



**FOREIGN EXCHANGE LAWS**

N. A. SHAH  
**BULLETIN**

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## **1. Extension of time limit for settlement of import payments**

In view of the disruptions caused due to outbreak of COVID- 19, RBI has granted extension for the time period for completion of remittances against normal imports (other than cases where amount are withheld on account of guarantee for performance etc) from six months to twelve months from the date of shipment by overseas suppliers made on or before July 31, 2020. The notification does not cover import of gold/diamonds and precious stones/Jewellery.

## **2. Relaxation in Voluntary Retention Route for FPI investments in debt**

- a. Foreign Portfolio Investors (FPIs) who invest under the Voluntary Retention Route (VRR) are required to invest at least 75% of their 'Committed Portfolio Size' (CPS) within three months from the date of allotment and the retention period for the investment shall commence from the date of allotment.
- b. RBI has granted extension to allow FPIs that have been allotted investment limits, between January 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of three months to invest 75% of their CPS. Further, the retention period for such FPIs would be reset to commence from the date on which the FPI invests 75% of their CPS.

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