

# RBI's impetus advances Ease of Business:

Encouraging Export of Goods, Software and Services

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## Introduction and background

Despite a spike in India's cumulative exports (including both merchandise and services) for the period during April-October 2025 estimated at USD 491.80 billion, estimated to be 4.84% higher than last year, notwithstanding the staggering export value, India's imports for corresponding period are estimated to be USD 569.95 billion, triggering a trade account deficit of USD 78.14 billion. In view of the stiff competitive milieu in which our exporters continue to thrive, the Reserve Bank of India (RBI) has paved the way by encouraging flexibility and providing the stimulus to spur exports.

The RBI on 13 November 2025 has issued the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025 (Second Amendment Regulations, 2025), which has, with effect from 14 November 2025, amended Regulations 9 and 15 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, thereby providing an extension of timeline for repatriation of the full value of exports and the corresponding shipment of goods, in case of advance payment.

These amendments, in continuation with the 30 June 2025 amendment, signal a conscious policy decision by the RBI to strengthen the country's exports which are already facing intense competition in the wake of the US tariff regime, the supply chain turbulence and the geo-political disturbances.

## Key Amendments

### Time extension for realization of export of goods, software and/or services

- The RBI has extended the time period for realization and repatriation into India of the full value of the goods, software and/or services so exported, to 'fifteen' months from the date of export, from the previous 'nine' months period.
- This concession is also available to goods, software and services exported by units located in special economic zones, to a status holder exporter, an export-oriented unit, units in electronics hardware technology parks, software technology parks and bio-technology parks as defined in the applicable foreign trade policy.

Aligning the benefits across the spectrum for the multiple players involved, provides uniform regulatory processes and a level playing field for all.

### Leeway for shipment of goods, against advance payment received for exports

- Where advance payment is received by an exporter from either a buyer or a third party (named in the export declaration), the exporter is now provided the flexibility to ensure that the shipment of goods is made within three years, from the date of receipt of advance payment. This provides a much-needed respite from the earlier one-year period.
- Where the exporter is unable to ship the goods (either partly or fully), within the three years period, from the date of receipt of advance payment, prior approval from RBI will be required for remittance

towards refund of any unutilized portion of the advance payment or towards payment of interest, made after the expiry of one year.

- Notwithstanding the three-year limitation, advance payment may be received by an exporter, in case the export agreement permits shipment of goods beyond three years, from the date of receipt of advance payment.

The regulator's extended timeline serves as a crucial incentive to boost exports, which are currently seeing a de-acceleration in view of the tariff headwinds.

## Comments

The Second Amendment Regulations, 2025 are well-timed in view of the global trade and supply chain disruptions, providing a whiff of fresh air, encouraging the business community to pursue exports with greater flexibility in operations. These relief measures will foster greater confidence in the business which is currently facing tight working capital constraints. The relaxation will induce a momentum augmenting Indian exports, thereby facilitating inward remittances and improving the trade balance.

- Achint Kaur (*Legal Advisor*)



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