

Ref.No.GJEPC/RBI/2014-15

23/07/14

To: All Members of the Council

Subject: Whole Turnover Post-shipment premium to be borne by banks

Dear Sir,

We would like to bring it to your kind notice that RBI vide its Circular RBI/ 2014-15/69 DBOD No.DIR.BC.19/ 04.02.002/ 2014-15 dated July 1, 2014 has issued guidelines on Rupee / Foreign Currency Export Credit and Customer Service To Exporters.

In this Circular RBI has given the clarification on ECGC Whole Turnover Post-shipment Guarantee Scheme as below:

2.6.1.The Whole Turnover Post-shipment Guarantee Scheme of the Export Credit Guarantee Corporation of India Ltd. (ECGC) provides protection to banks against non-payment of post-shipment credit by exporters. Banks may, in the interest of export promotion, consider opting for the Whole Turnover Post-shipment Policy. The salient features of the scheme may be obtained from ECGC.

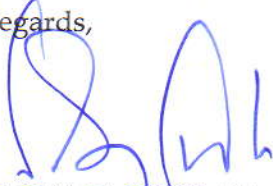
2.6.2 As the post-shipment guarantee is mainly intended to benefit the banks, the cost of premium in respect of the Whole Turnover Post-shipment Guarantee taken out by banks may be absorbed by the banks and not passed on to the exporters.

2.6.3 Where the risks are covered by the ECGC, banks should not slacken their efforts towards realisation of their dues against long outstanding export bills.

Based on that you may take up with your bankers so that they do not charge you for their ECIB policies with ECGC against your post shipment credit.

Members can download the RBI Circular from our website www.gjepc.org under trade information section.

Regards,



SABYASACHI RAY
EXECUTIVE DIRECTOR

The Gem & Jewellery Export Promotion Council

रत्न तथा आभूषण निर्यात संवर्धन परिषद

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