THE PLASTICS EXPORT PROMOTION COUNCIL

दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल
(भारत सरकार,वाणिज्य एवं उद्योग मंत्रालय,वाणिज्य विभाग द्वारा प्रायोजित)
THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. Plexh/Cir/549
Date : 03.11.2026

To,

All Members of Plexconcil/ COA

Dear Sir / Madam,

Subject: Clarification on Merchanting Trade Transactions (MTT) under Foreign Trade Policy (FTP), 2023

The Council wishes to inform you that the Reserve Bank of India (RBI) has clarified the interpretation of **Para 2(iii) of A.P. (DIR Series) Circular No. 20 dated 23rd January 2020**, concerning Merchanting Trade Transactions (MTTs).

The clarification follows representations from exporters' associations regarding difficulties faced by exporters due to certain Authorised Dealer (AD) banks refusing to facilitate MTTs on the grounds that the goods involved were restricted under the Import Policy.

In this regard, RBI has advised that the interpretation of Para 2(iii) of the above circular should be aligned with **Para 2.39 of the Foreign Trade Policy (FTP), 2023**, which permits merchanting trade involving shipment of goods from one foreign country to another foreign country without touching Indian ports, or shipment of goods within one specific foreign country, involving an Indian intermediary, subject to compliance with RBI guidelines.

The only exceptions are goods/items covered under the **CITES and SCOMET lists**.

Download here : https://membership.plasticsepc.org/mails_images/20261102062616.pdf

Accordingly, members are advised to take note of the above clarification and bring it to the attention of their respective AD banks while undertaking Merchanting Trade Transactions, wherever applicable.

Best regards

Bharti Parave

Director (Trade & Policy)

Plexconcil