MSME Bodies Recommendations to RBI on Regulations for e-Commerce Exports

Why in the news?

MSME (Micro, Small, and Medium Enterprises) industry bodies are urging the Reserve Bank of India (RBI) to revise its regulations for e-commerce exports.

MSME (Micro, Small, and Medium Enterprises

• **Nodal Ministry** – Ministry of Micro Small and Medium Enterprises, founded in 2007.
• According to the Ministry of MSME, 5.70 crore MSMEs, employing 24.14 crore individuals, are registered on the *Udyam Registration Portal and the Udyam Assist Platform (UAP).*
• The classification criteria for MSMEs have been revised in recent budget by raising both investment and turnover thresholds as follows,

Rs. in Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

Recommendations from MSME industry bodies to RBI

- **Automated Reconciliation System**- Develop an AI-powered system within Export Data Processing and Monitoring System to match inward remittances (IRMs) with shipping bills, even when amounts vary due to marketplace fees or refunds.
- **Bulk Transaction Uploads**-Enable exporters to upload transactions in bulk, reducing manual processing.
- **Simplified Compliance for Small Exporters**- Remove the requirement for CA certificates for MSMEs with an annual turnover of Rs.5 crore or less, replacing it with self-declaration forms.
- **Digital Verification System-**Link bank accounts to a digital verification system for seamless tracking and authentication.
- **Digital Dispute Resolution Portal**- Establish an online platform to address issues like unfair penalties and delayed processing, ensuring resolution within seven days.
- **Cost Reduction Measures**

- Standardize fees for shipping bill regularization.
- Introduce a fixed annual reconciliation fee.
- Limit per-bill charges to Rs 100 for transactions over $1,000.

Export Data Processing and Monitoring System
• It is a centralized online platform that streamlines and monitors export transactions in India, enhancing transparency and compliance. • **Developed by -** Reserve Bank of India (RBI). • **Key Features** • **Centralized Monitoring -** Tracks exports by linking customs, banks, and stakeholders. • **Transparency & Compliance -** Ensures a unified system for efficient export monitoring. • **Automated Data Matching -** Banks match shipping bills with inward remittances. • **Real-time Tracking-** Enables immediate consignment status updates. • **Faster Claims Processing** - Streamlines export benefit claims. • **RBI Data Insights -** Helps track export remittances and prevent fund diversions. • **Regulatory Compliance -** Manages export quotas, licenses, and trade regulations. • **System Integration -** Connects with banking, customs, and logistics platforms.

Reference

Business Standard | MSME industry bodies on e-commerce exports

