



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

**RBI/2011 -12/257**

**A. P. (DIR Series) Circular No. 44**

**November 15, 2011**

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

**Trade Credits for Imports into India – Review of all-in-cost ceiling**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A. P. \(DIR Series\) Circular No. 27 dated October 27, 2008](#) relating to the all-in-cost ceiling of Trade Credits for imports into India.

2. On a review of developments in the global financial markets and the fact that domestic importers are experiencing difficulties in raising Trade Credit within the existing all-in-cost ceiling, it has been decided to revise the all-in-cost ceiling for Trade Credits as under:

Maturity Period	All-in-cost over 6 month LIBOR*	
	Existing	Revised
Upto one year	200 bps	350 bps
More than one year and upto three years		

\* for the respective currency of credit or applicable benchmark

The all-in-cost ceilings include arranger fee, upfront fee, management fee, handling/ processing charges, out of pocket and legal expenses, if any.

3. The change in the all-in-cost ceiling will come into force immediately. The enhancement in all-in-cost ceiling is applicable upto March 31, 2012 and subject to review thereafter. All other aspects of Trade Credit policy remain unchanged.

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

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

Yours faithfully,

**(Meena Hemchandra)**  
**Chief General Manager-in-Charge**

<b>Related Press Release</b>	
Nov 15, 2011	<a href="#">Review of All-in-cost (AIC) on Trade Credit</a>