Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 (hereinafter, 'New Trade Regulations')

Frequently Asked Questions (FAQs)

Disclaimer: *These FAQs are for general guidance purpose only. In case of any inconsistency(ies) between FAQ and FEMA, 1999, Rules / Regulations / Directions / Permissions issued thereunder, the latter shall prevail.*

Background

The new trade regulations have been notified on January 13, 2026 following a comprehensive review of the preceding regulatory framework for exports and imports. These new regulations are designed to align with evolving global trade practices and aim to significantly enhance the ease of doing business by streamlining compliance procedures and accelerating time for clarifications and approvals, as applicable.

These regulations are principle-based and supersede more than 150 circulars previously issued by the Reserve Bank of India, thereby consolidating the guidance into a single and accessible reference for stakeholders. The regulations were issued in January 2026 and became effective on October 01, 2026. The regulations can be accessed on RBI website through the following link. For bringing further clarity, the stakeholders can also refer to the following FAQs.

Q1. What is the scope of the New Trade Regulations?

Ans: The new trade regulations govern transactions relating to export and import of goods and services and merchanting trade (MTT) undertaken on or after October 01, 2026.

Q2. Will the new trade regulations govern transactions (goods, software/services) undertaken prior to October 01, 2026, but getting completed after October 01, 2026?

Ans: No. Transactions initiated or undertaken prior to October 01, 2026, shall continue to be governed by the regulatory framework in force at the time of commencement of the transaction. Further, Authorised Dealers (ADs) have been vested with powers to

grant approvals for transactions done prior to October 01, 2026, which earlier were exercised by the Reserve Bank of India.

Q3. Does a resident individual need to furnish Export Declaration Form (EDF) for export of services?

Ans: No. For resident individuals, the EDF is deemed to be submitted when they provide the necessary details to their AD, as was being provided hitherto, for realizing the inward remittance and crediting their bank account.

Q4. In light of Q3 above, who needs to furnish the EDF for export of services?

Ans: The EDF needs to be filed only by persons other than resident individuals in cases where the value of each inward remittance exceeds ₹10 lakh (or its equivalent in foreign currency).

Q5. Whether EDF is required to be submitted to the specified authority for export of service if date of invoice is prior to October 01, 2026, and payment is received on or after October 01, 2026?

Ans: No.

Q6. Is it mandatory to file SOFTEX form to STPI for software exports?

Ans: The SOFTEX form has been discontinued from October 01, 2026, and software exporters (non-individuals) based in the DTA should now file the EDF with any AD or the Software Technology Parks of India (STPI). In the case of exporters operating from Special Economic Zone (SEZ), the EDF may be filed with the Development Commissioner of the SEZ.

Q7. What is the timeline for submission of the EDF by non-individual service exporters where inward remittance is more than the specified threshold?

Ans: (a) For software: Within 30 days from the end of month in which invoice for services has been raised.

(b) For services other than software: Within 30 days from the end of month in which invoice for services has been raised **OR** on or before the date of receipt of payment.

Q8. Can the timeline for submission of the EDF by service exporters to the Authorised Dealer (AD) be extended beyond the specified timelines?

Ans: Yes, Authorised Dealer, upon satisfaction of the reasonableness of the exporter's request, may extend the time period for submission of the EDF.

Q9. What is the timeline for submission of EDF where advance payment is received for export of services (including Software)?

Ans: EDF needs to be submitted within 30 days from the end of the month in which the invoice for services has been raised.

Q10. Does the requirement of EDF {erstwhile Guaranteed Remittance (GR)} waiver exist under the new trade regulations?

Ans: No. Under the new trade regulations, the requirement for EDF (formerly GR) waiver has been discontinued. If the exported goods have no realizable value, this needs to be declared (as zero value) in the appropriate field in EDF. Hence, effective October 01, 2026, ADs are no longer authorised to issue EDF/GR waiver letters.

Q11. Is the EDF too onerous to fill and file?

Ans: No. The EDF is a simple form that can be filled easily. The EDF is divided into 5 sections comprising general information, details of export of goods or export of services, information to be submitted for export of goods through FPO and Couriers, the declaration by the exporter and a certification by the authorised person having received the EDF.

For service exports, the only information required is general information, details of export of service and the declaration by the exporter. Further, the details of export of services need to be filled only by persons other than resident individuals in case the value of inward remittance exceeds ₹10 lakh (or its equivalent in foreign currency).

Q12: Does the exporter of services need to furnish EDF for enabling AD to release the inward remittance (other than export advance) to the exporter?

Ans: The above condition is not applicable for the exporter who is a resident individual or a person other than a resident individual, where value of the inward remittance is upto ₹10 lakh. Only service exporter other than resident individual, where the inward remittance value exceeds ₹10 lakh, needs to file the EDF before the credit of the inward remittance to its account.

Q13. In the event that an exporter/importer of services, being a resident individual or a person other than a resident individual, voluntarily furnishes an EDF or Import invoice, should the AD accept or decline it?

Ans: In such cases, the EDF or import invoice details may be recorded in the Export/Import Data Processing and Monitoring System (E/IDPMS) system by the AD and subsequently reconciled with the corresponding remittance messages.

Q14. Do all importers of services need to furnish any declaration to the AD?

Ans: Prior to October 01, 2026, ADs were allowing outward remittances for import of services after seeking information from the importer for verifying the bona fides of the transaction. Importers were submitting the necessary information, as sought by the AD, for making the outward remittance. Under the new regime too, the position remains unchanged for import of services by resident individuals and persons other than resident individuals (whose invoice or contract value is upto ₹10 lakh). The information being provided by such importers to the ADs for outward remittance, as hitherto, will suffice.

Q15. Whether any transaction reporting will be done by Authorised Dealers in E/IDPMS for export and import of services by resident individuals and persons other than resident individuals upto the specified threshold?

Ans: Yes. Authorised Dealers are required to report the remittance details (Inward Remittance Message and Outward Remittance Message, as applicable) in E/IDPMS

for the export/import of services undertaken by resident individuals and persons other than resident individuals upto the specified threshold.

Q16. Can the simplified process for reconciliation in Export/Import Data Processing and Monitoring System for bills upto ₹10 lakh be adopted in cases where the value of the bills (for goods) and invoices (services) is more than ₹10 lakh, but outstanding amount is upto ₹10 lakh?

Ans: No. It is applicable only for transactions where the shipping bill/bill of entry value (goods) and invoice value (services) is upto ₹10 lakh (or its equivalent in foreign currency).

Q17: With the delegation of authority to ADs for handling all foreign trade related transactions, how does the customer (exporter or importer) know how their AD will handle transactions at their end?

Ans: As per Regulation 19(4) of the new Trade Regulations, ADs are mandated to publish their trade-related policy and the main features of the SOP on handling of trade transactions on their website.

***