



CIRCULAR

e. F.No. IFSCA-FCR0ITFS/3/2025-Banking

Date: March 19, 2026

To,

All IFSC Banking Units (IBUs);

Finance Company/ Units (FC/FUs) undertaking the activity of Factoring

Dear Madam/ Sir,

Support for Alternative Trade Instruments under Export Promotion Mission (EPM) – NIRYAT PRO TSAHAN

The Government of India has, vide [Trade Notice No. 25/2025-26 dated February 20, 2026](#), issued by the Directorate General of Foreign Trade (DGFT), announced the captioned **Scheme** on a pilot basis. The detailed policy framework and procedural and operational guidelines are enclosed.

2. The Scheme aims to improve access to export finance for Micro, Small, and Medium Enterprises (MSMEs) involved in international value chains by providing support for alternative trade finance instruments with focus on export factoring.
3. Export factoring arrangements, including both recourse and non-recourse factoring, and denominated in Indian Rupees or freely convertible foreign currencies, entered between eligible MSMEs (involved in international value chains) and Reserve Bank of India (RBI) or International Financial Services Centres Authority (IFSCA) regulated entities shall be supported.
4. In terms of the above, all IBUs and FC/FUs - undertaking activity of factoring ('hereinafter referred to as eligible financial institutions') shall extend the benefits under the scheme, in the form of interest subvention or equivalent cost support on the export factoring interest cost element, to eligible MSME exporters, in accordance with the provisions of the Scheme, and subject to applicable directions/ circulars/ instructions issued by IFSCA.



5. Further, eligible financial institutions shall ensure compliance with all prescribed operational requirements, including submission of claims, reporting obligations, and timelines, as specified under the Scheme and as may be amended from time to time.
6. This circular is issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019, to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.
7. A copy of this circular is available on the IFSCA website at www.ifsc.gov.in

Yours faithfully,

Sd/-

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