

GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAWAN, NEW DELHI – 110 011

Policy Circular No. 27/2009-2014

Dated: 25.03.2010

To

Jt.DGFTs,
All RAs

Subject: Acceptance of cash payments (in Foreign Currency Notes), for the purpose of fulfillment of export obligation (EO) by Service Providers under EPCG Scheme; as well as for eligibility for SFIS scrips.

Representations have been received from Regional Authorities and Service Providers seeking clarification as to the guidelines for issuance of EPCG Authorization in cases where the Service Provider receives Foreign Exchange in cash from foreign consumers in India; for purpose of fulfillment of EO under EPCG Scheme/as well as for eligibility for SFIS scrips.

2. The matter has been examined and it is clarified that EPCG scheme is eligible for all service providers as listed in Appendix 10 of HBP Vol. I.

3. In terms of RBI guidelines, for services rendered by the Service Provider, the foreign consumers (including NRIs) are permitted to make payment in cash (i.e. in foreign currency notes) over the counter to the service provider, as per limits prescribed by RBI. Such service providers earning foreign exchange by receipt of foreign currency in cash from their customers, would be entitled to count such payments received in foreign currency notes towards export obligation of EPCG. Such earnings of foreign exchange shall also be entitled for SFIS scheme. In such cases, the Service Provider as per RBI rules surrenders the foreign currency notes to Authorized Persons (APs , including the APs' franchises). However, for claiming benefit, of such foreign exchange received in cash by the service provider under the EPCG or SFIS scheme, the Service Provider must maintain a separate register containing the foreign consumers' details, like Name, Passport Number, date and amount of foreign exchange received in cash.

4. This issues with the approval of Director General of Foreign Trade.

(Akash Taneja)
Jt. Director General of Foreign Trade

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