



REGULATORY UPDATES

Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026

BACKGROUND

The Reserve Bank of India vide its notification dated 13th January 2026, has notified the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, which will repeal the earlier Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, read with Master Directions on Export of Goods and Services and Master Directions on Import of Goods and Services.

These regulations set out the regulatory framework for the **manner of declaration** of export and import, the **time period for realisation** of export proceeds, the **time period** for making import **payment**, and the **advance payment** of import and export, **Merchanting Trading Transactions**, related **reporting** and **compliance obligations** and several other relevant provisions.

EFFECTIVE DATE

The Regulations shall come into force with effect from **1st October 2026**.

KEY REGULATORY CHANGES: -

1. COMPARATIVE OVERVIEW

Regulatory Aspect	FEMA (Export of Goods and Services) Regulations, 2015 and Foreign Exchange Management (Current Account Transaction) Rules, 2000.	FEMA (Export and Import of Goods and Services) Regulations, 2026	Impact
Scope & Coverage	Separate regulatory framework for Export of Goods and Services and Import of Goods and Services	Consolidated framework for both Exports and Imports of Goods and Services	All trade-related rules under one regulation
Reporting for Export of Service	No standardized reporting framework	Introduction of reporting requirements for export of services via submission of the Export Declaration Form (EDF) within 30 days from the end of the month of the invoice	Uniform EDF requirement for goods and services, empowering AD Bank to monitor and regulate exports of services through EDPMS

<p>Closure of Small Value Transactions</p>	<p>Documentation for all values; limited closure flexibility</p>	<p>Transactions up to ₹10 Lakh on EDPMS or IDPMS portal can be closed based on a self-declaration by the Exporter or Importer</p>	<p>Significantly reduces the documentation and approval required from AD Bank for closure of small value transaction.</p>
<p>Time period for receiving an export payment</p>	<p>Payment need to be made within 15 months</p>	<p>Generally, it is 15 month for all kinds of exports, however where the exports are invoices/ settled in INR, the timeline extend to 18 months.</p> <p>If export proceed unrealized beyond 1 year from due date/ extended period, further export permitted only against full advance payment or irrevocable Letter of credit</p>	<p>Extends relaxation in timelines for receipt of proceeds. Further, in case unrealized exports, the amendment strengthens monitoring of overdue receivables.</p>

Time period for making an import payment	Payment needs to be made within 6 months	No prescribed timeline, payment to be made in accordance with the contractual terms	Allows businesses to negotiate longer or shorter credit periods directly with suppliers at the time of import
Decision Authority	Centralised, largely RBI-led through specific circulars	Decentralised; AD Bank-led, based on internal board-approved policies.	Faster processing through banks, though risk of variable standards across different banks
Reporting Requirements	Reporting obligations are not clearly codified in regulations	The current regulations explicitly provide reporting for the AD Bank in EDPMS and IDPMS	Improves real-time monitoring and timely closure of export and import transactions

2. KEY OUTCOMES

Operational Shifts for Banks: AD Banks are now positioned as key operational gatekeepers under the FEMA framework. They are required to formulate robust, board-approved internal policies covering extensions, write-offs, third-party payments, and other trade-related approvals. While this decentralisation accelerates decision-making, it also places greater responsibility on banks' compliance and risk management teams.

Negotiation Power: Importers can now agree on payment terms beyond 6 months directly in their purchase contracts, as the regulation now respects the commercial agreement between parties.

Digital Monitoring (EDPMS/IDPMS): Reporting timelines have been tightened for banks (e.g., entering non-EDI data within 5 working days). This means that any delay in payment will be flagged in the system much faster than before, requiring proactive management by exporters.

CONCLUSION

The RBI has reduced procedural friction while maintaining regulatory oversight through real-time reporting systems by unifying export and import provisions, easing compliance for small-value transactions, allowing commercial flexibility in import payments, and empowering AD Banks with greater operational authority.

Overall, the 2026 Regulations strike a careful balance between ease of doing business and effective foreign exchange control, benefiting small business, banks, and regulators.

For more details, please refer to RBI notification dated 13th January, 2026

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13277&Mode=0>

DISCLAIMER: - The summary information herein is based on notification issued by RBI dated 13th January, 2026. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Reader(s) should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.

CONTACT US:

DPNC GLOBAL LLP

 Windsor Grand, 15th Floor, Plot No.1C,
Sector-126, Noida – 201303, India

 +91.120.6456999

 dpnc@dpncglobal.com

 <https://dpncglobal.com/>

FOLLOW US ON

