# 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 |
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| • **Nodal Ministry** – Ministry of Micro Small and Medium Enterprises, founded in 2007.<br>• 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).*<br>• The classification criteria for MSMEs have been revised in recent budget by raising both investment and turnover thresholds as follows, |

| Enterprise Category | Investment Limit | Annual Turnover Limit |
|---|---|---|
| Micro Enterprises | Up to ₹2.5 crore | Up to ₹10 crore |
| Small Enterprises | Up to ₹25 crore | Up to ₹100 crore |
| Medium Enterprises | Up to ₹125 crore | Up to ₹500 crore |

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

**Reference**

Business Standard | MSME industry bodies on e-commerce exports