Trade Relief Moratorium Policy
(Last Update: December’2025)

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1. Background

The **Reserve Bank of India (RBI)** has introduced the *Trade Relief Measures Directions, 2025* as part of its ongoing efforts to strengthen India's foreign trade ecosystem and provide regulatory flexibility to support exporters. These directions have been framed in response to evolving global trade dynamics, supply chain disruptions, and the need to ensure sustainable trade financing practices across financial institutions.

Over the past few years, global trade has been impacted by geopolitical tensions, commodity price volatility, and liquidity constraints. Indian exporters—particularly MSMEs—have faced challenges in accessing timely and adequate finance, meeting realization timelines, and managing credit risks. Similarly, importers have been exposed to uncertainties around shipment delays and cost escalations. To address these issues and provide relief to trade participants, RBI has revised and consolidated several existing circulars into a uniform framework under the *Trade Relief Measures Directions, 2025 (Direction').*

2. Eligibility for Trade Relief Moratorium

Relief may be extended to borrowers who meet all the following conditions:

1. **Sector Eligibility:** The borrower is engaged in export activities falling under the sectors listed in the Annexure of Direction (classified based on 2-digit HS Codes).
2. **Credit Facility Status:** The borrower had an outstanding export credit facility with RE as of August 31, 2025.
3. **Account Classification:** The borrower's account(s) were classified as 'Standard' across all REs as of August 31, 2025.

3. Assessment criteria and Documentation requirements

To assess the impact of global trade disruptions on the borrower's business, the Borrower shall submit the latest 12 months' bank statements, proof of export facility off book exposure and Import–Export License. A Physical Due Diligence (PD) visit shall also be conducted at the business premises.

The Credit team shall evaluate:

1. Validity of Import–Export License
2. Sanction letter of Export Credit Facility with other RE and the certificate of outstanding as on 31st August from other RE
3. Contribution of import/export transactions and revenue impact based on the 12-month bank statements for specific impacted industry
4. Personal Discussions/Borrower meeting findings to verify that the business activity and industry classification fall within the eligible sectors listed in Annexure of the Direction.

Based on the above assessment and the borrower's overall profile, the Credit team shall determine eligibility and take decision for the moratorium request in line with the framework.

4. Asset Classification, Provisioning & Reporting

- The moratorium or deferment period granted under these Directions shall be excluded from the computation of days past due (DPD) for the purpose of asset classification, in accordance with the extant IRACP norms.
- The relief extended by the LFL pursuant to these Directions shall not be considered as restructuring under the applicable regulatory framework. Accordingly, the grant of such measures shall not, on a standalone basis, result in any downgrade in the asset classification of the concerned borrower accounts.
- After the expiry of the moratorium/deferment period, the asset classification shall be as per the extant IRACP norms applicable to the LFL.
- LFL shall report to the Credit Information Companies (CICs) as per the extant instructions, duly taking into account the asset classification provisions under these directions.
- For eligible Borrower accounts that were in default but classified as 'Standard' as on August 31, 2025, and for which relief measures have been extended under these Directions, the LFL shall maintain a general provision of not less than 5% of the total outstanding in such accounts. This provision must be created on or before December 31, 2025.
- The general provision maintained under these directions may be adjusted against the actual specific provisioning requirements for slippages from these borrower accounts. Any residual general provisions at the end of the financial year 2025-26 shall be either written back or adjusted against the provisions required for all other borrower accounts by June 30, 2026.
- The general provision maintained under these directions shall not be reckoned for arriving at net NPAs till they are adjusted against the actual provisioning requirements as directed by the RBI. Further, till such adjustments, these provisions shall not be netted from gross advances but shown separately in the balance sheet as appropriate.
- For reporting purpose, a MIS on the reliefs provided to the borrowers will be maintained which shall include inter alia borrower-wise and credit-facility wise information regarding the nature and amount of relief granted. LFL shall submit a fortnightly report (as on 15th and at the end of each month), in a format to be hosted by Reserve Bank on its DAKSH platform.

5. Moratorium timeline

A maximum moratorium shall be permitted for eligible Borrowers for the period from September 1, 2025 to December 31, 2025. If a Borrower has already repaid any EMI falling within this period (i.e., for Sep'25 to Dec'25), such payments shall be treated as regular repayments, and the moratorium shall be applied only for the remaining eligible period.

A revised repayment schedule shall be provided to the borrower, reflecting the extended loan tenure and the impact of the moratorium on future repayment obligations. Regular EMI payments shall resume from January 2026.

6. Interest collection for Moratorium period

During the moratorium/ deferment period, interest shall continue to accrue. However, interest application shall be on simple interest basis, without compounding effect, i.e., there shall be no interest on interest. The accumulated accrued interest during the moratorium period shall be recovered as a "one-time" payment in April 2026, in line with the provisions of the RBI circular.

7. Policy Review

The Policy shall be reviewed if any update or extension to the circular is issued. In the absence of such communication, the activity shall be treated as a one-time exercise.

Annexure- 1 List of Eligible Sectors

2-Digit HS Code	Description
3	Fish and crustaceans, molluscs and other aquatic invertebrates.
29	Organic chemicals
38	Miscellaneous chemical products.
39	Plastic and articles thereof.
40	Rubber and articles thereof.
42	Articles of leather, saddlery and harness; travel goods, handbags and similar containers, articles of animal gut (other than silk-worm) gut.
57	Carpets and other textile floor coverings.
61	Articles of apparel and clothing accessories, knitted or crocheted.
62	Articles of apparel and clothing accessories, not knitted or crocheted.
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags
64	Footwear, gaiters and the like; parts of such articles.
68	Articles of stone, plaster, cement, asbestos, mica or similar materials.
71	Natural or cultured pearls, precious or semiprecious stones, precious metals, clad with precious metal and articles thereof; imitation jewellery; coin.
73	Articles of iron or steel
76	Aluminium and articles thereof.

84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; lamps and lighting fittings not elsewhere specified or included