

DGFT and Enforcement Directorate Sign MoU on Foreign Exchange Data Sharing

The Enforcement Directorate today signed a Memorandum of Understanding (MoU) with Director General of Foreign Trade (DGFT) for sharing of foreign exchange realization data. This data is also known as eBRC (Electronic Bank Realization Certificate) data.



[From Left to Right : Rajan Katoch, IAS , Director , Enforcement Directorate , Sumit Bose, IAS , Revenue Secretary, Hon'ble Anand Sharma , Union Commerce & Industry Minister, S. R. Rao , IAS , Commerce Secretary and A. K. Pujari , IAS , DGFT]

The Union Minister of Commerce and Industry Shri Anand Sharma presided over the ceremony in which Dr. Rajan Katoch, Director, Enforcement, Ministry of Finance and Director General of Foreign Trade Dr. Anup K Pujari signed the MoU for sharing of foreign exchange realization data. Finance Secretary Shri Sumit Bose, Commerce Secretary Shri S R Rao and other senior officials were present during the event.

Speaking on the occasion, Shri Sharma said that data sharing with government departments would increase transparency, reduce the human interface and improve the ease of doing business in India. "The eBRC project is a significant step in this direction and will contribute considerably in reducing the transaction cost of our exporters," added Shri Sharma.

Bank Realization Certificate (BRC) is required for discharge of export obligation and claiming of incentives under Foreign Trade Policy. BRC is also used by state government departments for refund of VAT. In addition, this data is an important economic indicator as it

quantifies transaction level export earnings.

Earlier, the banks issued physical copy of BRC to the exporters and no data mining or analysis was possible. The process for BRC issuance and subsequent utilization were largely manual and department centric. The exporters suffered most as they had to run to banks and government departments for claiming benefits.

The eBRC project was launched on June 5, 2012, which made the process secure and online. It created an integrated platform for receipt, processing and subsequent use of all Bank Realization related information by exporters, banks, central and state government departments. It was made mandatory with effect from August 17, 2012.

e-BRC project enables banks to upload Foreign Exchange realisation information relating to merchandise goods exports on to the DGFT server under a secured protocol. So far 90 banks operating in India, including foreign banks and cooperative banks have uploaded more than 75 lakh e-BRCs on to the DGFT server. This initiative has reduced the cost of transaction for exporters by eliminating their interface with bank (for issuance of BRC purposes) and enhanced the productivity of banks and DGFT. At the state level, Commercial Tax Departments of Maharashtra, Delhi, Odisha, Andhra Pradesh, Haryana and Chhattisgarh have signed MoU with DGFT for receiving e-BRC data for VAT refund purposes. Many other states are in the process of signing MOUs. DGFT is in talks with RBI for expanding the coverage of this data for setting up an efficient mechanism for foreign exchange monitoring.