

POLICY FRAMEWORK

FOR SUPPORT FOR EMERGING EXPORT OPPORTUNITIES

1. Objective

- a. The objective is to support enhanced global trade connectivity and liquidity in under-served markets by increasing confidence of counterparties in settlement of trade transactions.
- b. The initiative will enhance the capacity of scheduled commercial banks to support cross-border trade transactions involving markets where trade lines are constrained or where the potential has not been harnessed, and transactions may not materialise in the absence of such support.
- c. It will also enable local banks in target countries in establishing working partnerships with large number of commercial banks in India.

2. Scope and Coverage

- a. The Intervention will provide risk-sharing support for eligible trade finance transactions supported by banks.
- b. The risk-sharing support shall be available exclusively to eligible MSMEs (involved in international value chains) for their bank-intermediated trade transactions in under-served markets, and shall be subject to such ceilings, conditions, and safeguards as may be notified.
- c. The detailed operational framework—including eligibility conditions, application and claim procedures, reporting and monitoring requirements, and verification mechanisms—are prescribed under **ANNEXURE-II** enclosed.

3. Benefits to Exporters

- a. Access to High-Risk or Under-served Markets: This intervention enables Indian exporters to access high-risk or under-served markets by bridging the financing gaps.
- b. Partnerships with Overseas Banks: Exim Bank has established partnerships with over 140 overseas banks across 60 countries.
- c. Credit Enhancement: The Intervention provides credit enhancement to trade instruments, enhancing the capacity of commercial banks to support cross-border trade transactions.
- d. Risk Mitigation Support: The Intervention offers risk mitigation support helping Indian banks to enhance their trade finance exposure in under-served markets.
- e. Support for Local Banks: The Intervention enables local banks in target countries to establish working partnerships with commercial banks in India.

OPERATIONAL AND PROCEDURAL GUIDELINES

FOR SUPPORT FOR EMERGING EXPORT OPPORTUNITIES

1. Eligibility, Scope, and Coverage

- a. All MSMEs involved in international value chains holding a valid Importer-Exporter Code (not in the Denied Entity List) and a valid MSME Udyam Registration Number shall be eligible for support under the intervention.
- b. Exports of all goods permitted for exports under the Foreign Trade Policy of the Government of India shall be eligible, subject to a negative list under the intervention (**ANNEXURE-VI**).
- c. Support shall be available for transactions involving under-served markets identified under the Intervention (**ANNEXURE-VII**). The list shall be reviewed periodically based on India's integration with these markets, demand in these markets, and India's untapped potential.
- d. The Intervention will provide risk-sharing support for eligible trade finance transactions supported by banks.

2. Activities / Instruments Supported

The various non-recourse credit mechanisms supported under the Intervention include:

- (i) Stand-by Letters of Credit (SBLC)
- (ii) Risk Participation (RP)
- (iii) Irrevocable Reimbursement Undertaking (IRU)
- (iv) Letter of Credit (LC) Confirmation
- (v) Letter of Credit Negotiation
- (vi) Usance Payable at Sight Letter of Credit (UPAS LC)

3. Implementing Framework

- a. Exim Bank, along with the National Credit Guarantee Trustee Company Ltd (NCGTC), shall be the implementing agency for the intervention

- b. MSME will generate a UIN (Unique Identification Number) online by applying on DGFT portal.
- c. Scheduled commercial banks shall sign Master Risk Participation Agreement (MRPA)/Confirming Bank Agreement (CBA) with Exim Bank for eligible instruments.
- d. The level of risk-sharing support in export transactions and risk participation fee shall be determined in accordance with the assessed risk profile and applicable exposure limits.
- e. MSME shall apply to eligible lending institution with the UIN, and application shall be received from the lending institutions by Exim Bank.
- f. Interest subvention support may be extended separately under other EPM Interventions for eligible instruments.

4. Nature and Extent of Assistance

Under this Intervention, partial or full support for risk of non-payment will be extended to partner banks to enhance access to trade finance for exports in under-served markets and boost competitiveness through non-recourse trade finance instruments.

5. Level of Assistance

Exim Bank may extend up to 100% cover for eligible instruments. Risk-sharing support under the intervention by way of unconditional and irrevocable guarantee shall be extended to Exim Bank in the range of 10% to 80% of the transaction value, based on score determined from the comprehensive risk model, as illustrated below, with the balance risk covered by Exim Bank / partner bank. The risk coverage will be reviewed periodically by the Sub-Committee on Trade Finance.

Risk Category	Score Range	Cover under the scheme (%)
Very High Risk	60-64*	80
	65-69	75
High Risk	70-74	70
	75-79	60

	80-84	50
Moderately High Risk	85-89	40
	90-94	30
Low Risk	95-97	20
	98-100	10
*Transactions with a score below 60 will not be eligible for support.		

6. Exposure Limit

Maximum liability permissible (MLP) at any point of time for support under this Intervention will be 10 times of the corpus fund, with suitable country caps, exporter-wise exposure caps, transaction-wise exposure caps, and issuing bank-wise exposure caps, as defined below.

- a) Country caps would be 15% of MLP.
- b) Exporter-wise exposure cap would be 5% of the MLP.
- c) Transaction-wise exposure cap would be 1% of the MLP.
- d) Issuing bank-wise exposure cap would be 10% of the MLP.

7. Intent Filling

- a. Applicants shall submit an online application on DGFT portal indicating their intent to avail risk-sharing support for eligible trade finance transactions, via the online portal.
- b. The application shall include details of the firm, export products, and the preferred lending institutions and trade finance instrument for availing the risk-sharing support. Upon submission, a unique UIN number shall be generated.
- c. Each declaration of intent shall remain valid until the end of the financial year or for 12 months from the date of submission, whichever is earlier.
- d. Applicants shall approach their preferred eligible lending institution with the UIN to apply for the support under this intervention.

8. Sanction of risk-sharing support by Exim Bank

- a. The lending institution shall assess the applicant's creditworthiness using its internal evaluation mechanism.
- b. After negotiating the terms of trade finance instrument with the MSME, the partner bank shall apply for risk-sharing support to the Exim Bank.
- c. Upon receipt of application from the partner banks, Exim Bank shall undertake necessary due diligence for coverage and advise in-principal approval upon satisfactory review.
- d. After in-principle approval, Exim Bank shall request for cover from NCGTC based on the risk categorisation and the corresponding risk-sharing percentage defined in the scheme guidelines. NCGTC shall review the request for conformity with the scheme guidelines and accordingly convey approval within one business day.
- e. Upon approval by NCGTC, Exim Bank shall extend up to 100% cover for eligible instruments to the partner banks, as per the provisions of the agreements executed with partner banks and in line with internationally accepted documentary credit standards. On the same business day, Exim Bank shall receive the guarantee cover from NCGTC.
- f. The risk participation fee shall be guided by the respective documents signed or entered with partner banks. Exim Bank will transfer the fees to the NCGTC pro-rata to its guaranteed portion.

GOVERNANCE STRUCTURE**FOR SUPPORT FOR EMERGING EXPORT OPPORTUNITIES****1. Sub-Committee on Trade Finance**

- a. Sub-Committee on Trade Finance (hereafter referred to as the 'Sub-Committee') shall be constituted for advising, recommending activities and stakeholder coordination for implementation of Support for Emerging Export Opportunities. The Sub-Committee shall advise on regulatory, procedural, or policy-related bottlenecks impacting implementation and recommend suitable remedial measures; support development of performance indicators, outcome metrics, and monitoring mechanisms to assess the impact of interventions and provide inputs for capacity building, awareness programs, and stakeholder outreach initiatives.
- b. The composition of the Sub-Committee shall be as follows:

S. No.	Officer Concerned	Position
1.	Development Commissioner, Ministry of MSME	Co-Chair
2	Joint Secretary or Equivalent, Trade Finance Division, DoC	Co-Chair
3	Joint Secretary or Equivalent, EPM Section, DGFT	Member
4.	Joint DGFT, EPM Section, DGFT	Convenor
5.	Representative of IFD, Department of Commerce	Member
6.	Representative of the Department of Financial Services, Ministry of Finance (not below the rank of Deputy Secretary)	Member
7.	Representative of the Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)	Invitee
8.	Representative of Exim Bank	Invitee

9.	Representative of Export Credit Guarantee Corporation of India (ECGC)	Invitee
10.	Representative from National Credit Guarantee Trustee Company (NCGTC)	Invitee
11.	Representative of the India Banks Association (IBA)	Invitee
12.	Representative of the International Financial Services Centres Authority (IFSCA)	Invitee
13	Representatives of Factoring NBFCs	Invitee

- c. The Sub-Committee may co-opt members or invite any other participants as and when required. Domain experts or industry representatives with demonstrated experience in trade finance may be associated for technical appraisal.
- d. The Sub-Committee shall, inter alia, recommend –
 - i. annual beneficiary level cap on support to be provided
 - ii. level of risk sharing, exposure limit, and,
 - iii. exclusion or inclusion of other trade finance instruments.

2. Implementing Agency:

- a. Export-Import Bank of India (Exim Bank), along with National Credit Guarantee Trustee Company (NCGTC) will be the implementing agency on behalf of the Department of Commerce. A dedicated trust fund shall be seeded by Government of India and managed by NCGTC.
- b. The corpus will be invested in liquid assets as per the guidelines of NCGTC, and the interest earned on the corpus and fees received from partner banks will be added back to the corpus. Exim Bank will receive an administration fee of 5% of the guarantee fee earned by the Fund in each financial year.
- c. NCGTC will receive an administration fee of 2.0% of the guarantee fee earned by the Fund.

3. Operationalisation and Implementation of the Support for Emerging Export Opportunities

The Export Promotion Mission (EPM) section, DGFT(HQ) shall be responsible for operationalisation and implementation of Support for Emerging Export Opportunities including convening meetings of the Sub-Committee, implementation of required online systems, disbursement of funds.

**GUIDELINES FOR LENDING INSTITUTIONS FOR SUPPORT FOR EMERGING
EXPORT OPPORTUNITIES**

(This Annexure shall not be issued as part of the Trade Notice. Given instructions to Lending Institutions shall be issued separately by Exim Bank as a circular)

1. Definitions

- a. "Confirming Bank" means the bank that adds its confirmation to a letter of credit/trade instrument upon the issuing bank's authorisation or request.
- b. "Exim Bank" means the Export-Import Bank of India, established under the Export-Import Bank of India Act, 1981.
- c. "Issuing Bank" means the bank that issues a letter of credit/trade instrument at the request of an applicant or on its behalf.
- d. "Partner Bank / Lending Institution" means a scheduled commercial bank which is associated with Exim Bank under Trade Assistance Programme.
- e. "Letter of Credit" (LC) means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation as defined in UCP 600.
- f. "Negotiating bank" means the bank the negotiates the documents under letter of credit/trade instrument.
- g. "Reimbursing Bank" means the bank instructed or authorized to provide reimbursement pursuant to a reimbursement authorization issued by the issuing bank.
- h. "UCP 600" means the latest revision of the Uniform Customs and Practice that govern the operation of letters of credit.
- i. "Usance Payable at Sight"(UPAS) means a letter of credit which is the combination of Usance LC and Sight LC. A UPAS LC is a standard type of LC that is governed by the International Chamber of Commerce (ICC) publication No. 600, which outlines the Uniform Customs and Practice for Documentary Credits
- j. "URR 725" means the Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits ("rules"), ICC Publication No. 725, shall apply to any bank-to-

bank reimbursement when the text of the reimbursement authorization expressly indicates that it is subject to these rules.

- k. **“NCGTC”** means National Credit Guarantee Trustee Company Limited set up on March 28, 2014, by the Government of India to act as the Trustee to operate various Credit Guarantee Funds/Trusts, set up/to be set up by the Government of India from time to time.
- l. **“Trust”** means the Emerging Export Opportunities Trust to be set up by the Government of India with the purpose of guaranteeing credit facility(s), extended by the Member Lending Institution(s) to the Eligible Borrowers under this Intervention.

2. Mechanisms under the Intervention through Exim Bank

- a. The Intervention offers partial or full support for risk of non-payment to partner banks to enhance access to trade finance for exports in overseas markets. The various non-recourse credit mechanisms offered under this Intervention are:
 - a. Stand by letter of credit
 - b. Risk Participation (RP)
 - c. Irrevocable Reimbursement Undertaking (IRU)
 - d. LC Confirmation
 - e. LC Negotiation
 - f. UPAS LC
- b. The Trust reserves the discretion to accept or reject any proposal referred under the Intervention, which otherwise satisfies the norms of the Intervention.

3. Goods not eligible under the Intervention

Details of Eligible goods are mentioned at Annexure-VI

4. Documentation to be executed by Partner Bank

- a. **Master Risk Participation Agreement (MRPA):** The existing agreements between the Exim Bank and Partner Banks under Trade Assistance Programme shall also be applicable for Support for emerging export opportunities. Risk Participation begins when an Offer & Acceptance (O&A) is received by Exim Bank from a partner bank in the format prescribed under the MRPA, requesting participation in respect of an eligible instrument. Risk Participation shall be up to 90% of the underlying document value.
- b. **Confirming Bank Agreement (CBA):** The existing agreements between Exim bank and the confirming banks under Trade Assistance Programme shall also be applicable for Support for emerging export opportunities. SBLC and IRU mechanisms shall be covered by this agreement.

5. Sanction Process

- a. The partner bank will negotiate the terms of trade finance instrument with the MSME and apply to Exim Bank for cover.
- b. Exim Bank shall undertake necessary due diligence for coverage. Exim Bank will set limits on LC issuing banks/ institutions based on a Comprehensive Risk Model considering the Country Risk Exposure Limit and Credit Risk Model of the issuing banks/ institutions. Based on the due diligence and assessment on the risk model, and upon satisfactory review, Exim Bank shall advise in-principal approval.
- c. EXIM Bank would provide in-principal approval within three working days, and NCGTC would issue the guarantee within one working day upon receipt of a complete proposal, resulting in an overall targeted turnaround time of four working days.
- d. After in-principal approval, Exim Bank shall request for cover from NCGTC based on the risk categorisation and the corresponding risk-sharing percentage defined in the scheme guidelines. NCGTC shall review the request for conformity with the scheme guidelines and accordingly convey approval within one business day.
- e. Upon approval by NCGTC, Exim Bank shall extend up to 100% cover for eligible instruments to the partner banks, as per the provisions of the agreements executed with partner banks and in line with internationally accepted documentary credit

standards. On the same business day, Exim Bank shall receive the guarantee cover from NCGTC.

- f. The fee for risk cover shall be guided by the respective documents signed or entered with partner banks. Exim Bank will transfer the fees to the NCGTC pro-rata to its guaranteed portion.
- g. The processes under the various mechanisms are guided by internationally accepted documentary credit standards such as UCP 600, ISBP 745, and URR 725, which collectively govern the examination of documents, reimbursement procedures, and operational practices in trade finance. These mechanisms are further guided by the RBI and FEMA guidelines, ensuring they are in full compliance with procedural requirements and prudential norms.

6. Responsibilities of Partner Banks

The responsibilities of the partner banks shall be governed by the terms and conditions specified in the MRPA or CBA, including adherence to the agreed-upon processes, fulfilment of documentation and reporting requirements, observance of timelines, and compliance with all operational and risk-sharing obligations outlined therein.

7. Risk Participation Fee

- a. The pricing for any transaction is based on a combination of quantitative and qualitative parameters, including the country risk profile, sovereign ratings and rankings, its market position, the tenor of the underlying instrument, historical performance and track record with both the exporter and the issuing bank, size of the transaction, and any adverse or material developments relating to the bank or the jurisdiction concerned. The credit rating and overall risk profile of the exporter are also factored into the pricing assessment. These parameters collectively guide the determination of appropriate pricing in accordance with the risk appetite and internal credit evaluation framework under the Intervention.
- b. The calculation of risk participation fee shall be guided by the respective documents signed or entered into with partner banks.

- c. The risk participation fee corresponding to the score generated from the comprehensive risk model is provided in the table below. This shall be subject to periodic review by the Sub-Committee on Trade Finance.

Risk Category	Score Range	Fee as % (per annum)
Very High Risk	60-64*	2.50
	65-69	2.25
High Risk	70-74	2.00
	75-79	1.75
	80-84	1.50
Moderately High Risk	85-89	1.25
	90-94	1.00
Low Risk	95-97	0.75
	98-100	<0.5
*Transactions with a score below 60 will not be eligible for support.		

8. Extent of Risk Coverage

- a. Exporter will receive confirmation to the extent of 100% of the value of the letter of credit under all mechanisms.
- b. The risk covers to the partner banks are provided as follows:

Instrument	Risk Cover
SBLC	Up to 100% coverage of the underlying LC/trade instrument
RP	Up to 90% coverage of the underlying LC/trade instrument
IRU	Up to 100% coverage of the underlying LC/trade instrument

9. Miscellaneous

- a. The Sub-Committee on Trade Finance reserves to itself the right to modify, cancel or replace the Intervention however, that the rights or obligations arising out of, or accruing under risk coverage issued under the Intervention up to the date on which such modification, cancellation or replacement comes into effect, shall not be affected.
- b. Notwithstanding anything contained herein, the Sub-Committee on Trade Finance shall have a right to alter the terms and conditions of the Intervention in regard to an account in respect of which risk coverage has not been issued as on the date of such alteration.

10. Risk Cover

Exim Bank may extend up to 100% cover for eligible instruments. Risk-sharing support by way of unconditional and irrevocable guarantee shall be extended to Exim Bank in the range of 10% to 80% of the transaction value, based on score determined from the comprehensive risk model, as illustrated below, with the balance risk covered by Exim Bank / partner bank. The risk coverage will be reviewed periodically by the Sub-Committee on Trade Finance.

Risk Category	Score Range	Cover under the scheme (%)
Very High Risk	60-64*	80
	65-69	75
High Risk	70-74	70
	75-79	60
	80-84	50
Moderately High Risk	85-89	40
	90-94	30
Low Risk	95-97	20
	98-100	10
*Transactions with a score below 60 will not be eligible for support.		

11. Claim Settlement

- a. Exim Bank will settle the claim on invocation/ devolvement of the underlying trade instruments confirmed/ negotiated by Indian partner banks upon receipt of the documents as detailed in MRPA/CBA.
- b. Settlement of claim lodged by Indian partner banks will be in accordance with the terms of MRPA/ CBA.
- c. Upon receipt of such invocation/ devolvement, Exim Bank will also simultaneously serve the claim to the Trust to the extent of its risk participation. The settlement of claim by the Trust shall be completed within three business days.
- d. The Trust shall reimburse to Exim Bank its share of the Claim amount as per the agreed percentage of its risk participation.

Application Procedure for Support for Emerging Export Opportunities

- a. Applicants shall submit an online application on the DGFT portal indicating their intent to avail support prior to applying for the support under this Intervention, via online systems.
- b. The application shall include details of the firm, export products, and the preferred lending institutions for availing support under the Intervention. Upon submission, a Unique Identification Number (UIN) shall be generated.
- c. Each declaration of intent shall remain valid until the end of the financial year.
- d. Applicants shall approach the Partner Bank with the UIN to request for support.

Intent to Claim Form for Support for Emerging Export Opportunities

PART A: Basic Details *(Auto-populated from IEC; non-editable)*

1. IEC Number
2. Name of Entity
3. PAN
4. Registered Address
5. Contact Details
6. Nature of Entity

PART B: EXPORT & ASSISTANCE DETAILS

7. Product(s) / Service(s)
8. Description
9. HS Code(s)
10. Target Export Market(s)
11. Type of Trade Finance Instrument Sought

PART C: DETAILS OF FINANCIAL ASSISTANCE SOUGHT

12. Assistance sought under the Intervention (₹/\$ as applicable)

PART D: BANK ACCOUNT DETAILS *(Auto-fetched from IEC, non-editable)*

13. Bank Name

14. Account Number

15. IFSC Code

DECLARATION

I/We hereby declare that:

1. The applicant entity is not under investigation, charged, prosecuted, debarred, or blacklisted under the Foreign Trade (Development and Regulation) Act, 1992, or under any other applicable law relating to international trade, including the Customs Act, 1962; the Central Excise Act, 1944; the Foreign Exchange Management Act, 1999; and the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, as amended from time to time. The applicant entity has no outstanding penalties or dues under the aforesaid Acts. Any material change in such status shall be promptly disclosed, failing which the application may be rendered ineligible and appropriate action may be initiated.
2. Neither the registered office nor the head office, nor any branch, unit, or division of the applicant entity, has been declared a defaulter or otherwise rendered ineligible to undertake import or export activities under the Foreign Trade Policy or any provision thereof.
3. I/We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed thereunder, the Foreign Trade Policy, the Handbook of Procedures, as amended from time to time.
4. I/We understand that if any information furnished in this application is found to be incorrect, false, or misleading, the applicant shall be liable to penal action or such other consequences as may be prescribed under law.
5. I/We declare that the particulars and statements furnished in this application are true and correct to the best of my/our knowledge and belief and that no material information has been concealed or withheld.

6. The assistance sought under Support for Emerging Export Opportunities has not been availed or applied for under any other scheme of the Government of India or State Government for the same activity.

7. I hereby certify that I am duly authorised to verify and sign this declaration in accordance with paragraph 11.06 of the Foreign Trade Policy.

EXCLUSION LIST

FOR SUPPORT FOR EMERGING EXPORT OPPORTUNITIES

1. Goods and services that are prohibited for exports under Schedule-II (Export Policy) of ITC(HS), 2022
2. Transactions involving countries under sanctions such as those under the FATF Blacklist and United Nation sanctions, read with Para 2.16 to para 2.20 of the Foreign Trade Policy 2023.
3. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
4. Trade in wildlife or wildlife products regulated under CITES, Production or trade in radioactive materials, Production or trade in pesticides/herbicides subject to international phase outs or bans, Production or trade in ozone depleting substances subject to international phase out., Production or trade in wood or other forestry products, Production or trade in weapons and munitions, or other Restricted Export Categories shall be permitted subject to the requisite Conditions as defined under the Export Policy, ITC(HS) 2022 and other related Acts and Rules.

LIST OF COUNTRIES COVERED

FOR SUPPORT FOR EMERGING EXPORT OPPORTUNITIES

UNDER EXPORT PROMOTION MISSION (EPM) – NIRYAT PRO TSAHAN

Sr No	Continent	Country
1	Africa	Algeria
2		Angola
3		Benin
4		Botswana
5		Burkina Faso
6		Cameroon
7		Côte d'Ivoire
8		Egypt
9		Equatorial Guinea
10		Eswatini
11		Gabon
12		Gambia
13		Ghana
14		Guinea
15		Kenya
16		Madagascar
17		Mauritania
18		Mauritius
19		Mozambique
20		Morocco
21		Namibia

Sr No	Continent	Country
22		Nigeria
23		Rwanda
24		Senegal
25		Sierra Leone
26		South Africa
27		Tanzania
28		Togo
29		Tunisia
30		Uganda
31		Zambia
32		Asia
33	Bhutan	
34	Cambodia	
35	Fiji	
36	Indonesia	
37	Jordan	
38	Malaysia	
39	Maldives	
40	Mongolia	
41	Nepal	
42	Papua New Guinea	
43	Philippines	
44	Sri Lanka	
45	Thailand	
46	Timor-Leste	
47	Vietnam	

Sr No	Continent	Country
48	Latin America	Argentina
49		Belize
50		Brazil
51		Colombia
52		Costa Rica
53		Dominican Republic
54		Ecuador
55		El Salvador
56		Guatemala
57		Honduras
58		Jamaica
59		Mexico
60		Paraguay
61		Peru
62		Suriname
63	Europe & CIS region	Armenia
64		Azerbaijan
65		Georgia
66		Kazakhstan
67		Kyrgyzstan
68		Moldova
69		Tajikistan
70		Türkiye
71		Turkmenistan
72		Uzbekistan