to make advance remittances for imports of gold or silver, except where otherwise permitted under applicable laws, rules, regulations or directions

5.0 Relaxation for Low value transactions

The revised framework introduces a simplified closure mechanism for export and import transactions of up to Rs. 10 lakh or its equivalent in foreign currency.

For exports, an EDPMS entry relating to a shipping bill or service invoice of up to Rs. 10 lakh may be closed based on a declaration from the exporter confirming the realisation status. The declaration may also be submitted on a consolidated quarterly basis for eligible transactions.

Similarly, an IDPMS entry relating to a Bill of Entry or import of services invoice up to Rs. 10 lakhs may be closed based on a declaration from the importer confirming the payment status.

6.0 Consequences of Unrealised Export proceeds or Non-materialisation of imports

6.1 Unrealised export proceeds

Where export proceeds remain unrealised for more than one year from the applicable due date or extended due date or any extension allowed by the AD Bank, the exporter shall undertake further exports only against:

- receipt of full advance payment; or



- an irrevocable Letter of Credit.

A strict reading of the Regulations suggests that the restriction may apply to all subsequent transactions undertaken by the exporter. However, based on the interpretation communicated by certain AD Banks, the restriction is expected to apply only to transactions involving the overseas counterparty responsible for the default.

6.2 Import not materialised

Where an advance payment has been made for an import but the goods or services are not received within the contractual period, or the extended period allowed by the AD Bank, the importer will be required to bring the advance amount back to India.

If the advance is neither repatriated nor appropriately closed in IDPMS, future advance payments for imports shall require an unconditional and irrevocable standby Letter of Credit or an eligible bank guarantee.

7.0 Wider powers delegated to AD banks

The revised framework gives AD Banks wider powers to deal with several matters that were earlier subject to detailed conditions or RBI approval.

7.1 Reduction or non-realisation of export value

An AD Bank may allow a reduction in the export value, including non-realisation, where it is satisfied with the reasons provided by the exporter.

Such requests may arise due to commercial discounts, quality issues, contractual deductions, short payments, disputes with overseas customers, insolvency of the buyer or other genuine commercial reasons.

7.2 Set off of receivables and payables

An AD Bank may allow export receivables to be set off against import payables where the transactions are with:

- the same overseas buyer or supplier; or
- overseas group or associate companies of the buyer or supplier.

The set-off must generally be completed within the applicable export realisation period or within an extension granted by the AD Bank. Businesses should maintain an invoice-wise reconciliation and documents supporting the relationship between the overseas parties.

7.3 Third-party receipts and payments

An AD Bank may permit export receipts or import payments involving a third party, provided it is satisfied with the genuineness of the arrangement.

While the revised framework provides greater flexibility, businesses should maintain adequate documentation, including the underlying agreement, reasons for involving the third party,

relationship between the parties and invoice and payment details. The transaction will also remain subject to the AD Bank's customer due diligence, sanctions screening and internal compliance requirements.

8.0 Practical Timeline for AD Banks

AD Banks are required to record specified export and import transactions in EDPMS or IDPMS within five working days of receiving the relevant EDF or import documents.

The timeline applies to the reporting of matters such as:

- EDF details received for exports through non-EDI ports;
- EDF details submitted for export of services;
- import documents received for transactions through non-EDI ports; and
- declarations and supporting documents relating to import of services.

The five-working-day period is mainly a reporting timeline for the AD Bank. It should not necessarily be treated as a mandatory approval timeline for every request. Applications involving reduction, write-off, set-off, third-party payments or other transaction-specific approvals may take longer where the bank seeks additional information or internal approval.

9.0 Treatment of transactions undertaken before 1 October 2026

Exporters appearing on the RBI Caution List as on 30 September 2026 will continue to be governed by the applicable RBI order issued under the earlier regulations until they are removed from the Caution List.

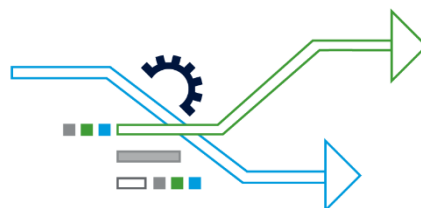
AD Banks have also been empowered to handle export, import and merchanting trade transactions undertaken before 1 October 2026 that previously required RBI approval under the regulations and directions then in force.

Businesses with pending legacy matters may therefore approach their AD Bank for review and disposal, instead of making a direct application to RBI. This should help reduce the time involved in dealing with older outstanding transactions.

However, this delegation does not automatically regularise past delays or non-compliances. Where a transaction involves a contravention under FEMA, a separate compounding or enforcement process may still be required.

10.0 Way forward

Businesses should review their export and import processes in light of the revised framework, particularly the new EDF requirement for export of services. Internal compliance calendars should be updated, and billing and treasury teams should be aligned to ensure that EDF filings are completed.



Businesses should also review old EDPMS and IDPMS entries, identify transactions eligible for the Rs. 10 lakh relaxation, check whether they remain subject to any Caution List order and discuss pending legacy matters with their AD Bank. Since the practical implementation of several provisions will depend on the internal policy of the relevant AD Bank, obtaining the bank's revised Standard Operating Procedure and document checklist will be important.

The revised framework should make routine export and import compliance more efficient. At the same time, the increased delegation to AD Banks means that complete documentation, timely reporting and regular reconciliation will remain essential.

11.0 Scope and limitations

This Newsflash provides a general overview of the key changes introduced by the new Import & Export Regulations. It is intended to highlight the principal changes relevant to exporters, importers and service providers and does not provide an exhaustive analysis of every provision or transaction-specific requirement. The observations set out above are based on

the Regulations, related RBI directions and information available as of the date of this Newsflash. Certain provisions may be implemented differently depending on the nature of the transaction and the internal policy or operating procedure adopted by the relevant AD Bank. Readers should therefore obtain transaction-specific advice and consult their AD Bank before taking any action based on this Newsflash.

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This Newsflash provides an overview on the key changes made vide the RBI's new Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 which came into effect from 1 October 2026. It may be noted that nothing contained in this Newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain thereof and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this Newsflash.

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14 October 2026

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