

Online Workshop on **FEMA Provisions for ECBs and Trade Credits**

January 27 – 30, 2021

(Online course duration 10 hours)



Coordinators

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Foreign capital flows are important for a growing economy like India. However, excessive dependence on foreign capital, particularly of short-term in nature can be risky to the financial stability of the economy. India has put in place strong regulatory system under the Foreign Exchange Management Act, 1999, to protect and promote the Indian interest as far as foreign exchange transactions are concerned. Under the authority of FEMA, RBI issues the regulations relating to capital account transactions and also issues the operating directions for the Authorized Dealers in conducting the foreign exchange business.

Among the permissible capital account transactions under FEMA, External Commercial Borrowings (ECBs) and Trade Credits (TCs), occupy very special status as they are the most frequently used facilities by the residents to access the outside finances. ECBs are commercial loans raised by eligible resident entities from recognized lenders abroad, in accordance with maturity, all-in-cost, purpose, route and other criteria as prescribed by RBI. Similarly, TCs are debt raised by eligible importers from permissible institutions abroad to finance their import payment obligations. Depending upon the source of finance such trade credits are categorized as Suppliers' Credit or Buyers' credit

Bankers have a key role to perform in facilitating and processing ECBs and TCs. The regulations pertaining to the ECBs and TCs are found in FEMA notification No. 3(R), dated December 17, 2018, and the relevant operational directives for Authorized Dealers are furnished in the Master Direction No. 5, issued by FED, RBI. The objective of the workshop is enable deeper understanding of the provisions and enriching the practical insights in undertaking the business relating to ECBs and TCs. The workshop intends to achieve this by bringing in ample experience of the industry and also regulatory perspective on board in the workshop. The workshop also focuses on reporting and compliance requirements with respect to ECBs and TCs.

Content

- ❑ Essential overview of Regulatory FEMA and Capital Account Transactions
- ❑ Regulations Relating to ECB
 - ❖ Eligible borrower
 - ❖ Currency (FC and INR)
 - ❖ Limit and leverage
 - ❖ Permissible Lender
 - ❖ All-in-cost
 - ❖ Purpose
 - ❖ Automatic and approval route
 - ❖ Minimum Maturity
 - ❖ Parking of ECB proceeds
 - ❖ Conversion of ECB into equity
 - ❖ Security for raising ECB
 - ❖ Special dispensation and ECBs for Startups
 - ❖ Hedging norms for ECB
- ❑ Trade Credits
 - ❖ Forms: Buyers' credit and suppliers credit
 - ❖ Eligible Borrower
 - ❖ Automatic and Approved route
 - ❖ Term of TC
 - ❖ Recognised Lender
 - ❖ All-in-cost
 - ❖ Hedging provisions
 - ❖ Change of Currency
 - ❖ Security for TCs
- ❑ Reporting of ECBs and TCs

Pedagogy

Recorded and live lectures will be done by faculty members of NIBM and also by Industry specialists. Case studies and case-lets will be used for illustrations of the regulations.

Target Group

Middle and Senior Management from International Banking Division, category B branches and overseas branches

Modalities

This online course will have 10 hours of engagement time spread over a maximum 4 days, which includes several self-paced study and live interactions of participants. The courseware will include the following:

- I. Reading material for self-study, Case study or exercise material and Online references
- II. Video sessions comprising of:
 - i. Pre-recorded videos sessions on several topics.
 - ii. Live video sessions by faculty or guest lecturers, for discussions, clarification of doubt, etc.

Participants enrolled to the workshop will be provided with login id and password to enter into the learning platform of the institute. Guidance will be provided for navigating through the various activities in the platform such as accessing courseware, viewing video sessions, participating in live sessions, etc. Live session schedule will be provided at the start of the workshop. Executives attending the workshop would need internet access on a desktop or laptop with Google Chrome to enable access to live and recorded sessions.

Completion Certificate

A completion certificate will be given to the participant at the end of the workshop. Participant has to remain logged in for at least the total number of engagement hours within the duration of the workshop for being considered to have completed the same.

Nominations and Enquiries

Nominations are invited from both, Organizations and Individuals from India and Abroad. Executives working in Banks/Financial Institution/Consulting Firms/Technology Firms in the Banking and Financial Services domain can apply for the workshop.

Please address your enquiries and nominations to:

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Pune 411 048, India

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Last Date for Receiving Nominations: January 24, 2021

Workshop Fee (per participant) for 10 hours workshop

US \$ 500 for foreign participant

	Fee	GST	Fee+GST	TDS
Member Banks :	8400	1512	9912	840
Non-Member Banks :	10500	1890	12390	1050
Individual Nominee :	10500	1890	12390	----

The fee includes the cost of tuition, access to reading material and recorded videos, etc. (Central Goods and Services Tax (GST) @ 18%, and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and ST No. AAATN0040PST001.
- National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

- Name & Address of our Bankers : Punjab National Bank
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India
- Name of the Beneficiary : National Institute of Bank Management
- NIBM's Bank Account No. with Punjab National Bank : 11281131004402
- Bank's Swift Code : PUNBINBBDIB
- Preferred Currency : USD
- Correspondent Bank of Punjab National Bank : WELLS FARGO BANK NA
- Punjab National Bank A/c No. with Correspondent Bank : 2000193007918
- Swift Code with Wells Fargo Bank : PNBPU3NNYC
- IFSC : PUNB0108810

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted only through electronic mode.
Cheques/DDs/Pay Orders will not be accepted.**

- For all electronic remittances, kindly send a confirmatory e-mail at: accounts@nibmindia.org giving details of the remitter and participant, name and dates of programme, etc.**