

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAVAN, NEW DELHI**

Policy Circular No. 01 (RE- 2012) / 2009-14 Dated 18th June , 2012

Subject: Introduction of electronic Bank Realization Certificate (e-BRC) system.

Through Public Notice No. 02 dated 5.6.2012 electronic issuance of BRCs have been initiated which obviates submission of physical copy of BRC to claim benefits of the FTP Schemes.

2. Following are for information and guidelines:-

A. For Banks:-

(i) Uploading of BRC data by banks can be done at any time and it should be electronically transmitted on a daily basis.

(ii) Electronic issuance of BRC has started with effect from 05.06.2012. Physical submission of BRC would continue concurrently for one month from 05.06.2012. BRCs which have been issued manually after 01.04.2012 shall be converted in the digital (XML) format by the banks and uploaded on DGFT server. This exercise may be completed by 31.07.2012.

(iii) Banks shall upload the rupees equivalent of the realised foreign exchange, based on the monthly exchange rate notified by Central Board of Excise and Customs (CBEC), Ministry of Finance. In case the realisation is in a denomination other than the notified currency, the rates given by RBI shall be adopted. In case exchange rate is not available from RBI then banks will do currency conversion as per their present existing practice.

B. For exporters:-

e-BRC details available in the DGFT server will not contain the details of amount of commission paid. This amount has to be provided by the exporter at the time of filing online application.

C. For RAs:-

The net foreign exchange earnings (in foreign currency) reflected in e-BRC, transmitted by banks would indicate FOB value (as per valuation made by custom authorities on the shipping bill). While granting Chapter 3 benefits, RA shall consider the net foreign exchange earnings.

In case of shortfall in foreign exchange realization with respect to the shipping bill FOB value, pro rata distribution of realized foreign exchange against each export item will be made by the system itself. To explain in detail, three illustrations are given below:-

Illustration 1 (Single Export Product) – If NFE as per e-BRC is US \$ 100/- and FOB value as per Shipping Bill is US\$ 80/- , then benefit would be granted on US \$ 80/-.

Illustration 2 (Single Export Product) - If NFE as per e-BRC is US \$ 100/- and FOB value as per Shipping Bill is US \$ 120/- , then Chapter 3 FTP benefit would be granted on US \$ 100/-.

Illustration 3 (Multiple Export Items On Single Shipping Bill) - If Shipping Bill contains 3 export items A,B and C with FOBs US \$40, US \$60 and US \$80 respectively (total FOB US \$180/-). If the total NFE realised as per e-BRC is US\$90/-, then by pro-rata calculation the benefits on 3 items i.e. A, B and C will be calculated on 20 US\$, 30 US\$ and 40 US\$ respectively.

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

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