ARE YOU A SOFTWARE COMPANY FROM INDIA ?

New RBI rules will apply to every software or consultancy service invoice you raise.
Know it before you generate your next invoice.

NEW FEMA REGULATIONS FOR EXPORT & IMPORT

EFFECTIVE: 1st OCT 2026

Foreign clients related invoices should be realized in 9 months

FEMA 23(R)/2026-RB (amended 22 Sept 2026): Major changes, EDF, realisation, advances, reporting.

REGULATORY UPDATE

www.rrhca.com

CA INDIA

R R H & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

What Changes from 1st Oct 2026

Four things every exporter should remember.

1

Rulebook

One rule book for all exports and imports. Replaces the 2015 rules.

1

Form EDF

Unified form EDF for all the exporters and this EDF should be filed with in 30 days of month end.

=

Software is a Service

Software is formally classified and included in general definition of service.

9

Months to Realise

Export money must be received within 9 months, instead of earlier applicability of 15 months.

STPI still available for EDF or let your AD certify the EDF.

Imports: pay as per contract: No fixed time limit as earlier.

AD (Authorized Dealer) = YOUR FOREX BANK. It certifies and tracks every export and import.

One Form: Export Declaration Form (EDF)

Declare once. Your AD records it in EDPMS within 5 working days.

GOODS

1. **You file the EDF**
   At the time of export
2. **Customs / SEZ DC certifies**
   Checked against the invoice
3. **AD updates EDPMS**
   Within 5 working days

SERVICES & SOFTWARE

1. **You file the EDF**
   Monthly, within 30 days of month-end
2. **AD / STPI / SEZ DC certifies**
   AD may extend time on reasons cited
3. **AD updates EDPMS**
   Within 5 working days

Tip: Software exporters should file one EDF for all export invoices or multiple EDF's for invoices of a month.

Reduced Time Limit to Get the Money to India

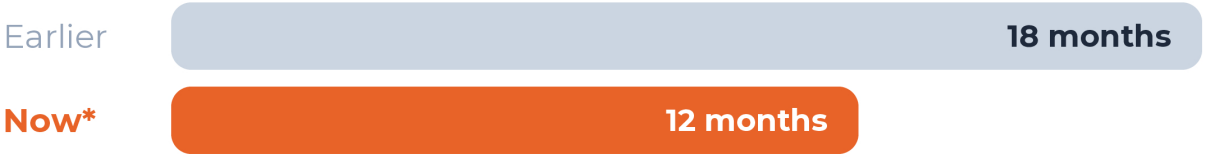
Amended on 22nd Sep 2026: shorter periods from shipment or invoice.

TIME LIMIT TO REALISE THE INVOICE - GOODS & SERVICES

Invoiced / settled in Foreign Currency



Invoiced / settled in INR



AD can extend

On a request reasoned and your AD is satisfied.

Project exports

Follow the payment terms as defined in the project contract.

Export Money: 3 Steps, More Flexibility

From export to closure, and what your AD can now allow.

1 Export made
Clock starts

2 Realise money
9 months (12 if INR)

3 AD closes EDPMS
Once money is received

WHAT YOUR AD CAN ALLOW NOW

₹ Up to ₹10 lakh

Unrealised balance squared off by exporter quarterly self-declaration to AD.

Third-party payments

Accepted if the AD finds them genuine.

Set-off

Adjust export dues against import payables.

Extension

More time to realise, on reasons cited.

Heads-up (Reg 13): if export money remain unrealized for more than 1 year past the due date, further exports to the same client will be allowed only against full advance or an irrevocable LC.

Import Payments: Pay as Per Contract

The fixed statutory deadline is gone.

BEFORE

6 months

from shipment, AD approval to extend

NOW*

RELAXED

As per contract

with your overseas supplier. AD can extend.

₹ Advance payment

AD checks it is genuine.

Third-party payment

Allowed if bona fide and documented.

Set-off

Against export receivables of the same party or group.

Import not done

Bring the advance back.

Remember: (a) You may remit the import advance through one AD and make the final payment through another AD, with both AD records tallied in IDPMS. (b) No advance for gold or silver imports.

Merchanting Trade, Made Simpler

An Indian trader handles both money legs: buy abroad, sell abroad.



REMOVED

The old 9-month deadline to complete a merchanting trade.

6 months

Allowed gap between the two remittances. AD may extend upon the request..

Same parties

Pay only to the overseas seller and receive only from the overseas buyer, unless the AD allowed a third-party payment.

Your 4-Point Action Checklist

Before your next invoice.

1 Choose your EDF route



EDF Filing Either through STPI Authorities or Through your AD Bank.

2 Marking Deadline



9 months to realise (12 if INR invoiced).

3 File EDF Monthly



Within 30 days of month-end,
One EDF for all invoices / Multiple EDF Forms.

4 Talk to your CA & bank



Confirm AD policy, Extensions & PROACTIVE Compliances. Dedicated team will help you to mitigate the risk

Empanelment's

RBI Panel	Category-III Firm
IBA Empanelment	ASM Audits (General)
Valuation (Partner)	IBBI Registered Valuer (SFA)
Stock & Receivables	UBI, IOB, J&K Bank

Leadership

CA Ravi Kumar Rudrarapu

FCA, CPA, DISA, FAFD

11+ yrs exp in TP / International Tax, Virtual CFO, M & A, FEMA, MIS & KPI Specialist, Certified Quickbooks (QBO) ProAdvisor

CA Hemanadh Madireddy

FCA, IBBI Regd. Valuer (SFA), FEMA, FAFD, BCOMAF

10+ yrs exp in Audit & Assurance, Valuations, ASM Audits FEMA Advisory, Certified Quickbooks (QBO) ProAdvisor

Practice Areas

Virtual CFO

End-to-end bookkeeping, payroll processing, and statutory compliances including GST, PF, ESI, and comprehensive Bank handling.

Valuation & M&A

Business & Equity Valuations, CCPS, CCD & options valuations. Rigorous due diligence, agreements, and secretarial compliances.

FEMA Advisory

Cross-border compliance including ODI, FDI, ECB reporting, APR, FLA filings, and regulatory compounding strategies.

Internal Audits & Advisory

Process-driven internal audits, strategic management advisory, and high-level MIS reporting for enterprise decision making.

INDIA

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