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

The Reserve Bank of India has notified the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 vide Notification No. FEMA 23(R)/2026-RB dated 13 January, 2026 (**"Regulations"**). These Regulations will come into effect from 1 October, 2026.

The key changes that were introduced under the said Regulations are:

**(i) Unified Regulatory Framework**

The new regulations consolidate rules governing both exports and imports of goods and services, replacing the earlier export-focused framework and providing regulatory clarity for all trade transactions.

**(ii) Revised Export Declaration Requirements (EDF)**

Exporters of goods must declare the full export value through the Export Declaration Form (EDF) at the time of export. Service exporters are required to submit EDFs within 30 days from the end of the month of invoicing, with provision for consolidated monthly filings and extensions by Authorised Dealers (ADs).

**(iii) Strengthened Role of Authorised Dealers (ADs)**

ADs must verify the genuineness of all export, import, and merchanting trade transactions before effecting remittances and are required to simultaneously update or close EDPMS/IDPMS entries.

**(iv) Mandatory Reporting and Timelines**

ADs must enter export and import details (including services and non-EDI transactions) into EDPMS/IDPMS within five working days of receipt of documents and actively monitor outstanding entries.

**(v) Simplified Compliance for Low-Value Transactions**

Export and import transactions up to ₹10 lakh may be closed based on self-declaration by exporters/importers, including quarterly bulk closures, significantly reducing compliance burden.

**(vi) Export Realisation and Repatriation Timelines**

Export proceeds must be realised within 15 months, extended to 18 months for INR-denominated exports. ADs may grant extensions on satisfactory justification.

**(vii) Reduction or Non-realisation of Export Proceeds**

ADs may permit reduction or non-realisation of export value upon request. For exports up to ₹10 lakh, exporter declaration alone is sufficient.

**(viii) Set-off and Third-Party Transactions**

Set-off of export receivables against import payables is permitted, including with overseas group entities. Third-party receipts and payments are allowed subject to AD satisfaction regarding bona fides.

### (ix) Import Payments and Advances

ADs are required to monitor timely import payments. Advance payments must be routed through the same AD, and interest on advances or delayed payments is capped as per applicable trade credit norms.

### (x) Merchanting Trade Transactions (MTT)

MTTs must be completed within six months, supported by documentation, and fully reported through EDPMS/IDPMS, with enhanced monitoring obligations on ADs.

### (xi) Governance, Internal Controls, and Disclosure

ADs must maintain detailed internal policies and SOPs, ensure reasonable charges, establish grievance redressal mechanisms, and disclose key procedures on their websites.

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