

# FEMA ke FUNDAE



**SOFTEX**

**#FamiliarwithFEMA**

**Date : December 28,2022**

**Issue No. : 29**

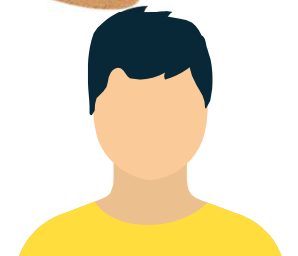
**Jain Shrimal & Co.**

Hello Mr. FEMA Gyani. I have a software development company in India. We develop various security software to prevent unauthorised data access, identity theft, piracy, etc. This time we have received an order from Dubai. Do we have any reporting obligation under FEMA?



**Rashmi**

Hi Rashmi! Let me brief you with one important compliance which generally people miss.



**The FEMA Gyani**



**The FEMA Gyani**

Software exporters have to report their export in form **SOFTEX**.

1. All software exporters have to file SOFTEX form to the competent authority for certification. The exporters have to provide information about all the invoices in excel format.
2. A common SOFTEX form has been designed to declare single as well as bulk exports.
3. RBI has generated the facility for online generation of SOFTEX Form number.



**Rashmi**

In our organization, we generally have long term contracts. So are there any provisions for the same?

For long duration contracts involving series of transmissions, the exporters should bill their overseas clients periodically, i.e., atleast once a month or on reaching the milestone as provided in the contract.



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The last invoice/bill should be raised not later than 15 days from the date of completion of contract. It would be in order for the exporters to submit a combined SOFTEX form for all the invoices raised on a particular overseas client, including advance remittances received in a month.

**Jain Shrimal & Co.**



**Rashmi**

Ok. What if some time there is a short term contract?

If the contract is a short term contract, i.e., involving only 'one shot operation', the invoice/bill should be raised within 15 days of transmission.

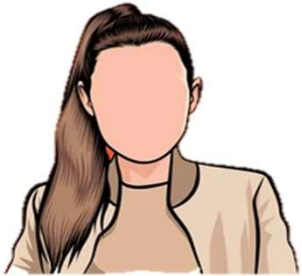
One more thing! The invoices raised on overseas client will be subject to valuation of export declared on SOFTEX form by designated official concerned of the Govt of India and consequent amendment made in the invoice value, if necessary.



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The exporter should submit declaration in Form SOFTEX in quadruplicate in respect of computer and audio/video/television software to the designated official of the Govt. of India for valuation/certification not later than 30 days from the date of invoice.

**Jain Shrimal & Co.**



**Rashmi**

Got it. One last question,  
What if instead of exporting  
software, I am exporting  
software services?

Type of Software Export	
Code in Softex	Computer Software
906	Data Entry & Conversion Software Data Processing - Medical Transcription
907	Software Development
908	Software Product Package
909	Other
Code in Softex	Other Software
910	Video/TV software
911	Other

Although there is no clarity on the same, it is advisable that you should fill the form SOFTEX in case of export of software services, as in the softex form, code needs to be mentioned. And in code 909, it is mentioned Other type of Exports which may include export of software services.



**The FEMA Gyani**



**Rashmi**

Okay Mr. FEMA Gyani! I will  
keep that in mind. Thanks  
for the information.

# Thank You!

Let's meet every  
Wednesday.

To make you more familiar with FEMA,  
we are happy to listen to your

Comments

Feedbacks

Suggestions



**The FEMA Gyani**

**Jain Shrimal & Co.**



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**Jain Shrimal & Co.**