



TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004.

Maharashtra State, INDIA.

Website: <http://www.texprocil.org> E-mail: info@texprocil.org

Tel.: 91-22-2363 2910 to 12 Fax: 91-22-2363 2914

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To: Members of the Council

Sub: Indo - Iran Rupee Payment Mechanism

Dear Member,

As you are aware, the US has re-imposed economic sanctions on Iran in May 2018 after withdrawing from the multilateral deal signed in 2015.

The Council has been representing to the Government for the payment mechanism for exports to Iran.

We are glad to inform you that UCO Bank has activated the Rupee Payment Mechanism for exports from India to Iran. The centre and banks have now clarified on the list of goods that can be classified as non-sanctioned and exported to Iran. This includes a whole range of products **including textiles**.

Under the Rupee Payment Mechanism, payments received by the importer who import oil from Iran are used to pay the Indian exporter who exports non-sanctioned goods directly from India to Iran. All the payments are in Indian Rupees and no foreign currency is involved.

Payment related to exports of non-sanctioned goods to Iran can be on account of:

- (a) Advance Payment against future exports or
- (b) Payment after export has taken place.

The General guidelines to be followed by an exporter are as follows;

- (1) Post of loading should be an Indian port.
- (2) Port of destination should be an Iranian port.
- (3) Transshipment is not permitted.
- (4) Non-sanctioned goods of Indian origin to be exported should be permissible under the Foreign Trade Policy / Government of India Regulations for export to Iran.
- (5) Invoicing and all related export documents should be in Indian Rupee only.
- (6) No Merchanting trade is permitted under the Rupee Trade Mechanism.
- (7) Exporters having Credit facilities with other banks (other than UCO bank) should route their payment through their banker. The exporter's bank will send the required authenticated certification to the "Treasury Branch, Mumbai" of UCO bank. The payment will be directly handled by the "Treasury Branch, Mumbai" of UCO bank as per existing guidelines.

UCO bank have got 22 designated branches across India to handle exports to Iran. A list of such banks is enclosed herewith [\(click here\)](#).

Also the Helpline Nos. of UCO bank related to Iran transactions are as follows;

International Department - Head Office: 033-44557729.

Treasury Branch, Mumbai: 022-66547352/56/57.

We would request you to please take a note of the above and do the needful. In case, you need any further clarification in this regard, please get in touch with us. We would also request for your feedback on the Rupee Trade Mechanism on the email IDs ravikumar@texprocil.org / vimal@texprocil.org, so that difficulty, if any, can be suitably taken up with the Government.

Thanking You,

A. Ravi Kumar
Joint Director

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