



Notification Total 140 pages - Aditya

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to [A. P. \(DIR Series\) Circular No. 19 dated January 24, 2002](#), [A. P. \(DIR Series\) Circular No. 63 dated December 21, 2002](#), [A. P. \(DIR Series\) Circular No. 26 dated November 1, 2004](#), [A. P. \(DIR Series\) Circular No. 22 dated December 13, 2006](#) and A. P. (DIR Series) Circular No. 52 dated May 8, 2007, in terms of which persons resident in India have been allowed to enter into forward contracts on the basis of underlying exposures. Further, exporters and importers have also been allowed to book forward contracts on the basis of declaration of exposures and based on past performances, subject to specified conditions.

2. As announced in the Annual Policy Statement for the Year 2007-08 (paras 142 and 143), with a view to provide greater flexibility to the Small and Medium Enterprises (SME) sector and resident individuals, it has been decided to further liberalise the scope and range of forward contracts to facilitate such entities to hedge their foreign currency exposures on a dynamic basis. Accordingly, a draft circular was placed on the website on June 1, 2007 for users' views / comments. Subsequently, discussions were also held with FEDAI and banks. In the light of feedback now received from banks, FEDAI, user group, etc. the guidelines have been suitably modified.

Small and Medium Enterprises (SMEs) (para 142)

3. In order to enable Small and Medium Enterprises (SMEs), having direct and / or indirect exposures to foreign exchange risk to manage their exposures effectively, it has been decided to allow AD Category – I banks to permit such entities to book / cancel / rebook / roll over forward contracts, subject to the following conditions:

(i) Such contracts may be allowed to be booked after ensuring that the entity qualifies as SME as defined by the Rural Planning and Credit Department, Reserve Bank of India vide circular RPCD.PLNS. BC.No.63/06.02.31/2006-07 dated April 4, 2007.

(ii) Such contracts may be booked through AD Category – I banks with whom the SMEs have credit facilities and / or banking relationship and the total forward contracts booked should be in alignment with the credit facilities availed by them for their foreign exchange requirements or their working capital requirements or capital expenditure.

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(iv) The SMEs availing this facility should furnish a declaration to the AD Category – I bank regarding the amounts of forward contracts already booked, if any, with other AD Category – I banks under this facility.

4. SMEs are also permitted to use foreign currency rupee options for hedging their exposures.

Resident Individuals (para 143)

5. In order to enable resident individuals to manage / hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, it has been decided to permit them to book forward contracts without production of underlying documents up to a limit of USD 100,000, based on self declaration. The contracts booked under this facility would normally be on a deliverable basis. However, in case of mismatches in cash flows or other exigencies, the contracts booked under this facility may be allowed to be cancelled and re-booked. The notional value of the outstanding contracts should not exceed USD 100,000 at any time. Further, the contracts may be permitted to be booked up to tenors of one year only.

6. Such contracts may be booked through AD Category I banks with whom the resident individual has banking relationship, on the basis of an application-cum-declaration in the format given in [Annex I](#). The AD Category – I banks should satisfy themselves that the resident individuals understand the nature of risk inherent in booking of forward contracts and should carry out due diligence regarding "*user appropriateness*" and "*suitability*" of the forward contracts to such customer.

7. AD Category – I banks are required to submit a quarterly report to the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Forex Markets Division, Central Office Building, Mumbai - 400 001 within the first week of the following month, as per format given in [Annex II](#).

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9. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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The Chairman / Managing Director / Chief Executive Officer
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

Enhancing transaction limits for Small Value Digital Payments in Offline Mode

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](#) on “Framework for Facilitating Small Value Digital Payments in Offline Mode”.

2. As announced in the [Statement on Development and Regulatory Policies dated August 10, 2023](#), the upper limit of an offline payment transaction is increased to ₹500. Other instructions mentioned in the framework shall continue to remain applicable as before.

3. This directive is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect immediately.

Thank you for your kind invitation. I am delighted to be in India for the first time at this juncture as you celebrate the 60th anniversary of your independence and enjoy the international spotlight as the result of your splendid economic performance.

It is a great pleasure and privilege to deliver this address today for two main reasons. Firstly, this lecture is in honour of a truly great person, Mr Chintaman Deshmukh. The contribution of Mr Deshmukh to the Indian economy cannot be exaggerated as is borne out by his long service to this country as Governor of the Reserve Bank of India, Member of the Planning Commission of the Government of India, Minister of Finance, Vice-Chancellor of the University of Delhi and as President of the Indian Statistical Institute from 1945 to 1964, amongst others. Secondly, I understand that this lecture series has been graced with the presence of some truly remarkable speakers. I am indeed very grateful to be accorded the privilege to deliver this the 13th lecture in this series.

The relationship between South Africa and India is a very strong one today. This relationship, however, goes back a long way in history. President Nelson Mandela, the former President of the Republic of South Africa encapsulated this quite well when he said that “India and South Africa are two countries held so closely by bonds of sentiment, common values and shared experience, by affinity of cultures and traditions and by geography”. The contribution of one of your and our favourite sons, Mohandas Karamchand (Mahatma) Gandhi, and the support received from the Indian authorities during the liberation struggle went a long way towards assisting South Africa to achieve democracy in 1994. The important role that India played in South Africa’s transition to democracy is without question and highly appreciated back home.

Currently, strategic relationships on the bilateral and multilateral fronts hold promising opportunities of mutual benefit for both our countries. Already, bilateral trade between India and South Africa has increased by well over 100 per cent in the past four years and a Preferential Trade Agreement between South Africa and India aims to treble trade by 2010. In addition, South Africa has been benefiting from India’s rich entrepreneurial and educational skills base, with many teachers and other skilled personnel being employed in various institutions in our country.

South Africa is currently India’s biggest investment partner in sub-Saharan Africa, serving as an important entry point into the rest of Africa. Indian investments in our country have grown significantly over the years, and have become more diverse, ranging from vehicles (Tata, Mahindra), steel (Arcelor Mittal), telecommunications (Neotel) and pharmaceutical companies such as Ranbaxy. Investments from South Africa to India are also growing. South African Breweries acquired stakes in various Indian breweries. Other areas in which South African companies have invested include insurance, diamond exploration and infrastructure. In February 2006, the Airports Company of South Africa (ACSA) won the contract for upgrading the Mumbai Airport. I also gather that SASOL is interested in a coal-to-synthetic automotive fuel project in India and many other South African companies have signed up marketing contracts with Indian companies in the pharmaceutical sector.

On the multilateral front, initiatives such as that involving India, Brazil and South Africa (IBSA) and Brazil, Russia, India, China and South Africa (BRICS) provide useful platforms for the strengthening of ties between our two countries and the South-South economic relations in general. In addition, over the last few years India, South Africa, Brazil and China have been recognised as systematically important countries to the extent that they have been regularly invited to the G-7 meetings in order to contribute to the discussion on global economic and financial matters. On the one hand, this participation has taken place usually on the fringes of the main G-7 meetings, thus raising the question about the seriousness with which the G-7 countries give to these meetings. On the other hand, these four countries have started to meet on a regular basis in order to strengthen co-operation on issues of common interest.

As you may well be aware, one of the burning issues at the moment relates to increasing the “voice” or representation of emerging-market economies in international financial institutions such as the IMF and World Bank. This issue, together with other matters relating to the reform of the Bretton Woods Institutions have also been key agenda items addressed this year during the preparatory meetings for the G-20 meeting of Ministers of Finance and Central Bank Governors. As we know, South Africa currently chairs the G-20 Forum and it will be our pleasure and privilege to welcome the Indian G-20 delegation in South Africa during November. There are many issues which are the centre of focus to the G-20 this year, but most prominently are the fiscal elements of growth and development and the impact of commodity prices on member countries. South Africa and India do not only share common policy positions on many of these issues, but have also been very active in advocating the interests of emerging-market economies in this new world order.

Both countries have benefited from the economic reforms implemented over the last decade or so. However, both countries have similar economic challenges which in the main relate to, inequality, poverty alleviation and the reduction of unemployment. As a central banker, I wish to dwell on some issues and challenges facing monetary policy in emerging markets.

One of the defining characteristics of global economic developments over the last three decades has been termed the “Great Moderation” –the sustained decline in the volatility of output and inflation. This development has been due to the structural changes that many economies have undergone. Some have attributed these changes to the implementation of better policy options and others to simply good luck. Professor Kenneth Rogoff of Harvard University has argued on many occasions that improved competitiveness as a result of increased globalisation coupled with better policies has had a major positive impact on inflationary trends in many countries. The declining trend in inflation since 1990 is clearly evident in India and South Africa. Inflation in India has declined steadily from an average of 10,3 per cent between 1990–1994, to 8,9 per cent between 1995–1999 and to 4,3 per cent in this decade. Similarly in South Africa, inflation has declined from an average of 12,5 per cent, to 7,3 per cent and to 5,1 per cent over the same time periods.

The economic growth performance of both countries has also been quite impressive. Since 1990, India has experienced average growth rates of around 6 per cent per annum, increasing to an impressive 9 per cent in the last two years. It is now widely expected that the Indian economic growth rate trajectory would be very close to, if not, in double digit territory in the short to medium term. South Africa has not been performing badly either, with an average economic growth rate of about 3,4 per cent per year since the advent of democracy in 1994, compared to an average of below 1 per cent in the previous decade. Over the last three years, however, growth has averaged about 5 per cent and the current trend in the economic growth rate is the longest experienced in the country's recorded history.

In pursuance with the Government of India notification dated January 14, 2020, Dr. Michael Debabrata Patra took over as the Deputy Governor of Reserve Bank of India today for a period of three years or until further orders, whichever is earlier.

Dr. Patra was Executive Director of the Reserve Bank before being elevated to the post of Deputy Governor. Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to [A. P. \(DIR Series\) Circular No. 19 dated January 24, 2002](#), [A. P. \(DIR Series\) Circular No. 63 dated December 21, 2002](#), [A. P. \(DIR Series\) Circular No. 26 dated November 1, 2004](#), [A. P. \(DIR Series\) Circular No. 22 dated December 13, 2006](#) and [A. P. \(DIR Series\) Circular No. 52 dated May 8, 2007](#), in terms of which persons resident in India have been allowed to enter into forward contracts on the basis of underlying exposures. Further, exporters and importers have also been allowed to book forward contracts on the basis of declaration of exposures and based on past performances, subject to specified conditions.

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Enhancing transaction limits for Small Value Digital Payments in Offline Mode

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Both countries have benefited from the economic reforms implemented over the last decade or so. However, both countries have similar economic challenges which in the main relate to, inequality, poverty alleviation and the reduction of unemployment. As a central banker, I wish to dwell on some issues and challenges facing monetary policy in emerging markets.

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The economic growth performance of both countries has also been quite impressive. Since 1990, India has experienced average growth rates of around 6 per cent per annum, increasing to an impressive 9 per cent in the last two years. It is now widely expected that the Indian economic growth rate trajectory would be very close to, if not, in double digit territory in the short to medium term. South Africa has not been performing badly either, with an average economic growth rate of about 3,4 per cent per year since the advent of democracy in 1994, compared to an average of below 1 per cent in the previous decade. Over the last three years, however, growth has averaged about 5 per cent and the current trend in the economic growth rate is the longest experienced in the country's recorded history.

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2. As announced in the Annual Policy Statement for the Year 2007-08 (paras 142 and 143), with a view to provide greater flexibility to the Small and Medium Enterprises (SME) sector and resident individuals, it has been decided to further liberalise the scope and range of forward contracts to facilitate such entities to hedge their foreign currency exposures on a dynamic basis. Accordingly, a draft circular was placed on the website on June 1, 2007 for users' views / comments. Subsequently, discussions were also held with FEDAI and banks. In the light of feedback now received from banks, FEDAI, user group, etc. the guidelines have been suitably modified.

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5. In order to enable resident individuals to manage / hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, it has been decided to permit them to book forward contracts without production of underlying documents up to a limit of USD 100,000, based on self declaration. The contracts booked under this facility would normally be on a deliverable basis. However, in case of mismatches in cash flows or other exigencies, the contracts booked under this facility may be allowed to be cancelled and re-booked. The notional value of the outstanding contracts should not exceed USD 100,000 at any time. Further, the contracts may be permitted to be booked up to tenors of one year only.

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The Chairman / Managing Director / Chief Executive Officer
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

Enhancing transaction limits for Small Value Digital Payments in Offline Mode

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](#) on "Framework for Facilitating Small Value Digital Payments in Offline Mode".

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Enhancing transaction limits for Small Value Digital Payments in Offline Mode

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Both countries have benefited from the economic reforms implemented over the last decade or so. However, both countries have similar economic challenges which in the main relate to, inequality, poverty alleviation and the reduction of unemployment. As a central banker, I wish to dwell on some issues and challenges facing monetary policy in emerging markets.

One of the defining characteristics of global economic developments over the last three decades has been termed the “Great Moderation” –the sustained decline in the volatility of output and inflation. This development has been due to the structural changes that many economies have undergone. Some have attributed these changes to the implementation of better policy options and others to simply good luck. Professor Kenneth Rogoff of Harvard University has argued on many occasions that improved competitiveness as a result of increased globalisation coupled with better policies has had a major positive impact on inflationary trends in many countries. The declining trend in inflation since 1990 is clearly evident in India and South Africa. Inflation in India has declined steadily from an average of 10,3 per cent between 1990–1994, to 8,9 per cent between 1995–1999 and to 4,3 per cent in this decade. Similarly in South Africa, inflation has declined from an average of 12,5 per cent, to 7,3 per cent and to 5,1 per cent over the same time periods.

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2. As announced in the Annual Policy Statement for the Year 2007-08 (paras 142 and 143), with a view to provide greater flexibility to the Small and Medium Enterprises (SME) sector and resident individuals, it has been decided to further liberalise the scope and range of forward contracts to facilitate such entities to hedge their foreign currency exposures on a dynamic basis. Accordingly, a draft circular was placed on the website on June 1, 2007 for users' views / comments. Subsequently, discussions were also held with FEDAI and banks. In the light of feedback now received from banks, FEDAI, user group, etc. the guidelines have been suitably modified.

Small and Medium Enterprises (SMEs) (para 142)

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5. In order to enable resident individuals to manage / hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, it has been decided to permit them to book forward contracts without production of underlying documents up to a limit of USD 100,000, based on self declaration. The contracts booked under this facility would normally be on a deliverable basis. However, in case of mismatches in cash flows or other exigencies, the contracts booked under this facility may be allowed to be cancelled and re-booked. The notional value of the outstanding contracts should not exceed USD 100,000 at any time. Further, the contracts may be permitted to be booked up to tenors of one year only.

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Madam / Dear Sir,

Enhancing transaction limits for Small Value Digital Payments in Offline Mode

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](#) on “Framework for Facilitating Small Value Digital Payments in Offline Mode”.

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On the multilateral front, initiatives such as that involving India, Brazil and South Africa (IBSA) and Brazil, Russia, India, China and South Africa (BRICS) provide useful platforms for the strengthening of ties between our two countries and the South-South economic relations in general. In addition, over the last few years India, South Africa, Brazil and China have been recognised as systematically important countries to the extent that they have been regularly invited to the G-7 meetings in order to contribute to the discussion on global economic and financial matters. On the one hand, this participation has taken place usually on the fringes of the main G-7 meetings, thus raising the question about the seriousness with which the G-7 countries give to these meetings. On the other hand, these four countries have started to meet on a regular basis in order to strengthen co-operation on issues of common interest.

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Both countries have benefited from the economic reforms implemented over the last decade or so. However, both countries have similar economic challenges which in the main relate to, inequality, poverty alleviation and the reduction of unemployment. As a central banker, I wish to dwell on some issues and challenges facing monetary policy in emerging markets.

One of the defining characteristics of global economic developments over the last three decades has been termed the “Great Moderation” –the sustained decline in the volatility of output and inflation. This development has been due to the structural changes that many economies have undergone. Some have attributed these changes to the implementation of better policy options and others to simply good luck. Professor Kenneth Rogoff of Harvard University has argued on many occasions that improved competitiveness as a result of increased globalisation coupled with better policies has had a major positive impact on inflationary trends in many countries. The declining trend in inflation since 1990 is clearly evident in India and South Africa. Inflation in India has declined steadily from an average of 10,3 per cent between 1990–1994, to 8,9 per cent between 1995–1999 and to 4,3 per cent in this decade. Similarly in South Africa, inflation has declined from an average of 12,5 per cent, to 7,3 per cent and to 5,1 per cent over the same time periods.

The economic growth performance of both countries has also been quite impressive. Since 1990, India has experienced average growth rates of around 6 per cent per annum, increasing to an impressive 9 per cent in the last two years. It is now widely expected that the Indian economic growth rate trajectory would be very close to, if not, in double digit territory in the short to medium term. South Africa has not been performing badly either, with an average economic growth rate of about 3,4 per cent per year since the advent of democracy in 1994, compared to an average of below 1 per cent in the previous decade. Over the last three years, however, growth has averaged about 5 per cent and the current trend in the economic growth rate is the longest experienced in the country's recorded history.

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5. In order to enable resident individuals to manage / hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, it has been decided to permit them to book forward contracts without production of underlying documents up to a limit of USD 100,000, based on self declaration. The contracts booked under this facility would normally be on a deliverable basis. However, in case of mismatches in cash flows or other exigencies, the contracts booked under this facility may be allowed to be cancelled and re-booked. The notional value of the outstanding contracts should not exceed USD 100,000 at any time. Further, the contracts may be permitted to be booked up to tenors of one year only.

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It is a great pleasure and privilege to deliver this address today for two main reasons. Firstly, this lecture is in honour of a truly great person, Mr Chintaman Deshmukh. The contribution of Mr Deshmukh to the Indian economy cannot be exaggerated as is borne out by his long service to this country as Governor of the Reserve Bank of India, Member of the Planning Commission of the Government of India, Minister of Finance, Vice-Chancellor of the University of Delhi and as President of the Indian Statistical Institute from 1945 to 1964, amongst others. Secondly, I understand that this lecture series has been graced with the

risk inherent in booking of forward contracts and should carry out due diligence regarding "*user appropriateness*" and "*suitability*" of the forward contracts to such customer.

7. AD Category – I banks are required to submit a quarterly report to the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Forex Markets Division, Central Office Building, Mumbai - 400 001 within the first week of the following month, as per format given in [Annex II](#).

8. Necessary amendments to Notification No. 25/2000-RB dated 3rd May 2000 [Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000] are being issued separately.

9. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

10. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

The Chairman / Managing Director / Chief Executive Officer
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

Enhancing transaction limits for Small Value Digital Payments in Offline Mode

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](#) on “Framework for Facilitating Small Value Digital Payments in Offline Mode”.

2. As announced in the [Statement on Development and Regulatory Policies dated August 10, 2023](#), the upper limit of an offline payment transaction is increased to ₹500. Other instructions mentioned in the framework shall continue to remain applicable as before.

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