

FEMA Ke Fundae

#FamiliarwithFEMA

**Opening/Hiring
Warehouse Abroad**

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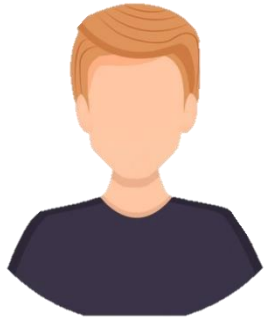




Anya Rao
[CEO of Indra Interiors]

Hello, Mr. FEMA Gyani, I am Anya, CEO of “Indra Interiors” a company which is engaged in the production and exports of furniture and we're considering opening a warehouse in Dubai to serve the Middle Eastern market. Is it possible to open warehouses abroad for my furniture business?

Absolutely, Anya! Having a warehouse abroad can boost your exports. AD bank may grant permission for opening Warehouse Abroad but there are specific requirements that you need to fulfil.



The FEMA Gyani



Anya Rao
[CEO of Indra Interiors]

Okay! Can you tell me the approval process to take permission from AD bank?

Absolutely, Ms. Rao. Here's a breakdown of the conditions required for approval process:

Business Plan For Warehouse

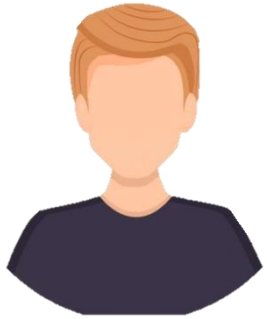
A clear plan outlining the purpose and operation of your Dubai warehouse. This might include details like the type of furniture stored, staffing plans, and projected sales figures.

Export Outstanding

Your outstanding export amount cannot exceed 5% of your total exports from the previous financial year.

Financial Statement

You must have a minimum export turnover of USD 100,000 during the last financial year.



The FEMA Gyani



Anya Rao
[CEO of Indra Interiors]

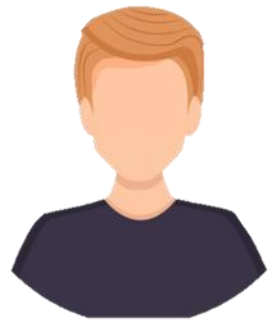
Do I have to comply with all the above conditions?



Anya Rao

[CEO of Indra Interiors]

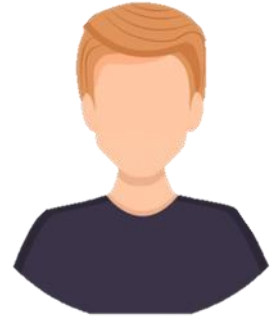
Yes, Ms. Anya you have to comply with all the conditions and visit your designated (AD) bank. They will guide you on the specific application format and any other additional documents required.



The FEMA Gyani

Okay Sir! After that I will file application with AD Bank along with the required documents.

Absolutely, the bank will then assess your application against the FEMA regulations. They will examine your financial standing, export history, and the viability of your Dubai warehouse plan.



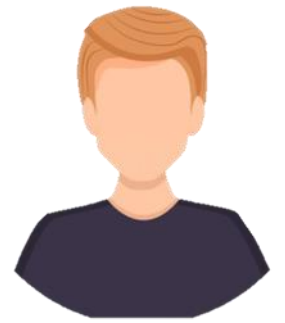
The FEMA Gyani

Okay! Which means we can operate our warehouse abroad smoothly once application is approved by AD Bank.



Anya Rao

[CEO of Indra Interiors]



The FEMA Gyani

Yes, Absolutely you can but there are also some specific conditions related to your warehouse operations abroad which includes:

Realisation Period

You need to comply with the standard period for receiving export earnings which is 15 months from the day of shipping goods outside India.

Transaction Routing

All transactions related to the warehouse must be routed through your designated branch at the AD bank.



Anya Rao

[CEO of Indra Interiors]

I have a question that whether it is one time approval process or for every year abroad warehouse operation, I have to take specific approval?

Yes, It is one time process only, If your company meets these requirements, the bank will grant initially for one year. After that they may renew your permission as long as you keep fulfilling the conditions.

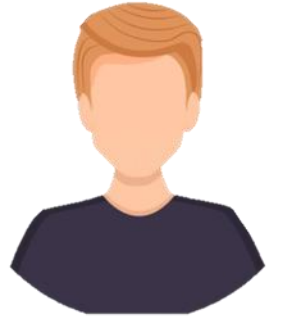


Anya Rao

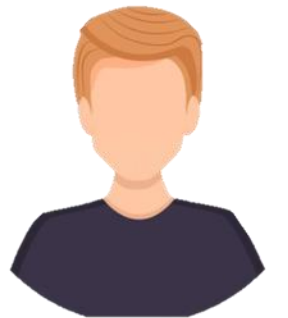
[CEO of Indra Interiors]

Okay! My sincere appreciation to you FEMA Gyani for your guidance.

Welcome! Ms. Rao. I'm confident that now you can navigate the FEMA approval process for your warehouse abroad efficiently.

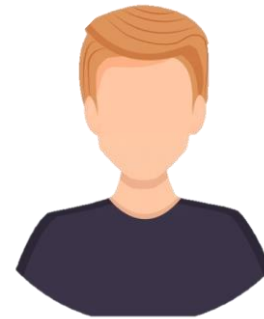


The FEMA Gyani



The FEMA Gyani

Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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