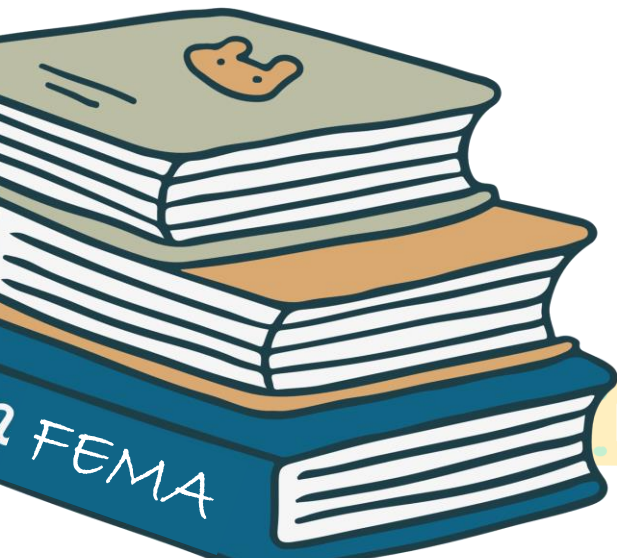
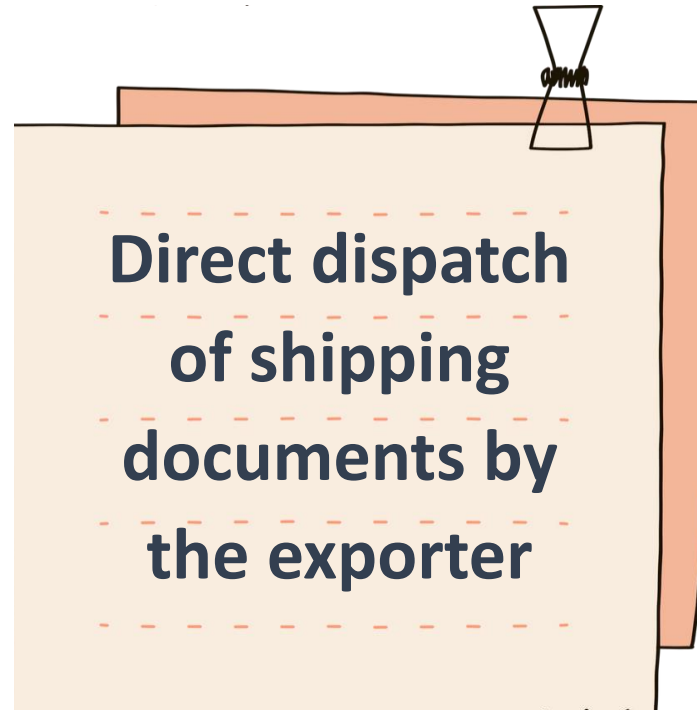


# FEMA Ke Fundae

#FamiliarwithFEMA



Date: 12/02/2025

Issue no: 140

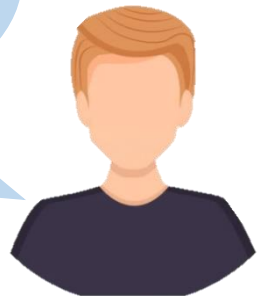




**Aastha**

Hey! Mr. FEMA Gyani. I am an exporter from India. I want to send some shipping documents directly to my consignee in foreign country. I have heard that there are some changes in rules under FEMA for directly dispatching shipping documents . Could you please help me with that?

Hello Aastha! Sure! Normally, when you export goods, your **bank (AD Category – I bank)** sends the shipping documents to their **overseas branch** to ensure payment. However, there are **situations** where the bank can send these documents **directly** to your customer instead of handling it through their overseas branch.



**The FEMA Gyani**

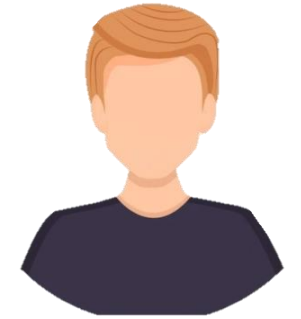


**Aastha**

Could you please elaborate on the situations where the bank can send these documents directly to the foreign consignee?



Sure! In the following **two situations** bank can send the shipping documents directly to the consignee :



**The FEMA Gyani**

1. If full payment for the value of export shipment has been received in **advance** or there's an **irrevocable letter of credit**, and the sale contract specifically allows for documents to be sent directly to the consignee or their agent, the bank can do so.

2. If full payment has not been received in advance but the exporter is a **regular customer** of the AD Category – I bank, and the bank is satisfied on the basis of track record of the exporter and has **arrangements to ensure that the export proceeds are realized**, bank may also agree to send documents directly to the consignee.



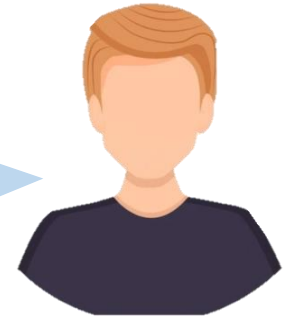
**Aastha**

Okay! So, one time, by mistake, I had directly sent the documents to my foreign consignee without following the guidelines as I was not aware of them. How can I go ahead with the same?





In certain cases, banks can **regularize** the dispatch of documents directly by the exporter, irrespective of the export shipment value, as long as the following **conditions** are met:



**The FEMA Gyani**

a) The **export proceeds have been realised in full** except for the amount written off, if any, in accordance with the provisions as applicable.

b) The exporter is a **regular customer** of bank for a period of at least **six months**.

c) The exporter's account with the bank is fully **compliant** with the RBI's **KYC / AML guidelines**.

d) The bank is satisfied about the **genuineness of the transaction**.



**Aastha**

Okay, thank you for this information. One last question. A friend of mine is a "Status Holder Exporter". Are the rules same for him as well?



In case if you are a “**Status Holder Exporter**” or are a part of a “**SEZ**”, then also you can directly dispatch shipping documents to your foreign consignee subject to meeting of following **conditions**:



**The FEMA Gyani**

a) The export proceeds are **repatriated** through the AD banks named in the Export Declaration Form (EDF).

b) The duplicate copy of the EDF is **submitted** to the bank for monitoring purposes, by the exporters **within 21 days** from the date of shipment of export.

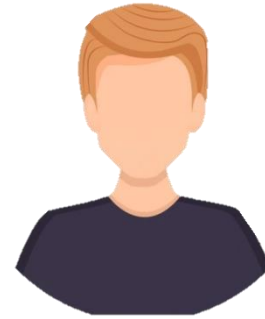
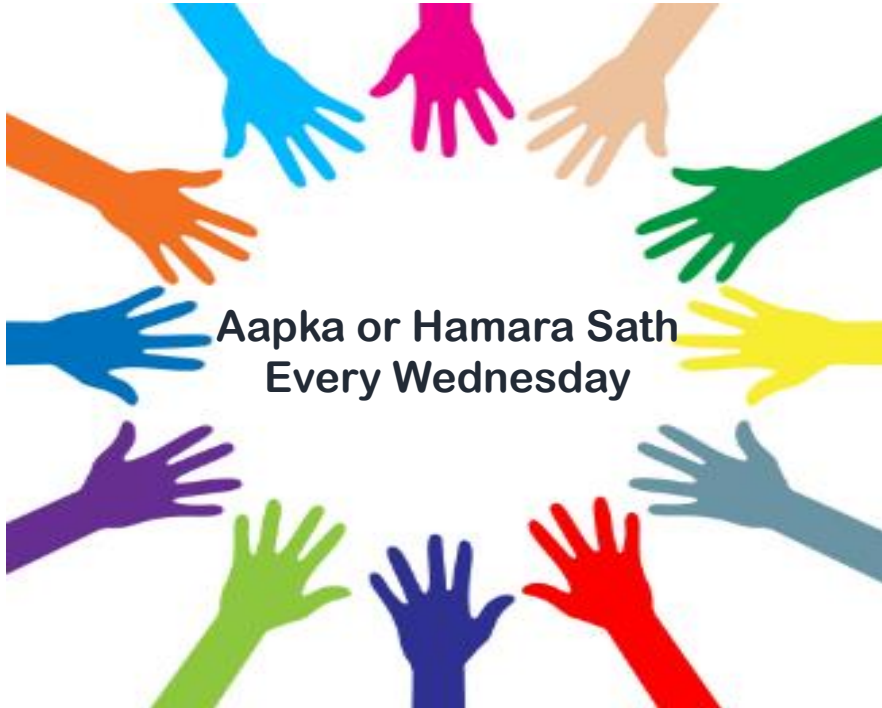


**Aastha**

Okay, FEMA Gyani. Thank you for updating me and explaining everything to me so easily and clearly!



# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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