DGFT

Export proceeds may be realized in any foreign currency or rupees

DGFT Notification No. 30/2026-27 amends FTP paras 2.52 and 2.53: export proceeds may be realized in any foreign currency or Indian Rupees.

THE DIRECTORATE GENERAL of Foreign Trade (DGFT), Department of Commerce, Ministry of Commerce and Industry, issued Notification No. 30/2026-27, S.O. 4601(E), dated August 20, 2026. It was published the same day in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 4421. The Central Government made it under Sections 3 and 5 of the Foreign Trade (Development & Regulation) Act, 1992, read with paragraphs 1.02 and 2.01 of the Foreign Trade Policy (FTP) 2023. It amends para 2.52, "Denomination of Export Contracts", and para 2.53, "Applicability of FTP Schemes for Export Realisations in Indian Rupees", with immediate effect, setting each existing para beside its revised text. Its stated effect is to align these provisions with the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023.

KEY FACTS

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Notification No. 30/2026-27, S.O. 4601(E)

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Under the old para 2.52(a), export contracts and invoices had to be denominated in freely convertible currency or Indian rupees, but export proceeds had to be realized in freely convertible currency. The revised 2.52(a) says all export contracts and invoices, other than those involving member countries of the Asian Clearing Union (ACU), "shall be denominated either in foreign currency or Indian Rupees", and that export proceeds "shall be realized either in any foreign currency or in Indian Rupees". Under the revised (b), export contracts involving ACU members other than Nepal and Bhutan are denominated in a currency determined by the ACU, though such transactions may also be denominated and settled under directions the Reserve Bank of India (RBI) issues from time to time. Under the revised (c), export contracts involving Nepal and Bhutan are denominated and settled in Indian Rupees, or as RBI directs, and export contracts and invoices under EXIM Bank or Government of India Lines of Credit may also be denominated in Indian Rupees.

The revised para 2.52 has three sub-paragraphs, (a) to (c). Its text no longer includes the old (b), under which proceeds for specific exports could be realized in rupees through a freely convertible Vostro account of a non-resident bank in a country other than an ACU member, Nepal or Bhutan. It also drops the old (c)'s rule that contracts settled through the ACU be denominated in ACU Dollars, with settlement in ACU Dollar or ACU Euro per RBI notifications, and the Central Government's power to relax these provisions. The old (d), which permitted invoicing, payment and settlement of exports and imports in INR subject to RBI's A.P. (DIR Series) Circular No. 10, dated July 11, 2022, through the Special Vostro account of the partner country's correspondent bank, has no counterpart in the revised para. The notification does not say in words that these provisions are omitted.

Under the old para 2.53, rupee proceeds counted for FTP export benefits, incentives and fulfillment of Export Obligations in two cases: exports to Iran, at par with freely convertible currency and subject to para 2.19, and proceeds received under para 2.52(d)(ii). The revised para 2.53 covers exports to any country other than Nepal and Bhutan whose proceeds are

realized in Indian Rupees through banking channels, by credit to Indian Rupee accounts of persons resident outside India opened under the Foreign Exchange Management (Deposit) Regulations, as amended. Those exports are eligible for export benefits, incentives and fulfillment of Export Obligations under the FTP "at par with exports realized in any foreign currency". For exports to Iran, this applies subject to para 2.19 of the FTP.

The notification does not define "foreign currency", does not cite the RBI directions it refers to, and says nothing about contracts made or exports shipped before August 20, 2026. It was issued with the approval of the Minister of Commerce and Industry and is signed by Lav Agarwal, Director General of Foreign Trade and Ex-officio Additional Secretary, under F. No. 01/93/180/32/AM-19/PC.II(B)/E-17430.

Issued by	Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry
Document	Notification No. 30/2026-27, S.O. 4601(E)
Dated	August 20, 2026
Published	Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 4421, August 20, 2026
Takes effect	Immediately ("with immediate effect")
Amends	Paras 2.52 and 2.53 of the Foreign Trade Policy 2023
Applies to	Export contracts, invoices and export proceeds; FTP benefits, incentives and Export Obligations on proceeds realized in Indian Rupees
Export proceeds	In any foreign currency or in Indian Rupees; before, in freely convertible currency
ACU members other than Nepal and Bhutan	Contracts in a currency determined by the ACU, or denominated and settled as RBI directs
Nepal and Bhutan	Contracts denominated and settled in Indian Rupees, or as RBI directs
EXIM Bank and Government of India Lines of Credit	Contracts and invoices may also be denominated in Indian Rupees
FTP benefits on rupee proceeds	Exports to any country other than Nepal and Bhutan, with proceeds credited to Indian Rupee accounts of persons resident outside India under the Foreign Exchange Management (Deposit) Regulations; Iran subject to para 2.19

Aligned with	Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023
Legal basis	Sections 3 and 5, Foreign Trade (Development & Regulation) Act, 1992; paragraphs 1.02 and 2.01, Foreign Trade Policy 2023
Signed by	Lav Agarwal, Director General of Foreign Trade & Ex-officio Addl. Secy.
File number	F. No. 01/93/180/32/AM-19/PC.II(B)/E-17430

Paras 2.52 and 2.53 of FTP 2023, existing and revised

Para No.	Existing Para	Revised Para
2.52(a)	All export contracts and invoices must be denominated either in freely convertible currency or Indian rupees, but export proceeds must be realized in freely convertible currency.	All export contracts and invoices, other than those involving member countries of the Asian Clearing Union (ACU), shall be denominated either in foreign currency or Indian Rupees. Export proceeds shall be realized either in any foreign currency or in Indian Rupees.
2.52(b)	Export proceeds for specific exports may also be realized in rupees, provided: It is through a freely convertible Vostro account of a non-resident bank located in a country other than an ACU member, Nepal, or Bhutan. Rupee payment via Vostro account must correspond to free foreign currency payment by the buyer in their non-resident bank account. The free foreign exchange remitted by the buyer to their non-resident bank (after deducting bank service charges) will count as export realization under FTP export promotion schemes.	Export contracts involving member countries of the ACU, other than Nepal and Bhutan, shall be denominated in a currency determined by the ACU. However, such transactions may also be denominated and settled in accordance with the directions issued by the Reserve Bank of India from time to time.
2.52(c)	Contracts settled through the ACU must be denominated in ACU Dollars, although transactions may be settled in ACU Dollar or ACU Euro per RBI notifications. The Central Government may relax these provisions when appropriate. Export contracts and invoices can be denominated in Indian rupees under an EXIM Bank/Government of India line of credit.	Export contracts involving Nepal and Bhutan shall be denominated and settled in Indian Rupees, or in accordance with the directions issued by the Reserve Bank of India from time to time. Further, export contracts and invoices under EXIM Bank/Government of India Lines of Credit may also be denominated in Indian Rupees.

2.52(d)	Invoicing, payment, and settlement of exports and imports in INR are also permitted, subject to compliance with RBI's A.P. (DIR Series) Circular No. 10, dated July 11, 2022. INR trade transactions must follow these guidelines: (i) Indian importers must pay in INR, credited into the Special Vostro account of the correspondent bank of the partner country, against invoices for goods or services from the overseas seller/supplier. (ii) Indian exporters must receive export proceeds in INR from balances in the designated Special Vostro account of the correspondent bank of the partner country.	No sub-paragraph (d) in the revised para
2.53	i. Export proceeds realized in Indian Rupees against exports to Iran are permitted to avail exports benefits / incentives/ fulfilment of Export Obligations under the FTP, at par with export proceeds realized in freely convertible currency, subject to compliance of para 2.19 of the FTP. ii. Export proceeds realized in Indian Rupees as per para 2.52(d)(ii) are permitted to avail exports benefits / incentives / fulfilment of Export Obligations under the FTP.	Exports to any country, other than Nepal and Bhutan, for which export proceeds are realized in Indian Rupees through banking channels by credit to Indian Rupee accounts of persons resident outside India, opened in accordance with the Foreign Exchange Management (Deposit) Regulations, as amended from time to time, shall be eligible for export benefits/incentives and fulfilment of Export Obligations under the FTP, at par with exports realized in any foreign currency. In the case of exports to Iran, the above provisions shall apply subject to compliance with the provisions of para 2.19 of the FTP.

The notification (PDF, 602 KB)

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