

GOVERNMENT OF INDIA
 MINISTRY OF COMMERCE AND INDUSTRY
 DEPARTMENT OF COMMERCE
 DIRECTORATE GENERAL OF FOREIGN TRADE
 UDYOG BHAVAN, NEW DELHI

Policy Circular No. 06(RE- 2012) /2009-14 Dated:10.10.2012

Subject: Introduction of electronic Bank Realization Certificate (e-BRC) system.

Attention is invited to Public Notice No. 08 dated 6.7.2012 that dispensed with the Issuance of physical copy of BRCs by banks for the purpose of DGFT use and made e-BRC mandatory w.e.f. 17.8.2012.

2. Following guidelines are issued for uniformity in approach and guidance of stakeholders:

A. Guidelines for Banks:

A1. Issuance of physical copy of BRCs by banks has been dispensed with for the purpose of DGFT use. Banks will, now, transmit BRC data electronically to DGFT server.

A2. Banks will convert BRC issued manually during 01.04.2012 and 16.08.2012 in the digital (XML) format and upload these onto the DGFT server. This will ensure availability of complete BRC data in electronic form for the entire financial year.

A3. Conversion and transmission of 'eBRC' to DGFT

Whether the Currency in which Foreign Exchange is realised is notified by Central Board of Excise and Customs (CBEC), Ministry of Finance?	Guidelines to bank on conversion and transmission
Yes	Banks will transmit foreign exchange realised value without converting it into INR to DGFT server.
No	Banks shall, in addition to foreign exchange realised value, also upload the INR of the realised foreign exchange value. This conversion should be carried out based on rates notified by RBI. In case exchange rate is not available from RBI, bank may carry out currency conversion as per its standard practice.

A4. BRCs transmitted by bank should reflect total value of foreign exchange realised. Banks should not deduct any amount from this value under any head (Commission, Insurance and Freight).

B. Guidelines for Exporters:

B1. Exporters should verify the Shipping Bill Number, Date and Port Code in case of 'e-BRC' as reported by banks. In case of discrepancy, exporters need to approach bank to get such 'e-BRC' details corrected first and then link the same with Shipping Bills.

B2. In case the need for modification is felt, exporters have the option to delete Shipping Bills and/or 'e-BRC' data from the Application and/or Repository. However, once the Shipping Bill/ BRC is utilized in any of the schemes, no modifications are permitted.

B3. 'e-BRC' details available in the DGFT server do not contain values of Commission, Insurance and Freight. These are to be entered by the exporters while making applications under various DGFT schemes. Exporters must ensure that the 'e-BRC' value reported by bank reflects full value and get it corrected from the banks in case of any discrepancy.

B5. Exporter will enter values of Commission, Insurance and Freight against each BRC. Without this entry net FOB Value displayed will be indicated as zero.

B6. Exporter will have to furnish a declaration of correctness of the data and also furnish relevant documents, if called for.

B7. In case of shortfall in foreign exchange realization with respect to the shipping bill FOB value, pro rata distribution of realized foreign exchange against each export item will be made by the system itself. To explain in detail, three illustrations are given below:

- **Illustration 1 (Single Export Product)** -If foreign exchange realization as per e-BRC is US \$ 100/- and FOB value as per Shipping Bill is US\$ 80/- , then benefit would be granted on US \$ 80/-.
- **Illustration 2 (Single Export Product)** -If foreign exchange realization as per e-BRC is US \$ 100/- and FOB value as per Shipping Bill is US \$ 120/- , then FTP benefits would be granted on US \$ 100/-.
- **Illustration 3 (Multiple Export Items On Single Shipping Bill)** -In case of multiple items on a shipping bill, the FOB value will be proportionately distributed and **multiplication factor** applied on it. For example, If a Shipping Bill contains 3 export items A, B and C with FOBs US \$40, US \$60 and US \$80 respectively (total FOB US \$180/-). If the total NFE realised as per e-BRC is US\$90/-, then by pro-rata calculation the benefits on 3 items i.e. A, B and C will be calculated on 20 US\$, 30 US\$ and 40 US\$ respectively. (Multiples)

B8. Calculation of commission for the purpose of granting DEPB and Chapter 3 benefit:

Commission for an item = Total commission paid on a shipping bill X (FOB value of item in INR as mentioned in SB / Total SB FOB value in INR)

For the purpose of calculation of entitlement, commission for an item will be limited to 12.5% of the Net Realised value (as per S.N. VI above) of Item.

B9. Shipping Bill repository:

a. DGFT will maintain a Repository of Shipping Bills which would be available for on-line linkage with any application, for example, DEPB, Chapter 3 Incentive Schemes, and EODC. When requested by exporters, 'e-Shipping Bill' and 'e-BRC' data will be captured and linked automatically.

b. In case of Manual Shipping Bills/ BRCs, data will be entered by exporters on DGFT website

c. Shipping Bills from the repository can be utilised in any applicable scheme.

C- Guidelines for RAs:

RAs will not ask for physical copies of BRCs for BRCs issued wef 17.08.2012

3. This replaces the Policy Circular No.01 dated 18.6.2012.
4. This issues with the approval of Director General of Foreign Trade.

(Ajay Srivastava)
Joint Director General of Foreign Trade

(Issued from F. No. 01/02/110/AM 12/EDI)