

FEMA ke FUNDAE

Third party export payments

#FamiliarwithFEMA

Date : 22.02.2023

Issue No. : 37

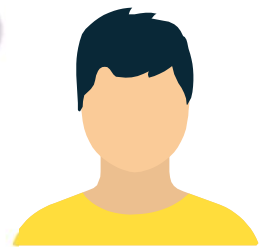
Jain Shrimal & Co.



Mr. Mohit
(Director of Indian Entity)

Hello Mr. FEMA Gyani. My firm is in the business of exporting food grains to various countries. And we have recently made an export to a US based firm. In this case payment is being done by a UK based firm which is a partner of US firm. Is it allowed?

Okay, this is a case of third party payments for export. Let me simplify the related provisions.



The FEMA Gyani

Outstanding amount should be **reported in XOS** (Export Outstanding Statement).

There should be irrevocable order along with the **tripartite agreement**, i.e., three party agreement.

Conditions for third party export payments:



The FEMA Gyani

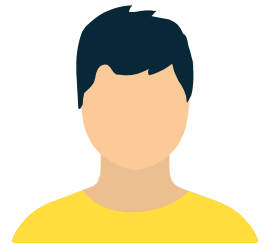
They should be done through **banking channel** only.

They should be declared in **EDF** (Export Declaration Form).



Mr. Mohit
(Director of Indian Entity)

As we do not have tripartite agreement, is there any other way to make it happen?



The FEMA Gyani

Tripartite Agreement is not required in cases where documentary evidence of such payments are obtained subject to conditions:

1. Bona-fides of transaction and export documents are given to AD bank.
2. AD bank should consider FATF(Financial Action Task Force) statements for nations which are FATF members.



Mr. Mohit
(Director of Indian Entity)

Okay Got it Mr. FEMA Gyani. Thanks for the help.

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

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