

**Normal Transit Period (NTP) for exports
to Iraq under U.N.Guidelines**

IECD.No.12/04.02.02/2000-01

March 7, 2001

The Chairmen/Chief Executives
of all commercial banks

Dear Sir,

**Normal Transit Period (NTP) for exports
to Iraq under U.N.Guidelines**

Please refer to our circular IECD.No.21/04.02.02/98-99 dated March 8, 1999 advising the banks to extend concessional rate of interest in respect of exports to Iraq under UN guidelines for a maximum period of 60 days.

In view of the difficulties being experienced by the exporters in realising export proceeds in time, the issue has been re-examined in consultation with Foreign Exchange Dealers' Association of India (FEDAI) and they have enhanced the NTP to a maximum of 90 days from the date of shipment for such exports by duly amending the relevant rule vide their AR Circular No.01/2001 dated February 2, 2001 (copy enclosed). Accordingly, banks may be guided by FEDAI guidelines on NTP for providing export credit at concessional rate of interest in respect of exports to Iraq under U.N.guidelines. Our above circular of March 8, 1999, therefore, stands withdrawn with effect from February 2,2001.

2. In view of the above, Item No.3.11 contained in Chapter 13B-II of the Manual of Instructions issued by RBI, (DBOD, DBS and IECD) stands deleted.

3. Please acknowledge receipt.

Yours faithfully,

(Smt.R.K.Makhija)
General Manager

Encl : one

Foreign Exchange Dealers Association of India
FEDAI (Registered under Section 25 of The Companies Act, 1956)
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AR Circular No.01/2001

2nd February 2001

(Last AR Circular No. issued in 2000 was 5/2000)

All Authorised Dealers in Foreign Exchange

Exports to Iraq under U N Guidelines-Normal Transit Period

With the approval of our Managing Committee in the meeting held on 29th January 2001, our Rule 2A 4(ii) stands amended as under with immediate effect.

Rule 2 A 4 (ii)

Normal Transit Period (NTP) for exports to Iraq under U.N.Guidelines

In respect of Exports to Iraq under United Nations Guidelines where payment under letters of credit is made on arrival of goods upon issuance of certificate by U.N. Agency to the effect that the exports conform to the guidelines laid down by United Nations, the applicable Normal Transit Period shall be for a maximum of 90 days from the date of shipment for which concessional rate of interest shall be recovered.

Member banks are advised to be guided accordingly and make a suitable note in the Rule Book in their possession.

Secretary
(S.Shankar Naraynan)