

TAMILNAD MERCANTILE BANK LTD

INTERNATIONAL BANKING DIVISION

Standard Operating Procedure [SOP]

for

Handling International Trade Transactions under FEMA 23R

(Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 [FEMA 23(R)/2026-RBI])

Version 1.0

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Standard Operating Procedure— FEMA 23(R) Trade Transactions

Handling of Export, Import and Merchanting Trade Transactions under FEMA 23(R)/2026-RB

1.Purpose and Regulatory Basis

Regulation 19 of the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 requires every AD to put in place a separate, comprehensive and well-documented Internal Policy and **Standard Operating Procedure (SOP)** for handling transactions, including reporting, relating to Export and Import of goods and services and Merchanting Trade Transactions (MTT), which would be effective from 01st October 2026.

The details of the Regulations are furnished herebelow:

Regulation	Contents
1	Short Title and Commencement
2	Definitions
3-17	Various aspects of Export and Import
18	Reporting
19	Internal Policy and SOP for handling transactions

2. Scope

The SOP covers the following:

1. Export Transactions
2. Import Transactions
3. Merchanting Trade Transactions
4. Remittances relating to international trade
5. I/EDPMS
6. The list of documents required.
7. Process and timelines for each transaction
8. Charges for each process
9. Approval Authority for various parameters.
10. Formats for transactions.

This SOP shall apply to all our Branches, Forex Processing Centre, Forex Treasury Back Office, International Banking Division and other functions of the Bank handling Export, Import, MTT and other transactions relating to international trade.

3. Documents, Timelines and Charges

The SOP for every process includes the following:

- a) Documents and information required from the customer.
- b) Standard processing timeline for a complete request.
- c) Applicable charges, if any, with the basis of levy.
- d) Approving authority and delegation level.
- e) Mode/channel for submission.
- f) Escalation mechanism where the request is delayed or declined.

Escalation and Grievance Redressal

The following is the escalation matrix (for the forex customer) pertaining to the requests that are delayed / declined.

Level	Responsible Authority	Indicative Reponse Time
1	Branch Head	2 Working Days
2	Regional Head	2 Working Days
3	DVP, Forex Processing Centre	2 Working Days
4	VP, International Banking Division	2 Working Days
5	EVP, Head of Integrated Treasury	2 Working Days
6	HO, Customer Service Cell	2 Working Days

Charges

Charges applicable to processes covered by this Policy shall be disclosed to customers. Accordingly, the schedule of charges has been hosted in our Bank Website.

No charge or penalty will be levied where prohibited by Regulation 19(3).

The schedule of charges is given in the annexure.

Review

This SOP shall be reviewed whenever there is a change in the Bank's existing Policy in view of change in RBI Regulations or whenever it is deemed necessary for the Bank.

Reviewing Authority

Committee of Executives

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Regulation - 3 :Declaration of Exports

An exporter of goods shall furnish to the concerned authority (eg. Customs, STPI etc.), a declaration in the Export Declaration Form (EDF) specifying the amount representing the full export value of goods, at the time of export. Such EDF will be deemed to be submitted as part of shipping bill for goods exported through Electronic Data Interchange (EDI) port.

An exporter of services shall furnish to the specified authority, a declaration in EDF specifying the amount representing the full export value of services, within 30 days from the end of month in which invoice for services has been raised, provided that:

(a) the exporter of services who has exported services to one or more recipients in a month, may submit a single EDF for all such exports;

(b) the exporter of services other than software, may submit an EDF on or before the date of receipt of payment;

(c) the Bank may, on a request from the exporter citing reasons for delay, extend the period for submission of the EDF after satisfying itself about the reasonableness of the request.

In the case of a non-EDI port for export of goods; the duly authenticated EDF, shall be forwarded by the specified authority to the respective Bank.

Note:

1. A traveller moving personal effects (which are either accompanied or unaccompanied) from India shall not be treated as exporter for the purpose of these Regulations.
2. If goods are taken abroad as a sample or for exhibition or repair where no foreign exchange is involved, GR / EDF waiver from the Bank is no longer prescribed. In cases where no foreign exchange is involved, the exporter should file an EDF with Nil value for goods taken abroad as samples, for exhibition or repair purposes.

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SOP for Regulation 3

Documents required for EDI port exports, Timeline and Charges

1. The EDF will be deemed to be submitted as part of the shipping bill for goods exported through an Electronic Data Interchange (EDI) port.
2. The declared particulars flow electronically from the Customs EDI system into EDPMS. The exporter does not separately file an EDF.
3. This deemed submission, however, only discharges the declaration obligation to Customs; It does not complete the trade documentation the Bank needs to mark off the EDPMS entry on realisation (Regulation 18(1)(g)).

4. As the EDF/shipping bill itself stands deemed filed, the Foreign Trade Policy, 2023 leaves only two further documents to be lodged with the Bank: the invoice cum packing list (or the invoice and packing list separately) and the applicable transport document (bill of lading/airway bill/lorry receipt/courier receipt).
5. The customer request letter or covering schedule accompanying these documents should carry the EDF/shipping bill particulars, so the Bank can cross-reference the EDPMS entry.
6. **Timeline:** Regulation 3 does not prescribe any deadline for submission of the EDF alongwith other documents to the Bank. However, we prescribe an outer limit of 21 days from the date of shipment for submission of EDF and other documents to the Bank. Where there is delay in submission of documents beyond 21 days from the date of export, FPC should obtain a letter from the exporter, explaining the reasons for the delay.
7. Charges: As per Regulation 19(3), the Bank will not levy any penalty for the delay in submission of the documents to the Bank.

Documents required for Export of Services:

1. It is required by the regulation, that an exporter of services has to furnish the EDF within 30 days from the end of the invoice month (a single consolidated EDF may cover all exports to multiple recipients that month).
2. Non-software service exporters are permitted to file EDF on or before the date of receipt of payment.
3. The Bank may, on a request from the exporter citing reasons for the delay, extend the period for submission of EDF after satisfying itself about the reasonableness of the request.
4. As the Bank is itself the specified authority for services, supporting documents go directly to it: the invoice(s) raised on the overseas recipient(s), bearing the SAC* (the EDF's Part 2B is completed invoice-wise); where a single consolidated EDF is used, an invoice-wise annexure reconciling each recipient, invoice and amount to the consolidated figure; and the FIRC/credit advice where realisation has already occurred.

* Services Accounting Code (SAC) is a six-digit numeric code used to classify services for Goods and Services Tax (GST)

Documents required for Export of Software

1. Where the exporter routes the EDF through the Bank, the software/IT/ITeS export invoice with SAC code and description is the baseline document required in every case.

2. The following documents are required to be submitted to the Bank:
 - a. The underlying master service agreement/contract/work order.
 - b. Evidence that the export (transmission or provision of the software/service) actually took place, such as a delivery/acceptance confirmation, completion certificate, or data-transfer/hosting record the STPI/SEZ registration certificate, where applicable; or
 - c. A related-party declaration where the overseas recipient is a group/associate entity — rather than treating this full list as a standard requirement for every software EDF filing.

Extension of time limit for submission of EDF

1. The Bank can extend the EDF submission period on the exporter's written request citing reasons, once satisfied of its reasonableness. Ordinarily, the exporter should apply in writing before 30 days, setting out the specific cause (invoice reconciliation, quantum dispute, system migration, etc.), and the Bank records its decision and communicates a revised due date to the exporter, if approved.
2. Where the request is made after the period has already expired, the Bank will consider it on its merits, based on the genuineness of the exporter's explanation and the circumstances of the delay.

The powers delegated to authorities for granting extension/s is given below:

Extension Period sought before due date	
Number of Days	Authority
Beyond 30 days and upto 60 days	Head, Forex Processing Centre
Beyond 60 days (In stages of 30 days)	AVP, Forex Treasury Back Office

Extension Period sought after due date
Authority
VP, International Banking Division

EDF Submission — Non-EDI Port

1. RBI's Regulation 3(3) requires that, at a non-EDI port, the specified authority (Customs, or the SEZ Development Commissioner for SEZ exports) forwards the duly authenticated EDF to our Bank if our name is mentioned in it, after the exporter files it physically along with the shipping bill.
2. On receipt, the Bank must key it into EDPMS within 5 working days.
3. Where the authenticated EDF is not received in time: since the filing obligation rests on the exporter and the forwarding obligation on Customs, a missing EDF stalls the Bank's ability to open/verify the EDPMS entry. In such a case, Bank should require the exporter, on request, to obtain a duplicate/certified copy from Customs, and enter the details in EDPMS.
4. The Bank will not levy any charge / penalty for such delays.

Transition for Exporters Exempted under earlier Regulation

1. The present Regulations allows exemption for an export pertaining to a traveller moving personal effects, from EDF.
2. Every other formerly exempt category now falls within the general declaration requirement, with the EDF Annex's Note 3 ("Export value may be indicated as nil in case the goods are sent without any consideration") providing the mechanism. What was previously no filing at all becomes a nil/notional-value EDF filing from October 1, 2026.
3. Eligible exporters should continue to generate an EDF for categories other than mentioned in point no.1 above. In practice, most of such shipments will fall within ₹.10 lakh, which fall under small value closures based on self-declaration submitted by the exporter.

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Regulation 4. Manner of Receipt and Payment

The receipts and payments for export and import of goods and services shall be in the manner specified in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023, as amended from time to time.

The Bank shall make a credit or debit to the account of an exporter or an importer, for receipt of export or payment for import, only after having satisfied itself of the genuineness of the transaction, and shall, simultaneously close or update the respective entry in Export Data Processing and Monitoring System or Import Data Processing and Monitoring System (EDPMS or IDPMS)

Closure of Small Value I/EDPMS entries

In the case of export where the shipping bill (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in EDPMS may be closed based on a declaration from the exporter to the effect that the payment against the shipping bill / invoice has been realised either in full or otherwise. Alternatively, such declaration may be submitted by an exporter to the Bank on a quarterly basis for bulk closure of entries in EDPMS; Provided further that in the case of import where the Bill of Entry (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in IDPMS may be closed based on a declaration from the importer to the effect that the payment for import has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the Authorised Dealer on a quarterly basis for bulk closure of entries in IDPMS.

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SOP for Regulation 4

1. Trade receipts from and payments to:
 - a. Nepal/Bhutan should be in INR (FCY only where the Nepal Rashtra Bank permits);
 - b. Other ACU members via the ACU mechanism;
 - c. All other countries in INR or FCY — always through an AD/authorised person.

RBI's Regulation requires the Bank to credit/debit only after satisfying itself of the transaction's genuineness, simultaneously closing/updating EDPMS/IDPMS;

RBI's has permitted banks to accept self-declaration from exporter / importer for closure of entries up to ₹10 lakh (or FCY equivalent) per bill, singly or via consolidated quarterly declaration.

Documents Required:

On receipt of an export payment, the bank will require the following:

- a. The underlying shipping bill/EDF.
- b. The commercial invoice to match value;
- c. The underlying export contract where the credit is an advance
- d. The LC/negotiating-bank reference where relevant.
- e. Any other relevant document depending upon the nature of the transaction.

For an outward payment request, the bank will require the following:

- a. Bill of Entry (goods) or invoice (services) and underlying transport document.
- b. Proforma Invoice in case of Advance Remittance
- c. Commercial Invoice / Bill of Lading copy/ BOE in case of direct bills.
- d. A duly completed application-cum-declaration for outward remittance; a standby LC/bank guarantee where an advance exceeds the Bank's internal threshold and,
- e. Form 145 / 146 where applicable as part of the Bank's standard cross-border remittance compliance.

Timeline for Crediting Funds to the Exporter's Account

Our Bank credits the account of the exporter immediately after having satisfied with the genuineness of the transaction, by obtaining the underlying documents as mentioned above. Normally it happens on the same day. The EDPMS update would happen on the next working day. In cases where clarification is needed, account credit would happen immediately upon getting clarified. The account credit will be advised to the customer.

Closure of Shipping Bills / Bills of Entry (≤ ₹10 lakh)

Our Bank has designed the procedure to be followed in line with RBI guidelines, which is reproduced below:

Closure of Export Bills (EDPMS entries) :

The following Standard Operating Procedure is to be followed by our FPC / Branches for closure of Shipping Bills:

1. To obtain a declaration as per the prescribed format [enclosed] from the exporter, without obtaining required export documents such as invoices, bill of lading, and shipping bills etc.
2. Single declaration can be obtained from the exporters covering as many numbers of Shipping Bills / EDPMS entries, in single stroke to close bills in bulk numbers also.

3. To obtain a declaration from the branches [format enclosed] regarding KYC and other requirements as per RBI circular.
4. As per RBI directives, the Branch/FPC may be permitted to allow up to 100% reduction on the invoice value based on the declaration from the exporter. In this regard, declaration should be obtained from the export customer in the format enclosed. If the customer is able to submit the copy of the duty paid challan towards surrender of proportionate export incentive, it may also be obtained and kept on record.
5. The generation of eBRC shall be available only to the extent of value of Inward Remittance received / realization. The generation of eBRC shall be not allowed to exporters for the shipping bills that are closed by reduction of 100% invoice value based on self-declaration.
6. This facility for closure of shipping bills is applicable only for the cases wherein IRM (Inward Remittance) is not pending for the exporter for the captioned EDPMS entry as well as export proceeds will not be received future. Before closure of EDPMS, branches / FPC must ensure that no such IRM is pending for the EDMPS entry.
7. If branch requests for any closure of IRM entry against any EDPMS entry closed under this window, the masking of IRM should be entertained only under the permission of the Regional Head.
8. In case of closure of EDPMS entries in all other extraordinary cases such as NPA account, closure of business, accounts shifted to other bank, no operative account with us etc., branches will be allowed to close the shipping bills under this window, only with the permission from the Regional Head, subject to compliance of all other conditions / SOP reported above as well as other routine operational procedures relating to KYC etc.
9. Wherever the exporters are able to submit any evidences viz., emails, agreements, any certificates, etc., towards closure of EDPMS by reduction of invoice, the copies of the same may also be obtained and kept on records.

Closure of Bill of Entry (IDPMS entries) :

The following Standard Operating Procedure is to be followed by our FPC / Branches for closure of Bill of Entry:

1. To obtain a declaration as per the prescribed format [enclosed] from the importer, without obtaining required import documents such as invoices, bills of lading, and Bill of Entry etc,
2. Single declaration can be obtained from the importers covering as many numbers of IDPMS entries / Bill of Entries in single stroke to close bills in bulk numbers also.
3. To obtain a declaration from the branches [format enclosed] regarding KYC and other requirements as per RBI circular
4. As per RBI directives, the Branch/FPC may be permitted to allow up to 100% reduction on the invoice value based on the declaration from the importer in the format enclosed.

5. This facility for closure of Bills of Entry is applicable only for the cases wherein any ORM (outward remittances) is not pending for the importer for the captioned IDPMS entry as well as any outward remittance will not be made in future. Before closure of IDPMS, branches / FPC must ensure that no such ORM is pending for the IDPMS entry.
6. If branch requests for any closure of ORM entry against any IDPMS entry closed under this window, the masking of ORM should be entertained only under the permission of the Regional Head.
7. In case of closure of IDPMS entries in all other extraordinary cases such as NPA account, closure of business, accounts shifted to other bank, no operative account with us etc., branches will be allowed to close the IDPMS under this window only with the permission from the Regional Head, subject to compliance of all other conditions / SOP reported above as well as other routine operational procedures relating to KYC etc.
8. Wherever importers are able to submit evidences viz., emails from overseas exporter, agreement, SWIFT message received from overseas bank, etc., the same may also be obtained and kept on record.

Upon receipt of the declaration from the exporter / importer, the branches shall forward the same to our Forex Processing Centre for closure.

Payment / Receipt in Currency other than Invoice Currency

A payment/receipt in a currency other than the invoice currency is accordingly permissible, subject to the bank being satisfied of the bonafides of the transaction and the conversion being transacted at the prevailing exchange rate. In case of ACU transactions, the third party receipt / payment should also take the ACU route only.

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Regulation 5. Time Period for Realisation of Exports

Export Realisation and Repatriation

The time period for export realisation in accordance with RBI Regulations is given below:

1. Fifteen months from the date of shipment in case of goods (other than goods exported to a warehouse outside India) and from the date of invoice in case of services;
2. Fifteen months from the date of sale of goods from the warehouse in case of goods exported to a warehouse outside India;
3. As per payment terms of the contract, in case of project exports

Where the export of goods and services is invoiced or/and settled in Indian Rupees, the period for realisation and repatriation of full export value shall be eighteen months, from the date of shipment in case of goods (other than goods exported to a warehouse outside India), from the date of invoice in case of services, and from the date of sale of goods in case of goods exported to a warehouse outside India;

The Bank may, on request by an exporter citing reasons for the delay, allow extension of time for realisation of export proceeds beyond the specified period, if the Bank is satisfied of the reasons cited.

The Bank shall put in place systems and processes to monitor and follow up with an exporter to realise export proceeds within the period specified above.

The amount representing the full export value (or reduced export value in terms of Regulation 6 of RBI mentioned in this Policy) of goods and services shall be realised (including by way of set off in terms of Regulation 7 of RBI mentioned of this Policy) and repatriated by the exporter within the period specified above.

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SOP for Regulation 5

Time Period for Realisation of Exports

It is obligatory on the part of the exporter to realise and repatriate the full value of goods / software / services to India within a stipulated period from the date of export, as under:

1. The period of realization and repatriation of export proceeds shall be fifteen months* from the date of export for all exporters including Units in Special Economic Zones (SEZs), Status Holder Exporters, Export Oriented Units (EOUs), Units in Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) & Bio-Technology Parks (BTPs).
2. For goods exported to a warehouse established outside India, the proceeds shall be realised within fifteen months* from the date of shipment of goods.

* or as stipulated by RBI / Govt. of India, from time to time.

Extension

The bank may, if satisfied with the submissions made by the exporter, extend the period of realization of export proceeds beyond stipulated period of realization from the date of export, up to a period of six months, at a time, irrespective of the invoice value of the export subject to the following conditions:

- a) The export transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies,
- b) The bank is satisfied that the exporter has not been able to realise export proceeds for reasons beyond his control,
- c) The exporter submits a declaration that the export proceeds will be realised during the extended period,
- d) In cases where the exporter has filed suits abroad against the buyer, extension may be granted irrespective of the amount involved / outstanding.

If the export proceeds of an exporter remain unrealized for a period beyond one year from the due date of realization, or extended period, if any, allowed by the Bank, the exporter shall undertake further exports to that specific buyer, only against receipt of full advance or an irrevocable Letter of Credit.

The above clause will apply only to future export transactions between the specific exporter and the specific overseas buyer responsible for the unrealized export proceeds i.e. the overseas buyer who has defaulted in making payment.

Delegation of powers for granting extension:

Period	Delegated Authority
Upto 1 year from the original due date	Vice President International Banking Division
Beyond one year from the original due date	Executive Vice President Head of Integrated Treasury

Process:

- a. The exporter submits a written request to the bank before the due date, citing specific reasons for the actual or anticipated delay.
- b. Documents to be submitted:
 1. Written request;
 2. Copy of the shipping bill/EDF & invoice concerned.
 3. Correspondence or other evidence supporting the reason (buyer dispute, delayed acceptance, financing delay, etc.)
 4. EDPMS reference.

Timeline for disposal: 7 working days after receipt of a complete request.

Recourse where no timely extension is sought:

1. There is no penalty.
2. The Bank should require a written explanation at the time a late request is eventually made, and treat the account as an exception in EDPMS pending regularisation.

On according approval, the bank will update/close the relevant EDPMS entries

In cases of receipt of delayed payment / extension on time for export realisation, the interest payable can be as per the contractual rate agreed between the importer and exporter.

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Regulation 6 – Reduction in the Export Realisation

Reduction / Under-realisation

The Bank may, on request from the exporter citing reasons for under-realisation or non-realisation of full export value, allow reduction in realisation of export value, provided the Authorised Dealer is satisfied of the reasons cited.

Where the export value is up to ₹10 lakh (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services), the reduction of export value (including nonrealisation of full export value) may be permitted based on a declaration from the exporter.

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SOP for Regulation 6

Reduction in Export Realisation

The Bank may allow reduction in (including non-realisation of) export value on the exporter's request citing reasons after getting satisfied.

Up to ₹10 lakh (or FCY equivalent) per bill/invoice, the self-declaration route applies with no supporting evidence required by the Regulation itself;

Above that threshold, the Bank must record its satisfaction of the reasons cited before permitting the reduction.

Process for Export Bills of Value of above Rs.10 Lakh

1. The exporter submits a written request to the AD citing the specific reason — e.g., an agreed cash discount for early payment, price renegotiation, a quality/quantity claim, buyer insolvency, goods destroyed/confiscated, or an ECGC/insurer settlement — referencing the shipping bill/EDF/invoice concerned.
2. Documents to be submitted :
 - a. A written request;
 - b. Original invoice/shipping bill/EDF reference; and evidence appropriate to the ground cited.
 - c. Debit/credit note or buyer correspondence for a commercial discount/dispute; or
 - d. Insolvency/liquidator's certificate, non-traceability evidence, or
 - e. Destruction/confiscation certificate for non-realisation grounds; or
 - f. An arbitration award or settlement documentation for disputed claims; or
 - g. Insurer's/ECGC's settlement advice for insured losses.

Any request for write-off will be considered only after 12 months from the due date.

Delegation of Powers:

Nature of Exporter	Authority for Permitting
Status Holder Exporter	(Reduction & Write Off) Head of Forex Processing Centre
Non-Status Holder Exporter	(Reduction upto 50%) Head of Forex Processing Centre
Non-Status Holder Exporter	(Reduction beyond 50%) VP, International Banking Division
Non-Status Holder Exporter	(Write Off) Executive Vice President, Head of Integrated Treasury

Note: The Shipping Bill for which the request has been made for Reduction / Write off of invoice value, should not be under any investigation / adverse notice of ED or CBI or any other law enforcement agency (should be confirmed by the customer in the request letter). In case of on going enquiry, NOC from the respective agency should be submitted by the exporter.

Timeline:

Bank will advise the customer of its decision within 7 working days after receipt of a complete request.

On according approval, the bank will update/close the relevant EDPMS entries.

No charge or penalty attaches to the exporter's regulatory delay, and any processing fee must be flat and disclosed, not tied to the reduced amount.

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Regulation 7 – Set Off of Export Receivables against Import Payables**Set-off**

The Bank may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realisation of export proceeds or extended period, if any, allowed by the Bank. The relevant EDPMS/IDPMS entries shall be updated/closed appropriately.

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SOP for Regulation 7**Process:**

1. The exporter/importer submits a written request to the Bank identifying the specific export receivable(s) and import payable(s) to be set off with overseas buyer/seller, and confirming the counterparty relationship where the set-off is with a group/associate company of the same overseas buyer/supplier.

2. Documents to be submitted:
 - a. Request letter;
 - b. Underlying export invoice(s)/EDF and import invoice(s)/Bill of Entry proposed for set-off;
 - c. Evidence of the group/associate relationship where applicable; and
 - d. Confirmation that the export realisation period (including any Bank-extended period) for the receivable has not lapsed.

Timeline:

Bank will advise the customer of its decision within 7 working days after receipt of a complete request (illustrative, as the Regulations prescribe no cut-off time).

On according approval, the bank will update/close the relevant EDPMS and IDPMS entries simultaneously to reflect the set-off.

No charge or penalty applies for the customer's regulatory delay.

Permitting Authority
VP, International Banking Division

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Regulation 8 – Third Party Receipts and Payments

Third-party Receipts

The Bank may permit third party (other than the parties undertaking export and import) receipts and payments for export and import transactions provided that the Bank is satisfied with the bonafides of the transactions. The Bank shall satisfy itself regarding bona fides.

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SOP for Regulation 8

Process:

1. A written request identifying the third party and its relationship to the actual buyer/seller/importer/exporter (group/associate company, factoring/assignment arrangement, insurance subrogation, etc.).
2. The underlying export/import contract or invoice, showing that a third-party payment/receipt is contemplated or has become necessary; documentary evidence of the relationship or arrangement (e.g., an assignment agreement, a group-company confirmation, or a factoring agreement).
3. If the third party is known at the time export itself, the EDF provides a dedicated field for the third party's name, address and relationship to the exporter, which should be completed consistently with the supporting documents.

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Regulation 9 – Time Period for making Import Payment

Import Payment

Import payments shall be supported by the underlying invoice, Bill of Entry/appropriate evidence, transport documents where applicable, and other documents prescribed by the bank in the SOP.

The Bank shall monitor its IDPMS entries and follow up with the respective importer for making payment for its imports within the period specified in the underlying contract.

Extension of Import Payment

The Bank may, on request from the importer citing reasons for the delay, allow extension of time for making payment, beyond the period specified in the contract, if the Bank is satisfied of the reasons cited.

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SOP for Regulation 9

Time Period for Making Import Payment

The Bank will monitor its IDPMS entries and follow up with the importer to make payment within the period specified in the underlying contract. The Bank, if satisfied, may extend the date of payment as per the importer's request citing reasons.

Process:

1. The importer submits a written request to the bank before or after the contractual due date, citing the specific reason for the delay (e.g., a quality dispute, a documentary discrepancy, or a financing delay)
2. The underlying /invoice/Bill of Entry reference.
3. The Bank peruses the documents submitted and conveys the decision to the importer.

For delayed import payment within three years from the date of shipment, the interest shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations 2018, as amended from time to time.

Delayed import payment beyond three years from the date of shipment, should be made without interest.

Permitting Authority
VP, International Banking Division

The bank will update/close IDPMS entries.

Documents to be submitted for processing a delayed import payment

The written extension request with reasons; invoice and Bill of Entry; evidence supporting the cause of delay (buyer-side dispute correspondence, a quality/quantity claim, or financing documentation); and, where the delay is prolonged, a repayment plan or revised settlement timeline for the AD's assessment.

Direct Receipt of Import Bills/Documents

The bank will make remittances where import bills have been received directly by:

1. The importers from the overseas supplier.
2. The Bank from the overseas supplier (where full set not received).

The discretionary powers for booking and making remittances for such direct bills is given below:

Category	Permitting Authority
Import Bills received by: 1. Wholly-owned Indian subsidiaries of foreign companies from their principals. 2. Status Holder Exporters as defined in the Foreign Trade Policy, 100% Export Oriented Units / Units in Special Economic Zones, Public Sector Undertakings and Limited Companies. 3. Public Limited Companies	No Permission Required
Other Categories {For customers having Banking Relationship (i.e. regular transactions) for a minimum period of 6 months}	
Import Bills upto USD 300,000*	No Permission Required
Import Bills above USD 300,000 *and upto USD 1,000,000*	Vice President, International Banking Division
Import Bills above USD 1,000,000*	Executive Vice President, Integrated Treasury.

* or its equivalent in other currencies.

Other Conditions for handling direct documents:

1. Bill of Entry along with all documents related to the import should be submitted to Bank.
2. The Bill of Entry should be available in the IDPMS.
3. Satisfactory opinion report has to be obtained from empaneled agencies before making payment in case of other categories and the amount is above USD 300,000 or its equivalent in other currencies per import bill.

Note: In case the FULL SET of import bills are received by the Bank from the overseas seller, there is no need to obtain permission from any Authority.

In case of pre-payment of usance import bill, the interest payable can be as per the contractual rate agreed between the importer and exporter.

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Regulation 10 – Advance Payment for Exports & Imports and Delayed payment for Imports

Advance Payment for Exports

An exporter shall, in case of advance receipt for export, route the advance amount, and realisation of export proceeds, if any, through our Bank. However, an exporter may route the transactions through any other Banks provided the exporter has intimated the change to both the Banks.

The exporter shall ensure that interest payable, if any, on advance payment received for export, shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

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SOP for Regulation 10-Advance Payment for Exports

Where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within the terms of shipment mentioned in the proforma / contract. In any case, it should be within three years from the date of receipt of advance payment.

In exceptional cases, the Bank at the request of the exporter will take a decision on extension beyond 3 years from the date of receipt of advance.

Delegated Authority
VP, International Banking Division

Timeline:

Bank will advise the customer of its decision within 7 working days after receipt of a complete request.

The rate of interest, if any, payable on the advance payment shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations 2018, as amended from time to time.

The documents covering the shipment should be routed through our bank as the advance payment has been routed through us.

The details of advance remittances will be transmitted to the EDPMS portal by the Bank.

Wherever advance payment is received by the branches for the credit of their exporter client's account, branches / FPC should diarise the latest date for shipment (maximum three years from the date of receipt of advance payment) and follow up with their exporter to make shipments within the stipulated time period.

Export Advance received in full

In cases where full value of the export had been received as advance remittance, the exporter should submit the full set of shipping documents alongwith duplicate EDF form to the bank within 21 days from the date of export.

However, if the exporter desires to despatch the documents directly to the consignee or their agent, FPC / branches may accede to such requests. In such cases, the exporter has to submit the copies of all the documents along with EDF form to the bank within 21 days from the date of shipment.

While handling export documents for which advance remittance is received in full, following procedure is to be followed:

- (a) The original shipping documents viz., BL/ AWB/ Post Parcel Receipt (or copy thereof in case the same are sent to the consignee directly by the exporter) should be submitted by the customer along with EDF, invoice, etc
- (b) FPC/ Branches should obtain customer's disposal instruction of documents from the exporter in their letterhead.
- (c) The advance remittance received should conform to the manner of payment as detailed in para "Manner of Receipt and Payment" (Regulation 4).
- (d) The contents of invoice and shipping documents should be in conformity with the EDF.
- (e) The export value as declared in EDF (minus trade discount if any declared in EDF) should be received in full.
- (f) Where there is delay in submission of documents beyond 21 days from the date of export, FPC / Branches should obtain a letter from the exporter, explaining the reasons for the delay.

Long Term Export Advances

FPC/ Branches can also allow exporters having a minimum of three years' satisfactory track record to receive long term export advance up to a maximum tenor of 10 years to be utilized for execution of long term supply contracts for export of goods subject to the conditions as under:

- (a) Firm irrevocable supply orders and contracts should be in place. The contract with the overseas party/ buyer should be vetted and the same shall clearly specify the nature, amount and delivery timelines of the products over the years and penalty in case of non-performance or contract cancellation. Product pricing should be in consonance with prevailing international prices.
- (b) The exporter should have the capacity, systems and processes in place to ensure that the orders over the duration of the said tenure can actually be executed.
- (c) The facility is to be provided only to those exporters, who have not come under the adverse notice of Enforcement Directorate or any such regulatory agency or have not been caution listed.
- (d) The KYC and due diligence exercise has been done by the Branch for the overseas buyer through Credit Information Reports from empaneled information agencies.
- (e) Compliance with the Anti-Money Laundering standards has been ensured;
- (f) The Branch should ensure that export advance received by the exporter should be utilized to execute export and not for any other purpose i.e., the transaction is a bona-fide transaction;
- (g) Progress payment, if any, should be received directly from the overseas buyer strictly in terms of the contract;
- (h) The rate of interest, if any, payable on the advance payment shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations 2018, as amended from time to time.
- (i) There should be no instance of refund exceeding 10% of the advance payment received in the last three years;
- (j) The documents covering the shipment should be routed through the same Bank; and
- (k) Such advances should be adjusted through future exports.
- (l) Such export advances shall not be permitted to be used to liquidate Rupee loans classified as NPA.
- (m) Double financing for working capital for execution of export orders should be avoided.
- (n) In case the Bank is required to issue bank guarantee (BG) / Stand by Letter of Credit (SBLC) for export performance, then the issuance should be rigorously evaluated as any other credit proposal keeping in view, among others, prudential requirements based on board approved policy.

1. BG / SBLC may be issued for a term not exceeding two years at a time and further rollover of not more than two years at a time may be allowed subject to satisfaction with relative export performance as per the contract.
 2. BG / SBLC should cover only the advance on reducing balance basis.
 3. BG / SBLC issued from India in favor of overseas buyer should not be discounted by the overseas branch / subsidiary of bank in India.
- (o) FPC/Branches may allow the purchase of foreign exchange from the market for refunding advance payment credited to EEFC account only after utilizing the entire balances held in the exporter's EEFC accounts maintained at different branches/banks.

Other Guidelines

As it has been observed that there is substantial increase in the number and amount of advances received for exports remaining outstanding beyond the stipulated period on account of non-performance of such exports (shipments in case of export of goods), FPC/ Branches are advised to efficiently follow up with the concerned exporters in order to ensure that export performance (shipments in case of export of goods) are completed within the stipulated time period.

It is further reiterated that Branches should exercise proper due diligence and ensure compliance with KYC and AML guidelines so that only bonafide export advances flow into India. Doubtful cases as also instances of chronic defaulters may be referred to Directorate of Enforcement (DoE) through International Banking Division, Chennai for further investigation.

Procedure to be followed in respect of Refund of Advance Payment received by exporters:

In cases where exporters are unable to make shipments against Advance Payments received by them for exports, FPC / branches may allow remittances towards refund of advance payments (partly or fully) provided the unutilised portion of the advance is refunded within a period of three years of its receipt, subject to production of:

1. A Chartered Accountant's Certificate that the amount is still outstanding in the books of the Exporter and has not been adjusted in any manner.
2. A declaration that the advance was not against Exports to be made in pursuance of any undertaking given to Import Trade Control authorities in regard to fulfillment of export obligations

The refund of advance remittance within 3 years from the date of receipt of Advance remittance (with or without interest) can be permitted only by the FPC.

Branches should obtain an application for remittance from the Exporter and other relevant certificates/declarations stipulated above.

Refunds beyond 3 Years

Requests for refunding of Advance Remittances, beyond 3 Years from the date of receipt, have to be sent to International Banking Division. The requests have to be forwarded alongwith the documents mentioned in sl no's 1& 2 above.

Delegated Authority
VP, International Banking Division

Timeline:

Bank will advise the customer of its decision within 7 working days after receipt of a complete request.

Note: If the advance was against Exports to be made in pursuance of any undertaking given to Import Trade Control authorities in regard to fulfillment of export obligations, then refund is not possible, unless it is permitted by the Competent Authority in writing.

Closure of IRM where Export is not possible

The Bank may on request by an exporter citing reasons, close the entry relating to export advance transactions in EDPMS, where no export has been made and where refund of such advance is not possible, after having satisfied of the genuineness of the reasons cited.

Delegated Authority
EVP, Head of Integrated Treasury

Timeline:

Bank will advise the customer of its decision within 7 working days after receipt of a complete request.

Advance Payment for Imports

There may be instances where the importers may be required to make advance remittance towards imports.

In case of advance payment for imports, an importer shall route the advance payment and its subsequent payments, if any, through our Bank.

However, an importer may route the transactions through any other Bank provided the importer has intimated the change to both the Banks.

The Bank may permit advance remittance for import after satisfying itself of the genuineness of the requirement for advance remittance. The Bank may consider specifying thresholds for advance payment, beyond which, the payment may require a standby Letter of Credit or a guarantee.

Parameter	Delegated Authority
Upto USD 1 Lakh or Equivalent in other Currencies	Branch Head
Above USD 1 Lakh and Upto USD 2 Lakh or Equivalent in other Currencies	Vice President International Banking Division
Above USD 2 Lakh and Upto USD 5 Mio or Equivalent in other currencies	Executive Vice President Integrated Treasury
Above USD 5 Mio or Equivalent in other Currencies backed by SBLC	Executive Vice President Integrated Treasury

An importer shall ensure that interest payable, if any, on delayed payment for imports, shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

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SOP for Regulation 10-Advance Payment for Imports

The Bank stipulates the following pre-requisites for undertaking Advance Remittances for Imports on behalf of the customers:

1. The customer's track record in submitting documentary proof in respect of such transactions, if any, in the past should also be satisfactory. No request for advance remittance shall be entertained in respect of customers for whom submission of even one Bill of entry is overdue for submission.
2. Advance remittance for imports should be undertaken only for the customers having satisfactory banking relationship (routing their entire business transactions) with us for a minimum period of six* months. Customers who are just opening an account and requesting for advance remittances without routing their entire business transactions for the first six months are not qualified for making advance remittances through our bank.
3. The branches should be satisfied about the bonafides of the transactions and the track record of the importer constituent.
4. The customer's account is fully compliant with Reserve Bank's extant KYC/AML guidelines. KYC and due diligence exercise should be done by branches for the importer entity as well on the overseas manufacturer/supplier.
5. Advance payments should be made strictly as per the terms of the sale contract and should be made directly to the account of the manufacturer/supplier concerned.
6. Physical import of goods into India is to be made within the contract period or the extended period. The importer should give an undertaking to furnish documentary evidence of import within the close of the contract period or the extended period. It is clarified that where advance is paid as milestone payments, the date of last remittance made in terms of the contract will be reckoned for the purpose of submission of documentary evidence of import. Branches shall follow up submission of documentary evidence of import into India.

7. In the event of non-import, branches/offices shall follow up with the importer customer so as to ensure that the amount of advance remittance is repatriated to India.
8. A Comprehensive and wholly satisfactory credit report from the Credit Information Agencies empaneled with us, on the overseas seller (beneficiary of the advance remittance) should be obtained.

The requirement of obtaining a comprehensive and wholly satisfactory credit report, may be waived for the importers, who comply with any one of the following stipulations:

1. The importer is banking with us for at least three years and having regular and satisfactory forex operations with us. .
2. The importer is banking with us for a period of less than three years and is having regular and satisfactory operations with us for atleast six* months as mentioned above. The concerned Regional Head has permitted the remittance.
3. In respect of importers who do not fall under the above two categories, but are having regular and satisfactory operations with us for atleast six* months as mentioned above and the concerned Regional Head has permitted the remittance.
4. The importer has recently shifted their entire credit facility/ies to our Bank and the concerned Regional Head has permitted the remittance.
5. The total advance remittance portion in a particular invoice is for an amount of USD 10000 / equivalent or less.
6. In respect of one time import for personal purposes i.e. for purposes not related to trade, provided the total value of the invoice is upto USD 10000 / equivalent or less.

Note:

1. If the relationship is for a period less than six months and credit report is available, then advance remittance can be considered if the Regional Head recommends for the same
2. A Bill of Entry submission is considered overdue, when it is not submitted within the closure of the contract period or the extended period.

Documents to be submitted while requesting for Advance Remittance for Imports:

1. Request Letter
2. Documentary evidence indicating the cost and full details of the goods to be imported, such as proforma invoice/contract, etc.
3. In the case of import of capital goods, certified copy of the importer's contract with the supplier or any other documentary evidence indicating terms of payment should be obtained
4. Where the importation of goods require import licence, the importer should submit the Exchange Control copy of valid Import Licence/s.

5. In case of advance remittance for import of Aircrafts/Helicopters and other Aviation related purchases, the requisite approval of DGCA for import of aircrafts/helicopters in terms of the extant Foreign Trade Policy obtained by the company for operating as Scheduled or Non-Scheduled Air Transport Services (including Air Taxi Services).
6. Credit report from the agencies empaneled with the Bank (To be taken by the Bank).

Documents to be submitted by the exporter/importer for a change of AD Bank for routing advance payments.

1. A written intimation of the change, addressed to both the existing and the new bank; the existing Bank's confirmation/letter of intimation (or at minimum, a statement of the outstanding advance position and EDPMS/IDPMS reference) for the new Bank's records.
2. The underlying export/import contract, to enable the new bank to continue monitoring the shipment/import obligation against the advance already received/paid.

RBI's Regulation requires that interest payable on an advance receipt for exports, or on delayed import payment, must not exceed the all-in-cost ceiling for trade credit prescribed under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time. The Bank cannot process a remittance that would exceed the above prescribed ceiling.

Note: In case of receipt of interest for the advance payment made by importer, the interest payable can be as per the contractual rate agreed between the importer and exporter.

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Regulation 11 – Import of Gold and Silver

Advance remittances are prohibited for the permissible channels for physically importing gold/silver — nominated banks/agencies, qualified jewellers under the RBI-DGFT scheme, and the India International Bullion Exchange at GIFT City.

Payment for a completed (non-advance) import of gold/silver otherwise follows the standard mechanism — payment against documents, or under a letter of credit, within the period specified in the underlying contract.

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SOP for Regulation 11

For cases relating to import of Gold and Silver, the same may be referred to Forex Treasury Back Office seeking permission to handle cases of Import of Gold and Silver and precious metals.

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Regulation 12 – Import not materialised

Where an importer is unable to import within the contract period, or the extended period, the importer shall repatriate the advance payment made, if any.

If the advance payment is not repatriated by the importer within the contract period or extended period, if any, allowed by the Bank or where the IDPMS entry has not been marked-off in terms of the RBI Regulation*, any future advance payment for imports by the importer shall require an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute or a guarantee of an Authorised Dealer in India, which is issued against a counter-guarantee of an international bank of repute.

(* The Bank may on request by an importer citing reasons, close the entry relating to import advance transactions in IDPMS, where no import has taken place and where repatriation of such advance is not possible, after having been satisfied of the genuineness of the reasons cited.)

The above condition lifts once the earlier unresolved advance is regularized, i.e. either the goods are eventually imported and the Bill of Entry lodged with the IDPMS entry marked off, or the advance is repatriated and the IDPMS entry closed on that basis or write-off of the entry in IDPMS subject to satisfactory reason.

Importer approaching another AD Bank to handle imports without attracting the above regulation

Switching Bank does not, by itself, extinguish the underlying regulatory consequence attaching to the importer's unresolved advance — the condition is tied to the importer's compliance position, not to a particular Bank's books. It is the obligation of the importer to ensure adherence to the FEMA regulations.

Documents that are required to come out of these conditions if the importer approaches a new Bank for Advance Remittances.

Documentary proof that the specific unresolved advance has been regularised — either the Bill of Entry evidencing the import (with IDPMS marked off) or the FIRC/credit advice evidencing repatriation of the advance (with IDPMS closed on that basis) — submitted to the Bank currently holding the outstanding entry (or to the new Bank, together with the previous Bank's confirmation, where the importer has since switched).

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SOP for Regulation 12

Documents required to be submitted to the Bank in order to close the outstanding entry in IDPMS:

1. Evidence that the import has since taken place (Bill of Entry and other customary import-evidence documents, for the Bank to mark off the IDPMS entry in the ordinary course), or
2. Evidence that the advance has been repatriated (an inward FIRC/credit advice for the refund, matched to the original outward advance-payment reference) —

Either of which allows the Bank to close the specific outstanding IDPMS entry.

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Regulation 13 – Unrealised Exports

If the export proceeds of an exporter remain unrealised for a period beyond one year from the due date of realisation or extended period, if any, allowed by the bank, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit.

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SOP for Regulation 13

Applicability of Regulation 13 to further exports.

In effect — once the one-year (or extended-period) threshold is breached on an unrealised bill, the condition operates as a general restriction on the exporter's subsequent export activity to the specific overseas buyer (through that AD)— requiring that further shipments be backed by full advance payment or an irrevocable LC, until the underlying non-realisation is resolved.

Where export proceeds remain unrealised, the condition that further exports should be undertaken only against full advance or an irrevocable Letter of Credit, as applicable under Regulation 13, will apply only to future export transactions between the specific exporter and the specific overseas buyer responsible for the unrealised export proceeds. It will not apply generally to all exports undertaken by the exporter with other overseas buyers.

This is an important clarification for operational purposes, as the restriction is linked to the specific exporter–defaulting buyer relationship.

The above regulation ceases to be in effect, once the unrealised amount is resolved — either fully realised and repatriated, or a reduction/write-off is approved and the EDPMS entry closed under Regulation 6 — the Regulation 13 condition lifts, and the exporter may resume normal (non-advance/non-LC-secured) export activity through the Bank.

Cases, where the exporter approaches another Bank to handle exports without attracting this regulation.

As with Regulation 12 for importers, switching Bank does not itself extinguish the underlying regulatory position — the unresolved unrealised bill remains outstanding in EDPMS regardless of which Bank the exporter subsequently uses. A new Bank would, in the ordinary course of KYC/due diligence, seek a No-Objection Certificate or status confirmation from the exporter's existing Bank, and would reasonably be expected to apply the same advance/LC-only condition once aware of the unresolved position.

Documents required to be submitted to come out of these conditions.

Evidence that the unrealised bill has been resolved — an FIRC/bank realisation evidencing full receipt of the outstanding proceeds, or the Bank's approval of a reduction/write-off request under Regulation 6 (supported by the relevant grounds and evidence) with the EDPMS entry closed accordingly.

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Regulation 14 – Export of Goods & Services against repayment of State Credits

For the implementation of the provisions of the Inter banking arrangement, the Bank shall adhere to instructions and directions issued by the Reserve Bank of India from time to time on export of goods and services against repayment of State credits granted by the erstwhile Soviet Union

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SOP for Regulation 14

Regulation 14 is a narrow, legacy provision requiring the Bank to "adhere to instructions and directions issued by the Reserve Bank of India from time to time" for export against repayment of State credits extended by the erstwhile Soviet Union — a specialised, government-to-government rupee-debt-repayment mechanism (historically administered through specifically designated banks and RBI's A.P. (DIR Series) circulars for that scheme) rather than standard commercial export. Regulation 14 does not itself set out the operative procedure; it defers entirely to those specific RBI instructions, which should be treated as controlling wherever this framework is invoked.

Procedure- if an export needs to be undertaken under this framework.

The exporter should approach the Bank specifically designated (or having the relevant desk) for State Credit/rupee-debt-repayment operations under this scheme, rather than proceeding as a standard commercial export, and follow the procedure set out in RBI's specific instructions/directions for that arrangement — these govern in place of the general Regulation 3–10 commercial-export process.

Documents to be submitted

The underlying contract executed under the applicable government-to-government credit protocol; the EDF; and any specific allocation letter, permission or certificate issued by the ministry/agency administering the State Credit arrangement, as called for under RBI's specific instructions for that scheme.

Nature of payment (INR or foreign exchange)

Historically, State Credit repayment arrangements of this kind operated through rupee-denominated debt-repayment/escrow mechanisms; the specific mode of receipt applicable to a given transaction is as directed by RBI for that arrangement, and should not be assumed to follow the standard FCY/INR options otherwise available under Regulation 4.

Shipment of goods before receipt of the LC.

Since these are specialised government-to-government arrangements rather than standard LC-backed commercial exports, shipment ahead of LC receipt may be permissible where the specific RBI instructions for the scheme so provide — this should be confirmed with the designated Bank against the applicable circular before shipment, rather than assumed from general commercial trade practice.

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Regulation 15 – Project Export

1. The Bank may permit receipts/ payments for project exports as per the underlying contract, after satisfying itself of the genuineness of the project.
2. Subject to monitoring by the Bank, a project exporter may deploy temporary cash surplus, generated outside India, from such exports, for investments in short-term instruments (with original or residual maturity of one year or less) including in treasury bills and in deposits with banks, outside India.

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SOP for Regulation 15

This Regulation 15(1) lets the Bank to permit receipts/payments for project exports as per the underlying contract, after satisfying itself of the project's genuineness;

Regulation 15(2) allows a project exporter, subject to Bank monitoring, to deploy temporary cash surplus generated outside India in short-term instruments abroad (original/residual maturity of one year or less), including treasury bills and bank deposits. "Project Export" carries the same meaning as under the Foreign Trade Policy.

Approvals required by the exporter for handling a project export

The Bank handling the transaction under Regulation 15(1), is required to satisfy itself of the genuineness of the project before permitting receipts/payments, based on the intimation / details provided by the project exporter (illustrative sample template annexed). No separate approval is required for handling a project export.

Documents required to be submitted to Bank

The exporter shall submit an intimation letter to the bank on or before handling the project export transactions covering details of the underlying export contract/Letter of Award; project cost-revenue projections and payment-terms schedule; bid bond/performance bond/advance-payment guarantee documentation, where applicable.

Monitoring

The Bank shall rely on the intimation / information provided by the exporter at the time of initial request for handling project export transactions. Separate monitoring by the Bank is not prescribed except for specific cases like monitoring of investment of cash surplus. However the exporter may intimate the status of the contract while approaching for subsequent transactions under the project.

Timelines need to be followed for realisation and repatriation of export proceeds.

As mentioned in Regulation 5

Requirement if a loss is incurred in a project export.

The exporter should report any loss incurred on a particular project to its Bank, along with supporting evidence and duly certified accounts, to the satisfaction of the Bank.

Can payments be made in foreign exchange to a third country for bringing materials to the project site.

Yes, subject to Regulation 8 (third-party receipts and payments) — the Bank must be satisfied of the bonafides of the arrangement, supported by the underlying procurement contract and documentation establishing that the third-country payment is genuinely for materials required at the project site.

Requirements if the project export contract is to be dissolved midway.

Regulation 15 does not specifically prescribe the procedure for dissolution of a project export contract midway. The exporter should promptly approach its Bank with the relevant termination/settlement documentation, such as a mutual termination agreement, arbitration/court order or force majeure notice, as applicable, together with details of the work executed and financial settlement, supporting documents and certified accounts.

The Bank shall examine the circumstances and the proposed settlement and, as applicable, permit repatriation of amounts due and/or consider reduction or write-off of the outstanding balance, in accordance with Regulations 6 and 15 and other applicable FEMA requirements. The Bank shall also ensure appropriate settlement/adjustment of overseas funds, reporting and closure of the project.

Any approval required under the applicable regulatory framework or the terms of the original project approval shall be obtained, wherever applicable.

Exporter receiving export proceeds in INR

Subject to the International Trade Settlement in INR framework (Regulation 17) or as otherwise permitted under the underlying contract and RBI's extant directions.

Exporter realizing export proceeds from a third country.

Subject to Regulation 8 and the Bank's satisfaction of bonafides — this is a common structure in project exports where a parent, associate, or financing entity in a third country settles on behalf of the project-site buyer.

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Regulation 16 – Merchanting Trade Transaction (MTT)

A person undertaking Merchanting Trade, in accordance with the Foreign Trade Policy, shall ensure that:

- (a) The period between the outward remittance and inward remittance or vice versa does not exceed six months: Provided that the Bank may, on request citing reasons for delay, allow extension of time, if the Bank is satisfied of the reasons cited.
- (b) Outward remittances are sent only to the overseas seller and inward remittances are received only from the overseas buyer: Provided that the Bank may, on request from the customer citing reasons, allow receipt from and/ or payment to any third party, if the Bank is satisfied of the reasons cited.
- (c) The documents evidencing the MTT are provided to the Bank, to establish the genuineness of the transactions.

The Bank shall:

- (a) Credit or debit the account of its customer for any cross-border transaction related to MTT after having been satisfied with the genuineness of the same and shall, simultaneously close or update the respective entry in EDPMS and/or IDPMS.
- (b) Monitor and follow-up with the person undertaking merchant trading to ensure that both the legs of the transaction are completed within the period and manner as specified in these Regulations.

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SOP for Regulation 16

Transactions undertaken by an Indian merchant trader with an overseas supplier to supply the goods directly to another overseas buyer (of the same foreign country or a third country), without the goods reaching the Indian shores (e.g., goods shipped from Germany to Malaysia) resulting in adequate profit margin to the Indian trader, are called Merchanting Trade Transactions or Intermediary Trade Transactions. In other words, merchanting trade is a set of transactions where Indian trader intermediates and facilitates buying and selling outside our shores, for a profit margin.

Steps normally involved in a merchanting trade transaction are as follows:-

- (a) The overseas buyer places an order with the Indian merchant trader (i.e. our customer).
- (b) The Indian merchant trader identifies an overseas supplier who is normally from a third country and directs him to ship the goods to the overseas buyer referred to in (a) above.
- (c) The overseas supplier ships the goods to the overseas buyer and prepares the documents in the name of Indian merchant trader.

- (d) The overseas supplier claims the payment for the goods shipped to the overseas buyer from the Indian merchant trader. On the basis of the shipping documents received from overseas supplier, Indian merchant trader arranges payment of the documents through the medium of our bank.
- (e) Indian merchant trader, then, replaces the Draft and Invoice, etc. and forwards the same along with the shipping document received from the overseas supplier, to the overseas buyer through the medium of our bank and claims the payment from the overseas buyer.
- (f) The merchanting trade shall result in profit which shall be determined by subtracting import payments and related expenses from export proceeds for the specific MTT.

Operational Instructions to FPC & Branches:

Any request for effecting Merchanting Trade Transactions has to be sent to Forex Treasury Back office duly recommended by the official at Regional Office concerned in the cadre of AVP and above.

The special feature of merchanting trade transactions is that neither physical import of goods to India nor export from India takes place. Therefore, these transactions do not involve export declaration (GR/SDF/PP/SOFTEX) forms or documentary evidence of import (Bill of Entry, etc.). However import/export of goods involved in the transaction are permitted to be imported into India, exported outside India, as per Foreign Trade Policy.

FPC & Branches shall ensure that both the legs of a Merchanting trade transaction are routed through their branch only. Branches shall verify the documents like Invoice, Packing List, Transport Documents and Insurance documents (if originals are not available, non-negotiable copies duly authenticated by the Bank handling documents may be taken) and satisfy themselves about the genuineness of the trade.

Branches shall satisfy themselves about the bonafide of the transactions, strictly adhering to KYC and AML guidelines. While handling such transactions, branches shall ensure that the Indian merchant trader is genuine trader of goods and not mere financial intermediary. Confirmed orders are received from overseas buyers. Branches shall also satisfy about his capabilities to fulfill the obligations under the order received from ultimate buyer and there is reasonable profit to the merchant trader in the said transaction.

While handling merchanting trade transactions of customers - whether involving our bank's finance or not, branches/offices should adhere to the Foreign Exchange Regulations stated above. Further, in view of the special nature of these transactions, it is necessary that branches shall exercise special care and caution while financing / recommending for financing merchanting trade.

Since no goods will reach the Indian shore in a merchanting trade transaction, if bank extends credit facilities, either fund based or non-fund based, the bank will not be having any tangible security to lay hands on. Requests for financing such merchanting trade transactions may be in the following two forms:-

- (a) Opening import LCs in favour of the overseas supplier for import of the goods.
- (b) Discounting of bills drawn under LCs of banks – Based on the list of banks provided by our Risk Management Department.

Advance Remittances to overseas suppliers under Merchanting Trade:

As per Regulation, Branches are permitted to allow advance remittances by Indian merchant traders who are their customers, against confirmed orders received by the later, provided the Branch is satisfied about the capabilities of the merchant trader to perform the obligations under the order received from the buyer and that the transaction would result in adequate profit to the merchant trader.

If the amount of advance remittance exceeds USD 500,000, a guarantee from an international bank of repute outside India should be obtained from the foreign seller of goods by the concerned Indian merchant trader except in cases and to the extent where payment for export leg has been received in advance.

Note: At any point of time, total outlay on account of advance remittances under MTT for our Bank's customers shall not exceed USD 500000 or its equivalent.

Though RBI has permitted the merchant exporters to make advance remittance to the overseas supplier as stated above, no packing credit advance shall be permitted for such advance remittance, since there will not be any movement of goods into the Indian Territory.

As stated above, no packing credit should be considered for such merchant exporters for merchanting transactions. The advance remittance to the overseas seller should be made by the merchant exporter from his own sources and all the procedural formalities as advised herein are to be complied with. The branches/offices shall not extend packing credit facilities for the purpose of merchanting trade even under their delegated powers to permit clean packing credit, when the goods are not expected to be received by the Indian merchant exporter in the Indian Territory.

Wherever advance remittance is to be effected, there should be confirmed order from overseas buyer. Such advance remittance can be made either from own sources of the merchant trader or from out of advance payment received from the ultimate buyer.

Our branches/FPC should call for following documents:-

- a. Form A2 in duplicate, duly signed by the merchant trader customer.
- b. FEMA Declaration-cum-Undertaking
- c. Confirmed Order (i.e. firm sale contract) from overseas buyer.
- d. Firm Sale Contract indicating the amount of advance demanded by the overseas supplier (i.e. firm purchase contract).
- e. Guarantee from overseas bank of international repute if advance remittance exceeds USD 500,000 or equivalent.
- f. Declaration-cum-Undertaking from Indian Merchant Trader relating to purchase price, terms of purchase and selling price, terms of payment and that the relative sale proceeds will be realised from the ultimate buyer as per the prescribed time norms.
- g. Satisfactory Credit Report on the overseas seller.

Where the amount of advance remittance exceeds USD 500,000 or its equivalent in other currencies, branches should adhere to the procedural guidelines and precautions, such as, obtaining legal opinion for the guarantee / unconditional, irrevocable stand by letter of credit received from the list of banks prescribed by our Risk Management Department.

Branches & FPC should ensure that a proper record is maintained for this purpose. If funds are not received within the specified time, prompt action should be taken by the branch by following up with merchant trader for obtaining payment from overseas buyer.

The powers delegated to various authorities for allowing such advance remittances will be as per the prevailing norms.

For the advance payment to be made, our branches / FPC should collect a charge as prescribed from time to time.

Our branches should transmit all the relevant documents along with Form A2 to the FPC through "TRADE ZONE" to effect the remittance. Branches should retain the original documents for their records.

Branches & FPC should note that wherever merchant trade transaction involves advance payment by Indian merchant traders, RBI has allowed advance remittance by Indian merchant traders against confirmed orders received by them. As a corollary to this, if Indian merchant trader holds an irrevocable LC in his favour or receives full advance payment from the overseas buyer, then also it is possible to make advance payments to overseas suppliers subject to all other stipulations enumerated above.

Opening Import LCs in favour of overseas suppliers under Merchanting Trade:

While opening LCs for the import leg of merchanting trade transactions, branches shall exercise following precautions:

- (a) The specific LC limits for opening Import LC for merchanting trade, should be got sanctioned from the appropriate sanctioning authority.
- (b) Before opening the LC, the branch should ensure that the Indian merchant exporter is a trader in goods and not a mere financial intermediary. The past dealings of the merchant exporter should be verified and branch should ensure that the transaction is a trade transaction involving movement of goods.

Apart from this, the branch should also obtain the Opinion Report of the Overseas Exporter/ Importer and ensure that such Opinion report is satisfactory.

The import leg LCs should be established on a back to back basis - either based on the export leg LCs of the banks prescribed by our Risk Management Department or confirmed orders duly complying with the conditions relating to outlay of foreign exchange not exceeding six months and completion of the transaction within nine months, as stated above. The above two timelines may vary from time to time depending upon RBIs / our Banks guidelines.

In the case of LCs, it should be ensured that the period of import LC to be opened, the terms and conditions of import LC are in accordance with the period/terms specified in the LC received on behalf of merchant exporter. In other words, in such cases, the branches should follow the precautions as are followed while opening the back to back LCs.

In the case of confirmed orders, the Indian merchant exporter may receive the full value of order initially. Therefore, in such cases wherever FLCs are to be established on the basis of confirmed orders, the cover funds received should be available as security to the bank and bank's lien should be noted on such funds, to ensure that liability is not devolved on the bank. The LC opener may also be advised to cover against exchange risk by entering into Forward Contracts, wherever the cover funds are maintained in Indian currency.

No further LCs shall be opened, if any of the import LCs established are devolved and outstanding in the books of the bank.

Discounting of bills drawn under LCs of banks, under Merchanting Trade

While discounting/negotiating the bills drawn under LCs of banks prescribed by our Risk Management Department under the export leg of merchanting trade transactions, FPC should ensure that the bills are drawn in accordance with the terms of the LC opened by the overseas importer in favour of Indian merchant exporter.

Branches and FPC should also verify and satisfy themselves that the bills are arising out of normal trade transactions and are backed by valid documents of title to goods, commercial invoices, sight/usance drafts. All other guidelines relating to discount of bills.

All the transactions should be covered by ECGC guarantee.

Branches should collect charges for handling transactions under Merchanting Trade as prescribed from time to time.

In case advance against the export leg is received by the merchanting trader, branches shall advise the customer to keep advance payment amount in EEFC account or as a separate interest bearing deposit. Both should be earmarked till the payment of import leg and should not be made available to the merchanting trader for use.

Branches/Offices shall monitor the transaction to ensure that the entire Merchanting Trade transaction is completed within an overall period of nine months and outlay of foreign exchange does not exceed six months. The commencement of Merchanting Trade transaction would be the date of shipment/export leg receipt or import leg payment, whichever is first. The completion date would be the date of shipment / export leg receipt or import leg payment, whichever is the last.

Branches may permit payment for import leg out of the balance in Exchange Earners Foreign Currency Account (EEFC) account of the Merchant Trader.

Branches to note that the names of defaulting Merchanting Traders, where outstandings reach 5% of their annual export earnings, are to be caution-listed. Branches shall forward their letter recommending caution listing of the merchanting trader customer to Reserve Bank of India through IBD within 15 calendar days after the close of each half year i.e. June & December.

For Any deviations from the norms and time lines prescribed above, Branches may contact our IBD for extensions and permissions as per the norms mentioned in the policy document

Extension:

The Bank may, on receiving request citing reasons for delay, allow extension of time, if satisfied with the reasons given. The powers for such extension are given below:

Nature of Breach	Time Period	Approving Authority
Outlay (Period between inward and outward remittances or vice versa)	Exceeding 6 months and upto 9 months	VP, International Banking Division
	Exceeding 9 months	EVP, Integrated Treasury
Overall MTT Period	Exceeding 9 months and upto 12 months	VP, International Banking Division
	Exceeding 12 months	EVP, Integrated Treasury

(Extension/s will be given in stages on 3 months. Every extension request will have to be substantiated with proper reasons and documentary evidences)

Permission of extension will be subject to the condition that the transaction (requested for extension) is not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies.

Note: The decision to accord extension of either outlay or overall MTT period or both is purely at the discretion of the bank.

Write-off of unrealized amount of export leg:

The bank may write-off the unrealized amount of export leg, without any ceiling, on the request made by the Merchanting trader, in the following circumstances:

- The MTT buyer has been declared insolvent and a certificate from the official liquidator specifying that there is no possibility of recovery of export proceeds has been produced.
- The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country and a certificate to that effect has been produced.
- The unrealized amount of the export leg represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar Organization; provided, the MTT is in adherence to all other provisions except the delays in timelines (either for outlay or completion period of MTT or both) attributed to reasons mentioned at a, b and c above.

In addition to above, write-off as at (i) shall be subject to following conditions:

- a. The bank shall satisfy itself with the bonafides of the transactions and ensure that there are no KYC/AML concerns.
- b. The transaction shall not be under investigation under FEMA by any of the investigating agency/ies.
- c. The counterparty to the merchant trader is not from a country or jurisdiction in the updated FATF Public Statement on High Risk & Non-Co-operative Jurisdictions on which FATF has called for counter measures.

Documents Required:

We require the following documents.

- a. The customer's request letter.
- b. CA Certificate duly justifying the short realization / write off due to genuine commercial loss and supported by market conditions
- c. Debit note / credit note
- d. Documentary evidencing the request

Delegated Authority to approve the write off
EVP, Head of Integrated Treasury

Allowing receipt from or payment to a third party

A written request citing reasons for the third-party arrangement, together with documentation establishing the relationship or basis for it — for example, a group/associate company confirmation, an assignment/factoring agreement, or equivalent evidence — sufficient for the Bank to satisfy itself of the reasons cited before permitting receipt from, or payment to, a party other than the actual overseas buyer/seller.

Loss incurred in one or multiple MTTs

Regulation 16 does not itself address MTT losses; as with project exports, this SOP treats an MTT loss analogously to Regulation 6.

We require the following documents.

- e. The customer's letter explaining the loss
- f. CA Certificate duly justifying the loss caused due to genuine commercial loss and supported by market conditions

Delegated Authority to approve the transaction
EVP, Head of Integrated Treasury

MTT Involving Two Different Currencies

MTT involving two different currencies is permitted provided the merchanting trade shall result in profit which shall be determined by subtracting import payments and related expenses from export proceeds for the specific MTT.

Both the legs will be captured in EDPMS by the Bank for Monitoring and Follow-up. Subsequent updations in EDPMS such as closure, write off etc.. will also be done by the bank.

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Regulation 17 – International Trade Invoicing and Settlement in Indian Rupees

The Bank is guided by the extant guidelines on the broad framework as well as instructions issued by the Reserve Bank of India in this regard, from time to time.

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SOP for Regulation 17

Procedure for invoicing and settlement in INR.

An overseas bank (correspondent to the Indian exporter's/importer's trading partner) opens a Special Rupee Vostro Account (SRVA) with a bank in India. The Indian exporter invoices the overseas buyer in INR; the buyer's bank remits INR into the SRVA, and the Bank credits the exporter's account from that balance. For imports, the Bank debits the SRVA to pay the overseas supplier's rupee balance.

Documents that need to be submitted to the Bank for invoicing and settlement in INR

The underlying trade documents for export/import — commercial invoice (denominated in INR), the export/import contract, and the shipping bill/EDF or Bill of Entry — together with confirmation that the overseas buyer's/supplier's bank maintains an active SRVA arrangement with Banks operating in India, the SRVA correspondent-banking arrangement itself is a bank-to-bank arrangement between the Bank operating in India and the overseas bank.

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Regulation 18 – Reporting

Export Data Processing and Monitoring System – EDPMS and Import Data Processing and Monitoring System - IDPMS and Reporting Controls

Upon receiving all the necessary details from the customer through the concerned branch, the Forex Treasury Back office of the Bank:

- (a) Shall enter details of EDF (of its customers) as received from non-EDI (Electronic Data Interchange) port in EDPMS within five working days of receipt of EDF.
- (b) Shall enter details of EDF of service (of its customers) in EDPMS within five working days of receipt of EDF from an exporter.
- (c) Shall enter details of import (of its customers) as received from non-EDI port in IDPMS within five working days of receipt of documents.
- (d) Shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.
- (e) Shall enter details of inward and outward remittances for all exports, imports and Merchanting Trade Transactions (MTT) in EDPMS and/ or IDPMS.
- (f) Shall monitor all transactions in EDPMS and IDPMS for closure of outstanding entries and follow-up with an exporter, an importer and person undertaking MTT for submission of documents for the same.

Mark-off/closure of entries:

- (a) Shall in the case of an export, mark-off the entry in EDPMS after ensuring that the export value has been realised.
- (b) Shall in the case of an import, mark-off the entry in IDPMS after ensuring that the payment for the import has been made.
- (c) May on request by an exporter citing reasons, close the entry relating to export advance transactions in EDPMS, where no export has been made and where refund of such advance is not possible, after having been satisfied of the genuineness of the reasons cited.
- (d) May on request by an importer citing reasons, close the entry relating to import advance transactions in IDPMS, where no import has taken place and where repatriation of such advance is not possible, after having been satisfied of the genuineness of the reasons cited.
- (e) May on the request of importer, close the entry in IDPMS where import transaction has been settled at reduced value, after having been satisfied of the genuineness of the reasons cited.

Permitting Authority
VP, International Banking Division

Documents to be submitted for closure of Bills of Entry:

- A. A written request;
- B. Bills of Entry number
- C. Debit/credit note or any correspondence for a commercial discount/dispute;

Timeline: Bank will advise the customer of its decision within 7 working days after receipt of a complete request.

On according approval, the bank will update/close the relevant EDPMS entries.

No charge or penalty attaches to the exporter's regulatory delay, and any processing fee must be flat and disclosed, not tied to the reduced amount.

- (f) Shall in the case of an MTT, close or update the respective entry in EDPMS and IDPMS after making the receipt and payment for both legs of the MTT.

The Bank shall report all foreign trade transactions in Foreign Exchange Transaction Electronic Reporting System (FETERS) in terms of extant guidelines issued by the Reserve Bank from time to time.

Other Guidelines

Branches and FPC are advised to exercise extreme caution while undertaking remittances for the newly opened current accounts and ensure the following:

- a) Trade profile of the customers is aligned with commodities to be imported.
- b) Ascertain source of funds to be remitted.
- c) Fix appropriate, threshold limits for newly opened current accounts and follow the KYC guidelines issued by Head Office.

Follow up mechanism in respect of IDPMS:

1. IBD is regularly sending the list of outstanding outward remittances in IDPMS to the respective branches and FPC for reconciliation and follow up.
2. IBD is reviewing each case regularly and sensitizing branches and FPC to follow up and obtain bills of entry.
3. IBD has now enabled providing of weekly data on IDPMS / EDPMS to all branches / ROs through MIS Dashboard. The data downloaded from I/EDPMS portal is processed and uploaded in MIS Dashboard by IBD. The branches / ROs will be able to view customer-wise outstanding and overdue entries for their effective follow-up.
4. Further Branches have been instructed to do the following:
 - a. To obtain bills of entry at the time of making remittances in cases of usance bills, and also while booking of import documents directly received by the customers from the overseas suppliers

- b. To advise the importer to extend the period of payment for Bills of Entry beyond stipulated period [ie., 6 months] wherever it is necessary, however in compliance with the extant guidelines.
- c. To send letters to the customers who have failed to submit the bills of entry within 3 months from the date of remittances. In respect of overdue cases, branches have been instructed to send three letters at the interval of 15 days through speed post with acknowledgement by mentioning that in case they fail to submit the BoE, their names will be referred to Directorate of Enforcement.
- d. In case of very old entries where the customers are not traceable, we have advised the branches to take efforts to refer the cases to Directorate of Enforcement after ensuring that above letters sent to the importers have been returned and preserved by the branches.

Follow up mechanism in respect of EDPMS:

1. IBD is regularly sending the list of outstanding shipping bills (both in cases of documents yet to be submitted and pending for realization) in EDPMS to respective branches & FPC for reconciliation and follow up.
2. IBD is reviewing all the overdue cases regularly and sensitizing the branches / FPC for further follow up.
3. Further Branches & FPC have been instructed to do the following
 - a. If an export bill is pending for realization, they have to advise the exporter to arrange for realization or apply for extension of the period of realization of shipping bills wherever necessary by submitting the necessary documents, however in compliance with extant guidelines
 - b. To write to the concerned exporters with the details of the outstanding shipping bills, requesting them to submit the concerned export bills. In respect of overdue cases, branches have been instructed to send three letters at the interval of 15 days through speed post with acknowledgement by mentioning that in case they fail to submit the SB, their names will be referred to Directorate of Enforcement
 - c. Maintain proper records for having sent letters to the exporters for verification on a future date by RBI / HO / IBD officials.
 - d. In case of very old entries where the customers are not traceable, the branches have been instructed to take efforts to refer the cases to Directorate of Enforcement after following the applicable guidelines.
 - e. Advise the exporters to explore to apply for the write off wherever applicable.
 - f. To report the list of chronic defaulters to Directorate of Enforcement for further investigation and recommend to RBI for caution listing, through IBD.

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Framework for Cross Border Transactions

IMPORT TRANSACTIONS

Documentation Requirement	Process Flow	Turnaround Time
i. Foreign Letter of Credit [Including Amendment]		
1. FLC opening form duly filled and signed / FLC Amendment request along with the proforma invoice / contract. 2. Other related documents and information in respect of FLC opening stipulated in the credit sanction terms and conditions	1. Branches forward the request to Forex Processing Centre [FPC] for opening the FLC / Amendment along with the scanned copies of all the documents submitted by the importer. 2. FPC scrutinizes the documents and ensures compliance with regard to sanction terms & conditions, availability of limit for issuance of FLC, UCPDC and other regulations. 3. Upon satisfactory compliance, FPC opens the FLC in CBS and transmits the same to SWIFT Centre at IBD. 4. The SWIFT center at IBD will transmit SWIFT. 5. The SWIFT center shares the transmitted LC / LC Amendment copy to the FPC. FPC forwards the same to the Branches for onward transmission to the importer.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
ii. Import Document received under Foreign Letter of Credit (FLC)		
1. Full set of documents drawn under our FLC.	1. The branch transmits the copy of the entire set of documents to FPC. 2. FPC scrutinizes the documents and ensures compliance with the FLC terms and conditions. 3. If the documents are found to be compliant, FPC lodges the documents in CBS and the intimation is shared to the customer through the concerned branch. 4. In the case of an Usance Bill, the acceptance for payment on the due date is obtained from the importer and the acceptance message is transmitted to the beneficiary bank through SWIFT. 5. If the documents are found to be discrepant, a SWIFT message is transmitted to the overseas bank by FPC intimating the discrepancy/ies. A copy is of the message is shared with the importer. 6. Upon acceptance of the discrepancies by the importer the document is lodged in CBS by FPC. In case of a Usance Bill, the acceptance for payment on the due date is obtained from the importer and the acceptance message is transmitted to the beneficiary bank through SWIFT. 7. If the discrepancies have not been accepted by the importer, a SWIFT message is transmitted by the FPC to the beneficiary bank asking for disposal instructions. 8. The documents received from the overseas bank, are released to the importer upon payment, in case of sight bills and upon acceptance in case of usance bills by the respective branches.	Scrutinising time: Within one business day after receipt of full set of documents.

	9. In case of sight bills the payment is made to the beneficiary bank within the stipulated period. 10. In case of a usance bill, the payment is made on the due date after obtaining the related Bill/s of Entry from the importer. 11. The payment is transmitted through SWIFT after ensuring all compliances.	
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Documentation requirement	Process Flow	Turnaround Time
iii. Import Bills received under collection:		
1. Full set of documents pertaining to the import bill received for collection.	1. The branch transmits the copy of the entire set of documents to FPC. 2. FPC scrutinizes the documents, ensures compliance with URC and other regulatory & internal guidelines and lodges the documents in CBS. 3. Intimation of lodgement is sent to the branches for onward transmission to the importers. 4. If the presentation is not compliant with the guidelines, a SWIFT message is transmitted to the overseas bank intimating our inability to handle the document, mentioning the reasons. 5. The documents are released to the importer upon payment in case of sight bills and upon acceptance in case of usance bills by the respective branches. 6. In case of usance bill, the payment is made on the due date after obtaining the related Bill of Entry from the importer. 7. The payment is transmitted through SWIFT after ensuring all compliances.	Scrutinising time: Within one business day after receipt of full set of documents.

Documentation requirement	Process Flow	Turnaround Time
iv. Merchanting Trade		
1. Entire set of documents pertaining to the merchant trade covering the import leg as well as the export leg.	1. The branch transmits the copy of the entire set of documents to IBD. 2. IBD scrutinizes the documents and accords approval after ensuring compliance to the extant RBI guidelines on MTT and the Bank's internal guidelines. 3. FPC processes the MTT upon receipt of the approval from IBD. 4. IBD diarizes the time lines in order to have a follow up for settlement of both the legs within the timelines stipulated by RBI.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
v. Advance remittances for Import		
1. Proforma Invoice / contract 2. Request letter from the importer. 3. Credit opinion report about the overseas seller from the credit information agencies. 4. Any other required document/s.	1. The branch transmits the copy of the entire set of documents to FPC. 2. FPC processes the request in accordance with internal guidelines and other regulatory requirement and transmits the request to IBD. 3. IBD ensures compliance with payment related norms including internal approval for advance remittance exceeding USD 100000 along with regulatory guidelines. Upon satisfying with the request, IBD accords permission for the advance remittance. 4. The payment is transmitted through SWIFT after ensuring all compliances.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
vi. Outward remittances for Import [Direct receipt of import document by the importer]		
1. Request letter from the importer to handle the import document and to make the remittance. 2. Copies of full set import documents along with the related Bill of Entry/ies. 3. Credit opinion report about the overseas seller from the credit information agencies in case the value of the import bill as per RBI norms / internal guidelines.	1. The branch transmits the copy of the entire set of documents to FPC 2. FPC processes the request in accordance with internal guidelines and other regulatory requirement and forwards it to IBD. 3. IBD ensures compliance with payment related norms including internal approval and other regulatory guidelines prevailing then and there. Upon satisfying the all condition, IBD permits remittance. 4. The payment is transmitted through SWIFT after ensuring all compliances.	Within one business day after receipt of full set of documents.

Documentation requirement	Process Flow	Turnaround Time
vii. Request for Buyers credit / Trade Credit Issuance [SBLC]		
1. Request letter from the Importer for availing Buyers Credit / Trade Credit for Import (For documents received under FLC and under collection basis) 2. Quote given by the Overseas Bank for providing buyer's credit 3. SBLC format provided by the Overseas Bank.	1. Branch submits the request letter of the importer along with all the required documents to FPC atleast three days prior to the due date of the Import Bill. 2. FPC processes request in accordance with internal guidelines and other regulatory requirements and forwards it to IBD. 3. IBD ensures compliance of the prevailing regulatory guidelines with regard to SBLC. 4. The SBLC is transmitted through SWIFT after ensuring all compliances .	Within one business day after submission of the complete set of required documents / clarifications.

EXPORT TRANSACTIONS

Documentation requirement	Process Flow	Turnaround Time
i. Export Bills sent on collection basis.		
1. All the original documents viz. Bill of Exchange, Invoice, Packing List, Certificate of Origin, Bill of Lading / Airway Bill / Truck Receipt etc., Shipping Bill or any other relevant document/s alongwith the copy of the contract. 2. Request letter from the exporter in their letter head mentioning their collection instructions and the address of the overseas bank to whom all the documents have to be sent.	1. Branch submits scanned copies of all the documents including the request letter submitted by exporter to FPC. 2. FPC scrutinizes all the documents and ensures all compliances including URC. 3. FPC lodges the documents in CBS. 4. Upon lodgment of the documents by FPC, the concerned branch forwards all the documents to the overseas bank for collection.	Within one business day after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
ii. Export Bills Purchase / Discount		
1. All the original documents viz. Bill of Exchange, Invoice, Packing List, Certificate of Origin, Bill of Lading / Airway Bill / Truck Receipt etc., Shipping Bill or any other relevant documents/s along with the copy of contract with a request to purchase / discount the documents. 2. Request letter from the exporter on their letter head along with their collection instructions and address of the overseas bank to whom all the documents have to be sent. 3. Any other document as required in the credit sanction terms and conditions.	1. Branch submits scanned copies of all the documents including the request letter submitted by exporter to FPC. 2. FPC scrutinizes the documents and ensures all compliance including credit sanction terms & conditions and URC. 3. FPC lodges the documents in CBS and invokes the purchase / discount option in CBS and the proceeds are credited to the account of exporter account by FPC after adjusting the pre-shipment credit extended, if any. 4. The concerned branch forwards all the documents to the overseas bank for collection.	Within one business day after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
iii. Export Bills Negotiation		
1. All the documents as required in the Letter of Credit (LC) and the original LC. 2. Request letter from the Exporter to Negotiate the Documents. 3. Any other document as required in the credit sanction terms and conditions.	1. Branch submits scanned copies of all the documents including the request letter submitted by exporter to FPC. 2. FPC scrutinizes the documents and ensures that the submission complies with the LC terms. 3. FPC lodges the documents in CBS and invokes the Negotiation option in CBS and the proceeds are credited to the account of exporter account by FPC after adjusting the pre-shipment credit extended, if any. 4. The concerned branch forwards all the documents as per LC terms.	Within one business day after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
iv. Realisation of Export Bill		
1. Receipt of the realisation proceeds.	1. IBD intimates the realization to the FPC and the respective Branches for intimation to the exporter. 2. FPC realizes the export bill in CBS. 3. If no finance has been given, then the proceeds are credited to the exporters account by FPC. 4. If post shipment finance has been extended to the concerned bill, it is liquidated first with the proceeds and the remaining amount is credited to the exporters account by FPC. 5. Branches provide the realization advice to the exporter.	On the same day of receipt of the realisation message.

Documentation requirement	Process Flow	Turnaround Time
v. Advance remittances received for Exports		
1. Receipt of the remittance. 2. Request letter by the exporter to credit the proceeds, along with the copy of the contract / proforma invoice. 3. Other relevant documents if any	1. IBD intimates the receipt of remittance to FPC and the concerned Branches for intimation to the exporter. 2. Branch submits the request letter of the customer along with all the required documents to FPC. 3. FPC processes the request in accordance with internal guidelines. 4. Proceeds are credited to the exporter's account as per their request. 5. Branches to provide the advice for the inward remittance to the exporters.	Within one business day after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
vi. Miscellaneous Export Bill[Handling of Export bill under Advance Remittance received]		
1. Copy of the entire set of export documents with a request to adjust the shipping bill with the advance remittance received earlier. 2. Any other relevant documents	1. Branch submits the request letter of the customer along with all the required documents to FPC. 2. FPC processes the request in accordance with internal guidelines and adjusts the inward remittance against the shipping bill submitted. 3. Necessary advice is provided by the branch to the exporter.	Within one business day after submission of the complete set of required documents / clarifications.

REMITTANCES

Documentation requirement	Process Flow	Turnaround Time
i. Inward remittances other than exports		
1. Receipt of remittance. 2. Request letter from the customer to credit the proceeds to their account along with the required documents	1. IBD intimates the receipt of remittance to FPC and the concerned branches for intimation to the customer. 2. Branch submits the request letter of the customer along with all the required document to FPC. 3. FPC processes the request in accordance with internal guidelines and other regulatory requirement and credit the proceeds into the customer's account. 4. The credit advice is given to the customer by the branch.	Within one business day after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
ii. Inward remittance for Foreign Direct Investment [FDI]		
1. Receipt of remittance. 2. Request letter from the customer along with required documents.	1. IBD intimates the receipt of remittance to FPC and the concerned branches for intimation to the customer. 2. Branch submits the request letter of the customer along with all the required documents to IBD. 3. IBD ensures compliance with regard to FDI norms and other prevailing regulatory guidelines. Upon satisfying with the all compliances, IBD permits FPC to process the remittance. 4. FPC processes the request and the branches provide the credit advice to the customer. FPC will provide the FIRC to the customer.	Within 2 business days after furnishing the complete set of documents / clarifications

Documentation requirement	Process Flow	Turnaround Time
iii. Outward remittances other than Import including repatriation from NRE and FCNR (B) Accounts		
1. Request letter from the Customer 2. Any other required documents relevant to the request 3. Form 145 and 146 if applicable	1. Branch submits the request letter of the customer along with required documents to FPC. 2. FPC processes the request in accordance with internal guidelines and other regulatory requirements and forwards it to IBD. 3. The payment is transmitted through SWIFT after ensuring all compliances.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
iv. Outward remittances under LRS (including ODI or OPI or Capital Account Transactions sent by Resident Individuals)		
1. Request letter from the Customer 2. Form A2 3. Any other required documents / agreement relevant to this request 4. Form FC in the prescribed format of RBI in case of ODI. 5. Declaration in case of OPI.	1. Branch submits the request letter of the customer along with required documents to FPC. 2. FPC processes the request in accordance with internal guidelines and other regulatory requirement and forwards it to IBD. 3. IBD ensures compliance with payment related norms including internal approval and other regulatory guidelines prevailing then and there. 4. The payment is transmitted through SWIFT after ensuring all compliances.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
v. Outward Remittance by NRI out of proceeds from NRO account		
1. Request letter from the NRI 2. Any other related documents relevant to this request 3. Form 145 and 146.	1. Branch submits the request letter of the customer along with required documents to FPC. 2. FPC processes request in accordance with internal guidelines and other regulatory requirements and forwards it to IBD. 3. The payment is transmitted through SWIFT after ensuring all compliances.	Within one business day after submission of the complete set of required documents / clarifications.

Documentation requirement	Process Flow	Turnaround Time
vi. Request for ODI		
1. Request letter from the Customer in their letter Head along with all the required documents. 2. Form FC in RBI prescribed format.	1. Branch submits the request letter of the customer along with all the required document to IBD. 2. IBD ensures compliance with regard to ODI norms and other prevailing regulatory guidelines. Upon satisfying with the all condition, IBD permits for the remittance. 3. ODI shall be processed by FPC upon receipt of the permission from IBD. 4. The payment is transmitted through SWIFT after ensuring all compliances.	Within 2 business days after furnishing the complete set of documents / clarifications

Schedule of Commission / Charges on Foreign Exchange Transactions

Nature of Transaction	Charges
Establishing Letter of Credit including Revolving Letter of Credit:	<u>Commitment Charges</u> 0.30%* for the first quarter and 0.10%* per month or part thereof <u>Usance Charges</u> For Sight Bills- 0.30%* Usance up to 3 Months- 0.50%* For usance over 3 Months- 0.50%* for the first three months and 0.15%* per month or part thereof for the remaining period.
Amendment to Letter of Credit:	<u>Amendment Charges</u> ₹ 1500/- * per amendment. <u>SWIFT Charges @</u> LC Issue: ₹ 1500/- * LC Amendment: ₹ 1000/- * <u>Note:</u> 1. In the cases where 110% cash margin / Deposit is available, the applicable charges will be 50% of the usual charges plus SWIFT charges of ₹ 1500/- plus applicable taxes (* plus Applicable Taxes)
Extension of LC after expiry (within 3 months from expiry date)	Commitment charges and usance charges as per above should be collected for extended period

Guarantees	<u>In favour of Shipping Companies / Agencies for clearance of Goods pending receipt of Bill of Lading:</u> ₹ 3000/-* <u>Others</u> 0.50%* per quarter or part thereof, with a minimum of ₹ 3000/-* <u>Deferred payment Guarantee covering imports of goods into India / repayment of foreign currency loans</u> 0.75%* per quarter or part thereof for the specified period of liability calculated on the amount of liability under such guarantees at the beginning of every quarter ---- <u>Export Performance guarantees, Bid Bonds etc.</u> 1. Where the guarantee period is upto 3 months - 0.50%* of the guaranteed amount. 2. 0.20%* per months for the specified period of liability when it exceeds 3 months <u>Guarantee Charges for Buyers Credit / STTC:</u> 3.00% p.a. * <u>Amendment-</u> ₹ 2000/- per amendment <u>Swift Charges @</u> ₹ 2500/- * per Guarantee ₹ 1000/-* per amendment <u>All other Guarantees</u> 0.50%* per month for the specified period of liability with a minimum of ₹ 3000/-* (* plus Applicable Taxes)
Guarantee / Indemnity on behalf of customers to other Banks in India in respect of discrepancies in documents negotiated under Letter of Credit	0.50% * with a minimum of ₹ 3000/- * (* plus Applicable Taxes)

Crystallization / Development of import bills	0.20% on each bill subject to minimum of Rs. 1000/- plus applicable taxes.
Import bills (Release of documents as free of payment as per overseas bank instruction)	Rs. 2000/- plus applicable taxes
For foreign currency import bills required to be forwarded to another bank for payment to overseas bank	Rs. 2000/- per bill plus applicable taxes
Custody charges for overdue import bills under collection basis	Rs. 500/- per quarter for each bill if the bill is not paid within one month from the due date. (to be collected at the end of each quarter)
Export Letter of Credit	<u>Advising a Export Letter of Credit</u> ₹ 1500/-* <u>Advising Amendment of a Export LC</u> ₹ 1000/-* <u>Transfer of a Transferable Export LC</u> ₹ 1500/-* (* plus Applicable Taxes)
Commission on Export Bills (Foreign Currency & Indian Rupee Bills Purchased / Discounted / Negotiated / Collection basis)	Flat ₹ 1500/- * <u>Courier Charges (to be collected on the date of Booking itself):</u> Actuals <u>Swift charges: @ ₹ 500/- *</u> Handling of Export bill under Advance Remittance received - ₹ 1500/-* per bill (Max. 5 shipping bills, additional each SB - ₹ 150/-*) <u>Reimbursement claim for Export Bills</u> ₹ 4000/-* per Bill <u>Swift charges: @ ₹ 1000/-*</u> (* plus Applicable Taxes)
Extension of due date for export bill realisation	Rs.500/- per event plus applicable taxes
Crystallization of export bills	Rs.1000/- plus applicable taxes
Handling charges for dishonor / return of export bill	Rs.1000/- per bill + other bank charges if any, plus applicable taxes
Write Off of Export Bills	₹2000/- plus Applicable Taxes per Bill.
Outward Remittances	<u>TT for Import Transactions</u> Flat charges of Rs. 2500/-* up to USD 100000/- or its equivalent Flat charges of Rs. 5000/-* above USD 100000/- or its equivalent <u>TT for Non-Import Transactions</u> 0.15%* with a Min. ₹ 500/- and Max. ₹ 5000/- Outward Remittances Sent / FCL adjusted from

	EEFC Balances on which no exchange benefit accrues to the Bank - 0.125%* Min. ₹ 1000/-* and Max. ₹ 20000/-*, in addition to the above charges <u>Swift Charges @ ₹ 1000/- *</u> (* plus Applicable Taxes) <u>Remittances from Maturity Proceeds of FCNR(B) deposits: Free</u>
Inward Remittances	<u>Business Remittances</u> ₹ 500/-* <u>Personal Remittances</u> Upto USD 10000 or its equivalent in other currencies - ₹ 500/-* Above USD 10000 or its equivalent in other currencies - ₹ 1000/-* <u>Swift Charges @</u> 1. Business Remittances - ₹ 500/-* 2. Personal Remittances Upto USD 10000 or its equivalent in other currencies - ₹ 300/-* Above USD 10000 or its equivalent in other currencies - ₹ 400/-* <u>Inward remittances for ECB / FDI</u> Upto USD100000 or its equivalent in other currencies - ₹ 5,000/-* @ Above USD100000 or its equivalent in other currencies - ₹10,000/-* @ No Charges for Remittances into NRE / FCNR Accounts (* plus Applicable Taxes)
Certificates related to Forex Transactions	FIRC Issue charges: ₹ 100/- plus Applicable Taxes per Certificate. eBRC etc.: ₹ 250/- plus Applicable Taxes per Certificate. GR waiver certificate issue charges Rs. 500/- plus applicable taxes
Charges in EEFC Accounts	Debit & Credit to EEFC: Free EEFC Conversion: ₹ 250/-* @ (* plus Applicable Taxes)
Clean Instruments for Collection	0.50%* with a minimum of ₹ 50/-* (* plus Applicable Taxes)
Pre Shipment / Post Shipment in Foreign Currency – Upfront fees	Up to USD 25000 - ₹ 1000/- * @ Above USD 25000 - ₹ 2000/-* @ (* plus Applicable Taxes)

	No Charges for disbursement of Post Shipment in Foreign Currency to liquidate the Pre Shipment Credit in Foreign Currency
Foreign Currency Loan / Foreign Currency Term Loan - Upfront Fees	Upto USD 100,000 - ₹ 5,000/-* @ Above USD 100,000 upto USD 500,000 - ₹ 10,000/-* @ Above USD 500,000 - ₹ 15,000/-* @ (* plus Applicable Taxes)
All other SWIFT messages like Enquiry, Acceptance etc. (Not included in anywhere)	₹ 500/- plus Applicable Taxes @
Multi-Currency Charges	Initial Fee - ₹ 150/-* Reload / Renewal - ₹ 100/-* Card replacement in India - ₹ 100/-* Encashment Fee - ₹ 100/-* Annual Fee- USD 5 for non-operative (* plus Applicable Taxes)
Merchant Trade Transactions	i. Rs. 2,000/- per Merchanting Trade Transaction to be applied at the time of export leg receipt or import leg payment, whichever is first. ii. In addition, on Import/Export Leg, respective Import / Export Charges will also be applicable.
ODI Transactions	Application scrutiny process and UIN obtention – Rs. 10000/-* Process of Annual Performance Report (APR) – Rs. 2000/-* Disinvestment reporting within time line Rs. 5000/-* (* plus applicable taxes)
FDI Transactions	Filing form FDI and Process of FCGPR / FCTRS – Rs. 10000/-* FDI Reporting – Rs. 5000/-* (*plus applicable taxes)

Charges for closure of shipping bill up to INR 10 lakhs :-

Charges / per bill	
For SB value up to ₹1 lakh	Flat ₹50/- *
For SB value up above ₹1 lakh up to ₹5 lakh	Flat ₹100/-*
For SB value up above ₹5 lakh up to ₹10 lakh	Flat ₹150/- *

* plus applicable taxes

Charges for closure of bills of entry up to INR 10 lakhs :-

Charges / per BoE	
For BoE value up to ₹1 lakh	Flat ₹50/- *
For BoE value up above ₹1 lakh up to ₹5 lakh	Flat ₹150/- *
For BoE value up above ₹5 lakh up to ₹10 lakh	Flat ₹250/- *

* plus applicable taxes

@ - Swift charges collected should invariably be credited to IBD on the same day itself for sale transactions / LC Opening / Amendment. In respect of purchase transactions, swift charges will be deducted at IBD on the same day / at the time of realization.

Note: Branches may note that “Goods and Service Tax on Forex Transactions” should be collected for all the applicable transactions in addition to the schedule of charges mentioned above.

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