

EXTRACT OF BOARD APPROVED POLICY ON EXPORT & IMPORT DIRECTIONS



BANK OF MAHARASHTRA
1501, 'LOKMANGAL'
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PUNE – 411 005

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Policy Governance

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Overview:

Bank has in place a Board approved International Banking Business & Derivative Policy with two dedicated sections on Export & Import which has been duly approved by the Board in its meeting dated 28-Sep-2026.

This relevant section of the policy elaborates the various features of RBI Master Direction on Export and Import of Goods and Services vide A.P. (DIR Series) Circular No. 20 dated January 16, 2026 (Amended up to 22-Sep-2026). The Reserve Bank has comprehensively reviewed the regulations and directions governing export and import of goods and services, under FEMA, 1999, in consultation with stakeholders, and issued Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026. The Regulations are intended to promote ease of doing business, especially for small exporters and importers, and to empower authorised dealers to provide quicker and more efficient service to their customers.

Background:

The relevant section of policy as annexed herein covers the detailed aspects for Export and Import of Goods and Services, & Remittances – Outward and Inward, from/to India as covered in the Master Direction/Regulation of RBI. The guidelines contained in this Policy document should be read with the FEMA guidelines, Foreign Trade Policy Rules notified by the Government of India and RBI guidelines issued from time to time.

Objective:

The primary objective of this policy is to implement the FEMA guidelines of the RBI on Export and Import of Goods and Services and Remittances (Outward & Inward) undertaken by the bank. All the Export, Import and remittances related work is initiated at AD branches, transactions and all related issues/transactions are dealt by Centralized Processing Hub (Forex) after ensuring Regulatory compliance and Bank's guidelines as being prescribed from time to time. All concerned offices will be governed within the framework of this policy.

Scope and Applicability:

The policy will be applicable to all branches/offices across the bank authorised to undertake the business. The policy will facilitate authorised branches to follow the modalities for undertaking the Export, Import and remittances transactions.

Extract Contents:

Replica of both the sections i.e. on Export & Import as included in International Banking Business & Derivative Policy has been annexed with same page numbers of policy as approved by the Board.

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EXPORT POLICY

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SECTION 2:

EXPORT POLICY



PART-A General

A.1 Introduction

Export of goods and services are governed by the foreign exchange law and by the Foreign Trade Policy and procedures issued by the Government of India. These rules and directions are revised from time to time. Bank shall handle all export transactions strictly in line with the applicable foreign exchange regulations, rules and directions and the current Foreign Trade Policy and procedures.

Branches need to confirm the permissibility of export activity from the extant Foreign Trade Policy which mandates Registration with GOI by obtaining Importer Exporter Code-IEC. IEC should be current and valid and copy of such IEC should be on record of Branch. Exporters of Software need to register with Software Technology Park of India to validate the export, its valuation and declaration.

The importer-exporter code number allotted by the Director General of Foreign Trade under Section 7 of the Foreign Trade (Development & Regulation) Act, 1992 (22 of 1992) to be indicated on all copies of the declaration forms submitted by the exporter to the specified authority and in all correspondence of the exporter with the Bank or the Reserve Bank, as the case may be.

This internal circular / policy is based on the revised regulatory framework that will come into effect from October 1, 2026, and replaces the earlier internal instructions on export and import. Where there is any difference between this circular and a later regulatory instruction, the regulatory instruction will prevail.

The bank has in place module wise detailed Standard Operating Procedures (SOPs) for handling and reporting different type of export trade transactions in front end application, (which is amended from time to time based on regulatory updates as and when received) will specify documents, timelines, charges, approval levels and escalation channels.

Policy level delegations and approval level are defined in this Export Policy.

For monitoring, reporting and review of trade-related business, the bank shall treat the Financial Year (April-March) as the standard period, unless otherwise specified.

Methods of settlement

1. Commercial invoices for Exports can be drawn in freely convertible foreign currency as well as in, INR, or in ACU Currencies. However, Export proceeds shall be realized in freely convertible currency.
2. Export proceeds against certain exports may also be realized in INR provided the remittance is through freely convertible Vostro account of foreign bank.
3. Transactions pertaining to ACU countries, shall be settled in ACU Dollar or in ACU Euro.
4. Export contract can be drawn in INR against EXIM bank /GOI line of Credit.
5. Invoicing, Payment & Settlement of Export -Import Trade transactions is also permitted in INR through Special rupee Vostro Account in compliance with RBI's Master Direction on Special Rupee Vostro Accounts (SRVAs) issued vide RBI/2026-27/203, A.P. (DIR Series) Circular No.19 dated July 17, 2026. Indian Exporter shall receive export proceeds in INR through such accounts.

However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country **other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan**. Additionally, rupee payment through Vostro account must be against payment in free foreign currency by buyer in his non-resident bank account. Free foreign exchange remitted by buyer to his non-resident bank (after deducting bank service charges) on account of this transaction would be taken as export realization under export promotion schemes of FTP.



A.2 Realization and repatriation of proceeds of export of goods / software / services

It is obligatory for exporter to realize and repatriate to India the full value of goods / software / services exported, within the prescribed period from the relevant date.

As per the current regulatory framework, the applicable periods are:

- a) **For exports of goods and services / (other than goods exported to a warehouse abroad):** Export proceeds must be realized and repatriated to India within nine months* from the date of shipment in case of goods & from the date of invoice in case of services.
- b) **For goods exported to a warehouse established outside India:** Export proceeds must be realized and repatriated to India within nine months* from the date of sale of goods from the warehouse, as per applicable regulations.
- c) **In case of Project exports:** As per payment terms of the Contract.
- d) **Where exports are invoiced and / or settled in INR:** Export proceeds must be realized and repatriated within twelve months* from the date of shipment in case of goods & from the date of invoice in case of services & from the date of sale of goods in case of goods exported to a warehouse outside India.

Based on request from the exporter citing reasons for delay, Bank may allow extension of time for realization of exports beyond the specified period as above base on its satisfaction. Delegations to consider extension has been stipulated in Para - C.20 Extension of Time

**Modified based on RBI's Notification No. FEMA 23(R)/(1)/2026-RB dated September 22, 2026 [Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026]. Prior to substitution, the words "nine months" read as "fifteen months" & words "twelve months" read as "eighteen months".*

A.3 Manner of receipt and payment

The full export value of goods shall be received by bank, in the forms, currencies and channels permitted under the applicable regulations on manner of receipt and payment as specified in RBI master directions on Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 issued vide Ref No : FEMA 14(R)/2023-RB dated December 21, 2023 (Amended up to February 12, 2025) and as amended from time to time.

- i) Where goods are sold to overseas buyers during their visit to India and payment made by card or any other permitted instrument:
 - a) The duplicate export document shall be treated as realized and released only after the AD branch has received the funds in its Nostro account. or
 - b) If another bank is the card-servicing bank, only after the exporter produces a certificate from that bank confirming receipt of the equivalent amount in foreign exchange.
- ii) The bank may also accept payment for exports made from India by debit to the overseas importer's credit card, provided reimbursement from the card-issuing bank / organization is received in foreign exchange.
- iii) Bank will make a credit to the account of an exporter, for receipt of export payment, once it has satisfied itself of the genuineness of the transaction, and will, simultaneously close or update the respective entry in Export Data Processing and Monitoring System (EDPMS).

Respective entries for all the export advance payment received (IRMs) and shipping bills lodged/realized (SBs) will be duly updated /marked by Bank in EDPMS.

Notwithstanding anything contained above, Banks will adopt the following procedure while closing entries (including outstanding entries) **in EDPMS of value equivalent to ₹10 lakh per entry/bill:**



- a) Such entries shall be reconciled and closed based on a declaration (provided by the concerned exporter that the amount has been realized, either in full or otherwise, or by the importer that the amount has been paid.
- b) Any reduction in declared value or invoice value of the shipping bills/bills of entry shall also be accepted, based on the declaration by the concerned exporter or importer.
- c) The declarations referred above may also be received on a quarterly basis from the exporters and importers in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS/IDPMS entries.

Banks will not levy any penal charges (penalty) for delays in adherence to any regulatory guidelines.

Circular/SOP defining procedural guidelines for handling small value bills are issued by TIBD from time to time and Branches are required to follow the same as amended and updated from time to time.

iv) Settlement system under Asian Clearing Union (ACU) mechanism

- a) Participants in the Asian Clearing Union may settle eligible trade transactions in any of the permitted ACU currencies, namely ACU Dollar, ACU Euro and ACU Japanese Yen. The Asian Monetary Unit (AMU) shall be denominated as “ACU Dollar”, “ACU Euro” and “ACU Yen”, which are equivalent in value to one US Dollar, one Euro and one Japanese Yen respectively, as per ACU framework.
- b) The bank may open and maintain ACU Dollar, ACU Euro and ACU Japanese Yen accounts with its correspondent banks in other ACU member countries. All eligible payments settled under the ACU mechanism shall be routed through these ACU Nostro accounts. Notwithstanding the above, it may be noted that operations in ‘ACU Euro’ have been temporarily suspended with effect from July 01, 2016 until further notification.
- c) Trade transactions with Myanmar may be settled either under the ACU mechanism or in any freely convertible currency, as permitted by the prevailing RBI instructions.
- d) Eligible current account transactions, including trade transactions with Sri Lanka, may also be settled in any permitted currency outside the ACU mechanism, as long as this relaxation remains in force.
- e) In line with the understanding among ACU members, the Nostro accounts of commercial banks of ACU member countries (ACU Dollar, ACU Euro and ACU Japanese Yen accounts) may be used for settling payments for both exports and imports of goods and services among ACU countries, where permitted.
- f) In addition to the ACU mechanism, bilateral trade transactions with certain ACU member countries (for example, Maldives) may also be settled in mutually agreed local currencies (such as INR and the partner country’s local currency), where such local-currency frameworks have been put in place and permitted by RBI. Branches must follow the latest RBI instructions on eligible currencies and settlement options for each such country.

v) Third party payments for export / import transactions

Third party payments (where the remitter / beneficiary is different from the underlying buyer / seller) may be permitted for export and import transactions, subject to the conditions below and applicable regulations.

a) Documentary requirement – Tripartite agreement

- i. As a rule, a firm irrevocable order backed by a tripartite agreement among the exporter / importer, the overseas buyer / seller and the third party should be in place.

ii. A formal tripartite agreement need not be insisted upon where:

- Documentary evidence clearly explains the circumstances leading to third party payment; and / or
- The name of the third party appears in the irrevocable order / contract / invoice; and
- The AD branch is satisfied about the bona fides of the transaction based on export / import documents (invoice, shipping documents, FIRC, etc.).
- The exporter declares the third-party remitter correctly in the Export Declaration Form (EDF).

b) Compliance checks

Before approving third party payments, the AD branch must:

- i. Satisfy itself about the bona fides of the transaction and related documents.
- ii. Consider applicable FATF statements and international sanctions.
- iii. Verify that the third party is not on the bank's restricted / high-risk entity list. and
- iv. Apply the bank's KYC / AML / CFT checks on the third party.

c) Channel of payment

All third-party payments must be routed only through banking channels. No cash or non-bank settlement is permitted.

d) Obligations

- The exporter shall be responsible for realization and repatriation of export proceeds from that third party within the prescribed time.
- Any export outstanding shall continue to be reported in the name of the exporter. However, instead of the original overseas buyer, the name of the declared third party shall appear in the outstanding / monitoring reports as the party from whom proceeds are to be realized.

e) Restricted cover countries

For exports to countries classified as restricted cover countries (e.g. Sudan, Somalia, etc.), where permitted by regulation, payment may be received from a third-party resident in an open cover country, subject to:

- Enhanced due diligence on the third party.
- Compliance with applicable credit cover / export credit insurance norms; and
- Internal approval as per the delegation matrix below.

vi) Settlement of Export transactions in currencies not having a direct exchange rate

Bank may permit settlement of export transactions where the contract / invoice is in a freely convertible currency, but the actual payment / settlement takes place in another freely convertible currency (which does not have a direct exchange rate with the invoice currency), subject to the conditions specified below: -

- a) Exporter as customer:** The exporter must be an existing customer of the AD bank and must have complied with all KYC and AML requirements.
- b) Contract / Invoice currency:** The underlying contract and / or invoice must be denominated in a freely convertible currency (e.g. USD, EUR, GBP, etc.).
- c) Beneficiary consent:** The overseas beneficiary (buyer) must provide written consent to receive payment in their local currency instead of the original invoice currency, as full and final settlement of



the transaction. This consent should be evidenced through correspondence, amendment to contract, or signed declaration.

- d) **Bona fides of transaction:** Branch must be satisfied about the genuineness of the transaction based on examination of the underlying documents, including contract, invoice, shipping / service documents, and correspondence between the parties explaining the reason for currency substitution.
- e) **Sanctions and FATF compliance:** The counterparty (overseas buyer) must not be from any country or jurisdiction that has been identified as high-risk or non-cooperative by applicable international standards (FATF Public Statement, UN sanctions, OFAC list, etc.), or on which FATF has called for counter-measures.
- f) **Exclusion:** ACU transactions, this facility shall not apply to export transactions settled through the Asian Clearing Union (ACU) mechanism. ACU transactions shall continue to follow the ACU settlement framework and permissible ACU currencies.
- g) **Exchange rate application:** The exchange rate between the invoice currency and the settlement currency shall be determined as on the date of settlement, using the AD bank's standard foreign exchange rate card, or as mutually agreed between the exporter and beneficiary and documented in the contract / amendment.
- h) **Documentation requirements:** The following documents required:
 - Original contract / invoice in the freely convertible currency.
 - Written consent / amendment signed by the overseas beneficiary confirming agreement to receive payment in the alternate currency.
 - Correspondence or email exchanges explaining the reason for currency change.
 - Full KYC and sanctions screening report on the overseas counterparty.
 - FATF / international sanctions clearance certificate.

vii) Special Rupee Vostro Accounts (SRVAs)

a) Authority to open SRVAs:

Basis revised directions issued by RBI on International Trade Settlement in Indian Rupees (INR) issued vide Ref no: RBI/2025-2026/71, A.P. (DIR Series) Circular No.08 dated August 05, 2025, AD banks can open Special Rupee Vostro Accounts (SRVAs) of overseas correspondent banks without referring to the Reserve Bank of India for approval.

Accordingly, Banks may open and maintain Special Rupee Vostro Accounts (SRVAs) in compliance with Board approved IB policy.

- b) **Purpose and scope of SRVAs:** The primary purpose of SRVAs is to facilitate settlement of cross-border trade transactions (exports and imports) in Indian Rupees (INR). Under this mechanism:
 - i. Indian exporters may receive export proceeds in INR, and
 - ii. Indian importers may make import payments in INR, through the SRVA maintained by the correspondent bank.
 - iii. In addition to trade transactions, SRVAs may also be used for settlement of all other permissible current account and capital account transactions under FEMA, as prescribed by RBI from time to time.
 - iv. AD banks maintaining SRVAs are also permitted to open and maintain additional current accounts exclusively for exporters / importers, to facilitate their participation in the rupee settlement mechanism for trade transactions.



c) **Funding of SRVAs:** SRVAs may be funded through:

- i. Inward remittances from the overseas account holder (the correspondent bank or the bank's overseas branch).
- ii. Transfers from other repatriable INR accounts maintained in India, as permitted under FEMA Deposit Regulations, or
- iii. Proceeds accrued through permissible current account and capital account transactions conducted / settled through the SRVA itself.
- iv. All inward remittances and transfers must be routed through proper banking channels and must comply with applicable foreign exchange regulations

d) **Investments in debt instruments from SRVA balances**

- i. The non-resident account holder (correspondent bank) may invest the balances held in the SRVA in eligible debt instruments in India, subject to the conditions and limits prescribed under the applicable RBI Master Direction on Non-resident Investment in Debt Instruments (as amended from time to time).
- ii. All debt investments from SRVA balances must comply with:
 - Regulatory caps on investment per non-resident entity and in aggregate,
 - Tenor / maturity restrictions (e.g. minimum lock-in period),
 - Eligibility of debt instruments (Government securities, corporate bonds, etc.), and
 - Reporting and documentation requirements.
- iii. The AD bank must maintain detailed records of all investments made from SRVA balances and must ensure timely reporting to RBI as prescribed.

e) **Trade transaction settlement through SRVA**

1) For exports (Indian exporter receives payment in INR):

- The Indian exporter and the overseas buyer agree to settle the export in INR.
- The overseas buyer (or their bank) credits INR to the SRVA maintained by their correspondent bank in India.
- The AD bank credits the INR amount to the exporter's account and marks the export as realized in the export monitoring system.
- The exporter must declare the transaction in the export declaration form, indicating INR settlement.

2) For imports (Indian importer makes payment in INR):

- The Indian importer and the overseas seller agree to settle the import in INR.
- The importer makes a payment in INR to the SRVA maintained by the overseas seller's bank in India.
- The overseas bank / seller then utilizes the INR balance in the SRVA for their own transactions, or repatriates / transfers it as per RBI guidelines.
- The importer must declare the transaction in the import declaration form, indicating INR settlement.

3) For non-trade transactions settled through SRVAs:

- Transactions must be documented with supporting evidence (e.g. invoice, contract, undertaking, etc.).
- Applicable FEMA rules for current account or capital account transactions must be complied with.
- Reporting in regulatory returns (e.g. FETERS) must accurately reflect the transaction nature and amount.

f) Documentation and reporting

All cross-border transactions settled through SRVAs (both trade and non-trade) must be documented in full compliance with:

- FEMA 1999 guidelines on documentation and record-keeping.
- RBI directions on maintenance of records for foreign exchange transactions
- KYC / AML / CFT requirements applicable to the overseas account holder and counterparties; and
- Reporting requirements under FETERS (Foreign Exchange Transactions and Remittances System) and other regulatory returns.

g) SRVA directory and periodic updates:

- Details of all SRVAs maintained with the bank (opened on behalf of overseas correspondent banks) must be updated periodically in the SRVA directory maintained by FEDAI (Foreign Exchange Dealers' Association of India).
- The bank will provide FEDAI with information on new SRVAs opened, closed, or modified, within the timeline prescribed by FEDAI / RBI.

viii) Processing of Export related receipts through Online Payment Gateways/Payment Aggregators (PA)

- The facility shall only be available for export of goods and services (as permitted in the prevalent Foreign Trade Policy) of value not exceeding USD 10,000 (US Dollar ten thousand) per transaction.
- The balances held in the NOSTRO collection account shall be repatriated to the Export Collection account in India and then credited to the respective exporter's account with a bank in India immediately on receipt of the confirmation from the importer and, in no case, later than seven days from the date of credit to the NOSTRO collection account.

All the Processing and settlement of export related payments facilitated by Online Payment Gateway Service Providers/PA will be guided by RBI Master Direction on Processing and settlement of import and export related payments facilitated by Online Payment Gateway Service Providers vide RBI Ref No : RBI/2015-16/185 A.P. (DIR Series) Circular No.16 dated September 24, 2015 & Master Direction on Regulation of Payment Aggregator (PA) issued vide Ref No : RBI/DPSS/2025-26/141 , CO.DPSS.POLC.No.S-633/02-14-008/2025-26 dated September 15, 2025 and as amended from time to time.

A.4 Foreign Currency Accounts

1. Exporters can participate in Inter- national Exhibition/trade fair/road shows, are also permitted to open temporary foreign currency account overseas for routine expenses.

Such Account needs to be closed once the event is over and repatriate the balance back to India in one month timeline.

Further , as per recent notification issued by Reserve Bank of India vide Notification No. FEMA 10(R)(5)/2025-RB dated January 14, 2025 and subsequent revised RBI guidelines on Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Seventh

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Amendment) Regulations, 2025 issued vide Notification No. FEMA 10(R)(7)/2025-RB dated October 06, 2025 a person resident in India, being an exporter, may open, hold and maintain a Foreign Currency Account with a bank outside India, for realisation of full export value and advance remittance received by the exporter towards export of goods or services.

Funds in this account may be utilized by the exporter for paying for its imports into India or repatriated into India within a period not exceeding the end of

(a) three months in case of accounts maintained with banks in an International Financial Services Centre; or

(b) next month for all other jurisdictions.

from the date of receipt of the funds after adjusting for forward commitments, provided that the realization and repatriation requirements as specified in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, as amended from time to time, are also met.

Concerned AD branch need to seek prior approval from International Banking Division, Mumbai before allowing any exporters to open/maintain a Foreign Currency Account with a bank outside India for any such allowed purposes.

2. Unit in SEZ are allowed to open and maintain FC Accounts in India for their Trade Settlement.
3. Project/Services exporter are allowed to open and hold FC Account in India and abroad as per standard terms & conditions in the Memorandum of PE

A.5 Diamond Dollar Account (DDA)

Firms and companies may approach AD branches to open a Diamond Dollar Account (DDA) if they meet all the following conditions:

- a) They are engaged in the business of purchase / sale of:
 - i. Rough diamonds or cut and polished diamonds, or
 - ii. Precious metal jewellery (plain, minakari and / or studded with / without diamond and / or other stones), or
 - iii. Diamond and coloured gemstones studded jewellery, or
 - iv. Plain gold jewellery.
- b) They have a track record of at least three years in import / export of the above items.
- c) They have maintained an average annual turnover of Rs. 3 crores or above during the preceding three licensing years (licensing year: April to March).
- d) Number of accounts: Eligible exporter firms and companies are permitted to open and maintain not more than 5 Diamond Dollar Accounts (DDAs) in total across all banks. The firm / company must inform the Bank of the total number of DDAs being maintained with any other AD Bank, if any, to avoid regulatory breach.
- e) Application and approval: Concerned AD branch need to seek prior approval from International Banking Division, Mumbai before allowing any exporters to open/maintain a Diamond Dollar Account. Branch should assess the track record of the firm / company at the end of every licensing year (April-March). Approval by IBD Mumbai shall be granted , preferably same day after receipt of all required documents/clarifications & subject to the terms and conditions specified in this policy and as may be prescribed by RBI from time to time. Eligible firms and companies must submit an application to their FEX Branch, providing:

- i. Proof of eligibility (business registration, past three years' tax returns, import / export certificates).
- ii. Average annual turnover calculation for the preceding three licensing years.
- iii. Details of the proposed account usage.
- iv. Full KYC and compliance documents.
- v. Ensure compliance with sanctions and FATF guidelines.
- vi. All transactions must be supported by relevant commercial documents (purchase orders, invoices, shipping documents, certificates of origin, etc
- vii. For diamonds and gemstones, certificates from recognized certifying agencies (e.g. GIA, IGI) must be maintained.

A.6 Exchange Earners' Foreign Currency Account (EEFC Account)

The EEFC facility is intended to enable foreign exchange earners to save on currency conversion and transaction costs while undertaking legitimate forex transactions. It is not intended to enable account holders to maintain assets in foreign currency, as India remains not fully convertible on the capital account.

- a) A person resident in India may open an Exchange Earners' Foreign Currency (EEFC) Account with an AD Category-I bank in India, in accordance with RBI's Master Direction on Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2015 issued vide Notification No. FEMA 10 (R) /2015-RB dated January 21, 2016.
- b) All categories of foreign exchange earners are eligible to open and maintain an EEFC account.
- c) Account structure and facilities.
 - i. Account type: The EEFC account shall be maintained only as a non-interest-bearing current account.
 - ii. No credit facilities: No credit facilities—whether fund-based (overdrafts, loans) or non-fund-based (guarantees, letters of credit)—shall be permitted against the security of balances held in the EEFC account.
 - iii. Account operation: The account may be operated by the account holder for:
 - Crediting eligible foreign exchange earnings.
 - Debiting for approved purposes and forward commitments.
 - Converting balances into Rupees as required.
- d) Eligible credits to EEFC account: The following may be credited to an EEFC account:
 - i. Inward remittances: Inward remittances received through normal banking channels, excluding:
 - Remittances received pursuant to any undertaking given to RBI.
 - Remittances representing foreign currency loans raised or investments received from outside India.
 - Remittances received for meeting specific obligations (e.g. loan repayment, dividend payment, etc.) by the account holder.
 - ii. Export proceeds: Payments received in foreign exchange by:
 - 100% Export Oriented Units (EOUs), units in Export Processing Zones (EPZs), Software Technology Parks (STPs), or Electronic Hardware Technology Parks (EHTPs), for supply of goods to similar such units or to units in the Domestic Tariff Area.
 - Units in the Domestic Tariff Area for supply of goods to units in Special Economic Zones (SEZs).
 - iii. Other eligible receipts: Such other foreign exchange receipts as may be permitted under applicable RBI regulations from time to time.



e) Mandatory conversion to Rupees

The sum total of the accruals in the account during a calendar month will be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments as confirmed by EEFC's holder to the Bank.

A.7 Counter-Trade Arrangement

- a)** Counter-trade arrangements involve the adjustment of the value of goods imported into India against the value of goods exported from India, based on a voluntary agreement between an Indian party and an overseas party.
- b)** Counter-trade may be facilitated through an Escrow Account opened in India, denominated in US Dollars (or other freely convertible currency as permitted), to track and reconcile import and export values.
- c)** Branches will, accordingly, based on Customer request will approach TIBD, Mumbai for approval of opening such Escrow Account on a case to case basis.
- d)** All counter-trade arrangements must comply with applicable foreign exchange regulations, the Foreign Trade Policy, and the FEMA Act, 1999 and Rules made thereunder.
- e)** No interest will be payable on balances standing to the credit of the Escrow Account but the funds temporarily rendered surplus may be held in a short-term deposit up to a total period of three months in a year (i.e., in a block of 12 months) and the banks may pay interest at the applicable rate.
- f)** No fund-based/or non-fund-based facilities will be granted against the balances in the Escrow Account

Application and approval process

- The exporter submits the application to open an Escrow Account to FEX Branch.
- Application should be in a prescribed format (or a detailed letter covering all required information).
 - ✓ Details of the counter-trade arrangement and parties involved,
 - ✓ Copy of the counter-trade agreement,
 - ✓ List of goods / services to be imported and exported,
 - ✓ Expected timelines and values,
 - ✓ Details of the AD bank where the Escrow Account will be opened,
 - ✓ Full KYC of both the Indian and overseas parties,
 - ✓ Confirmation that all imports / exports will be at international prices.
- Applications must be submitted to the IBD, Mumbai for onward submission to the Regional Office of the Reserve Bank for approval.

A.8 Exports to neighbouring countries by road, rail or river

This section applies to exports of goods to neighbouring countries where the primary mode of transport is road, rail, or river (inland waterways / barges). For such exports, the original Export Declaration Form (EDF) and related customs clearance procedures follow a different process compared to port / airport exports, as detailed below, all exports must still comply with the applicable Foreign Trade Policy, export regulations, and customs procedures.

a) Exports by road transport

- i. Presentation of EDF: The original EDF must be presented by the exporter or their authorized agent to the Customs station at the border through which the vehicle will pass, before the vehicle crosses into foreign territory.
- ii. Timing: The EDF should be submitted to Customs as close as possible to the time of actual crossing, to ensure that
 - Customs verification of goods matches the EDF declaration,
 - Customs can affix necessary seals / endorsements, and
 - The goods can proceed without delay.
- iii. Methods of submission:
 - The exporter or their authorized clearing agent may personally present the EDF to the Customs Officer at the border, or
 - The exporter may arrange to hand over the EDF to the person in charge of the vehicle (driver / transporter), who will present it to Customs at the border, or
 - The exporter may forward the EDF to their agent or representative stationed at the border for submission to Customs.
- iv. Documentation:
 - The exporter must retain a copy of the EDF (duplicate / triplicate) for their records and for submission to the AD bank.
 - Proof of Customs clearance / endorsement (stamp / seal on the EDF copy) must be obtained and submitted to the AD bank.

b) Exports by rail transport

- i. **Designated railway stations:**
 - Customs staff have been posted at certain designated railway stations for attending to Customs formalities relating to export goods loaded at those stations.
 - A list of designated railway stations can be obtained from the Railways or from the Directorate General of Foreign Trade (DGFT).
- ii. **Exports loaded at designated stations:**
 - For goods loaded at designated railway stations, the exporter or their agent must present the original EDF to the Customs Officer posted at that station.
 - The Customs Officer will collect the EDF and process it, allowing the goods to move directly to the foreign country without further formalities at the border.
 - This streamlined process reduces delays and allows goods to proceed without stopping at border stations.
- iii. **Exports loaded at non-designated stations:**
 - For goods loaded at railway stations other than the designated stations, the exporter must arrange to present the original EDF to the Customs Officer at the Border Land Customs Station where final Customs formalities are completed.
 - This ensures that all export procedures are completed before the goods cross the border.

c) Exports by barge / country craft / inland waterways

Exports made by barges, country craft, or other vessels on inland waterways shall follow the same procedure as road transport exports as mentioned above.

The original EDF must be presented to the Customs station at the border through which the vessel will cross, before the vessel crosses into foreign territory.



A.9 Repayment of State credits

- a) State credits were granted by the erstwhile Union of Soviet Socialist Republics (USSR) to India for the purpose of financing trade and development projects.
- b) These state credits created obligations for India to export goods and services to the USSR (and subsequently to the successor states) as a form of repayment
- c) Even after the dissolution of the USSR, the repayment obligations continue with the successor states (primarily Russia and other former Soviet republics).
- d) Regulatory framework
 - i. RBI directions: All exports against repayment of state credits shall be governed by the instructions and directions issued by the Reserve Bank of India from time to time.
 - ii. **Applicability:** AD banks must strictly adhere to:
 - The latest RBI directions on state credit repayment exports,
 - Any bilateral agreements between the Government of India and successor states,
 - The Foreign Trade Policy and export regulations, as applicable to such transactions.
- e) Documentation and procedures

Export declaration and documentation: Exports against state credit repayment must be declared through the normal export declaration process (EDF), but with clear notation that the export is "Against Repayment of State Credit (USSR)" or similar reference.

The exporter must provide documentary evidence of the authorization / allocation letter from the Government of India or the nodal agency responsible for state credit repayment.

- f) Approval and compliance: Government authorization:
 - i. The exporter must obtain authorization / allocation from the Government of India (Ministry of Commerce / DGFT or the nodal agency handling state credit repayment) before undertaking the export.
 - ii. The authorization should specify the goods / services to be exported, the quantity, the invoiced value, the destination country, and the timeline.
 - iii. A copy of the authorization letter must be submitted to the AD bank along with the export documentation.

A.10 Forfeiting

Bank may undertake forfeiting, form financing of export receivables. Remittance of commitment fee / service charges, etc., payable by the exporter as approved by Bank may also be done through an AD bank. Such remittances may be made in advance in one lump sum or at monthly intervals as approved by the authority concerned.

Branches to be guided by procedural guidelines/SOP issued by TIBD once any such facilities will be made live.

A.11 Export factoring on non-recourse basis

- a) Export factoring on a non-recourse basis is a financing arrangement wherein an AD bank (acting as the Export Factor) purchases export receivables / invoices from an exporter without recourse to the exporter.
- b) Under non-recourse factoring, the exporter is not liable if the overseas buyer (importer) fails to pay. The risk of non-payment is borne entirely by the Export Factor / Import Factor.
- d) This arrangement enables exporters to improve cash flow, meet working capital requirements, and convert receivables into immediate funds.

Accordingly, Bank at its own business decision may enter into export factoring arrangement on non-recourse basis.

Branches to be guided by procedural guidelines/SOP issued by TIBD once any such facilities will be made live for all branches.

A.12 Project Exports and Service Exports

- Export of engineering goods on deferred payment terms and execution of turnkey projects and execution of civil construction contracts are collectively termed as Project Exports. Branches need to follow Project Export Memorandum PEM-July 2014 & FEMA guidelines as issued by RBI while doing such transactions.
- Bank may consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations.
- The proposals for Project Exports shall be submitted to branches once the contract is awarded. Within the framework of PEM project, branches shall forward the application to IBD for granting Post-Award Approval.
- Inter-Project transfer of Machinery is permitted with due intimation and approval of AD Bank/EXIM Bank.
- Bank may permit Project Exporter to open Foreign Currency Accounts related to receipts and payments of Project. Inter project transfer of funds is also permitted.
- Software exporter of on-sight project should transfer the profits earned on completion of the contract.

A.13 Export of goods on lease / hire

- i. Export of machinery, equipment or other goods on lease or hire basis, under an agreement with an overseas lessee (with lease / hire rentals and eventual re-import of the goods), requires prior approval of the TIBD. Such approval will be accorded by Treasury Head only.
- ii. Exporters proposing such transactions shall submit their application through their AD branch providing full particulars of: the goods to be exported (description, quantity, value, usage), terms of the lease / hire agreement (tenor, rentals, responsibilities), an arrangements for re-import / disposal at the end of the lease / hire period.
- iii. Branches shall not process or permit export of goods on lease / hire basis without evidence of prior approval.

A.14 Export on elongated credit terms

- i. Where an exporter proposes to export goods on elongated credit terms (i.e., credit period beyond the normally permitted / commercially reasonable period), prior approval of the Treasury Head is required.
- ii. In such cases, the exporter shall submit a detailed proposal through their branches to the IBD, Mumbai, setting out full particulars of: the goods to be exported, proposed credit period and payment schedule, details and credit profile of the overseas buyer, and commercial justification and risk-mitigation arrangements (e.g., insurance / guarantees).

Branches shall not permit exports on elongated credit terms beyond the standard regulatory limits unless TIBD approval has been obtained and recorded.

A.15 Export of Currency

Export of Indian currency (currency notes of Government of India and Reserve Bank of India) is regulated under the applicable Foreign Exchange Management regulations on export and import of currency.

Export of Indian currency is permitted under the general permissions only as mentioned below:

- A person resident in India may take outside India (other than to Nepal and Bhutan) Indian currency notes up to an amount not exceeding Rs. 25,000 (Rupees twenty-five thousand only).
- A person resident outside India, who is not a citizen of Pakistan or Bangladesh and is not a traveller coming from or going to Pakistan or Bangladesh, and who is visiting India, may take outside India Indian currency notes up to an amount not exceeding Rs. 25,000 (Rupees twenty-five thousand only), only while exiting through an airport.
- Branches shall ensure that any request involving export of Indian currency beyond the above general limits is not permitted without specific approval from the Reserve Bank, and that all conditions under the extant regulations are strictly complied with.

PART-B EDF (Export Declaration Form) Procedure

B.1 Export of goods through Customs ports

- I. **Customs Certification:** For exports at Non-Electronic Data Interchange (EDI) ports, Customs shall certify the declared value and assign a running serial number on two copies of the Export Declaration Form (EDF) submitted by the exporter.
- II. **Form Distribution:** Customs retains the original EDF to transmit to the Reserve Bank of India (RBI) and returns the duplicate copy to the exporter.
- III. **Shipment Verification:** At the time of shipment, the exporter must submit the duplicate EDF to Customs, who will then examine the goods, certify the quantity on the form, and return it to the exporter.
- IV. **Submission to the Bank:** Within 21 days from the date of export, the exporter must lodge this duplicate EDF, along with the relative shipping documents and an extra copy of the invoice to Bank (as the Authorised Dealer named in the EDF) for negotiation or collection.
- V. **Bank Reporting & Retention:** Once the documents are negotiated or sent for collection, the Bank will report the transaction to the RBI via the Export Data Processing and Monitoring System (EDPMS) and retain the physical documents.
- VI. **Special Export Arrangements:** If exports are made under deferred credit arrangements, joint ventures abroad against equity participation, or rupee credit agreements, the corresponding RBI approval number and date (or RBI circular details) must be recorded appropriately on the EDF.
- VII. **Lost Documents:** If the exporter misplaces or loses the duplicate EDF, the Bank is permitted to accept a copy of the duplicate EDF that has been duly certified by Customs.

B.2 Export of Goods/Software through EDI Ports

- I. **Deemed Submission:** For goods exported through Electronic Data Interchange (EDI) ports, the Export Declaration Form (EDF) is deemed to be submitted as an integral part of the shipping bill.

- II. **Submission of EC Copy :** In cases where the Customs authority or Special Economic Zone (SEZ) generates a physical 'Exchange Control (EC) Copy' of the shipping bill, the exporter must submit this to Bank within 21 days from the date of export for the collection or negotiation of documents.
- III. **Waiver of Physical EC Copy:** If the EC copy of the shipping bill is not printed (as per Customs guidelines) and the shipping bill data is successfully integrated into the Export Data Processing and Monitoring System (EDPMS), the exporter is entirely exempted from submitting a physical EC copy to the Bank.
- IV. **Document Retention:** The Bank will retain the duplicate copy of the relevant forms along with a copy of the invoice; these documents are not required to be forwarded to the Reserve Bank of India (RBI).
- V. **Handling ECGC / Insurance Claims:** If the ECGC or IRDA-regulated private insurance companies initially settle an exporter's claim and the export proceeds are subsequently received from the buyer, the Bank will disburse the exporter's share. The Bank will process this post-receipt of a specific certificate from the insurance company detailing the declaration form, invoice value, and amount received.

B.3 Export of Goods through Post

- I. **Mandatory Countersignature:** Postal authorities will only allow the export of goods by post if the original copy of the Export Declaration Form (EDF) has been countersigned by an Authorised Dealer. Therefore, exporters must first present the EDF to the Bank for this countersignature.
- II. **Standard Routing (Bank-to-Bank):** The Bank will countersign the EDF after verifying that the parcel is addressed to its overseas branch or correspondent bank in the importing country.
- III. **Document Processing:** The Bank will retain the duplicate copy of the EDF. The exporter must submit the relevant documents along with an extra copy of the invoice for negotiation or collection within the prescribed 21-day period. The overseas correspondent bank will be instructed to deliver the parcel to the consignee only against payment or acceptance of the relative bill.
- IV. **Direct Dispatch to Consignee:** The Bank may, as an exception, countersign EDFs for parcels addressed directly to the overseas consignee, provided one of the following conditions is met:
 - a) An irrevocable Letter of Credit (LC) for the full export value has been opened in favor of the exporter and advised through the Bank.
 - b) The full value of the shipment has been received in advance by the exporter through the Bank.
 - c) The Bank is completely satisfied with the standing and track record of the exporter, as well as the arrangements made for the realization of export proceeds.
- V. **Form Endorsements:** In cases of direct dispatch, the Bank will clearly furnish the particulars of the advance payment, LC, or certification of the exporter's standing on the EDF under proper authentication.
- VI. **Authentication of Alterations:** Any alteration made to the name and address of the consignee on the EDF must be authenticated by the Bank using its official stamp and signature.

B.4 Mid- Sea trans-shipment of catch by deep sea fishing vessels

- I. **Master's Certification in Lieu of Customs:** Due to continuous sailing outside territorial limits, exporters may submit the Export Declaration Form (EDF) duly signed by the Master of the vessel instead of standard Customs value certification. This must indicate the composition of the catch, quantity, export value, and date of shipment (transfer of catch), and must be strictly supported by a certificate from an international cargo surveyor.



- II. **Permit and Transport Documentation:** Both the original and duplicate EDF must indicate the number and date of the Letter of Permit issued by the Ministry of Agriculture for the vessel's operation. Additionally, the Bill of Lading or receipt of trans-shipment issued by the carrier vessel must include the EDF Number.
- III. **Customs Processing:** The exporter will submit the completed EDF in duplicate to Customs at the vessel's registered port (or any port approved by the Ministry of Agriculture). Customs will retain the original for Electronic Data Interchange (EDI) data capture, assign a running serial number on both copies, and return the duplicate to the exporter.
- IV. **Timeline for Realization:** For these specific transactions, the prescribed period for realization and repatriation of export proceeds will be calculated from the date of transfer of the catch (as certified by the Master of the vessel) or the date of the invoice, whichever is earlier.
- V. **Submission to the Bank:** The rules and procedures for the exporter submitting the duplicate EDF to The Bank, and the Bank's subsequent disposal and reporting of these forms, remain identical to those applicable to all other standard exporters.

B.5 SOFTEX Forms (Export of Software/Services)

- I. **Filing & Format:** SOFTEX has been abolished. A software exporter may file the EDF with STPI as the specified authority, and STPI, in its capacity as the specified authority, will upload the EDF in EDPMS or may submit to AD Bank. Software exporters are permitted to file single or bulk export declarations in the form of an Excel statement to the competent authority for certification. A common form has been devised to declare both single and bulk software exports.
- II. **Online Number Generation:** Exporters must utilize the online facility extended by the Reserve Bank of India (RBI) to generate their EDF. The manual allotment of these form numbers by RBI Regional Offices has been permanently dispensed with.
- III. **Invoicing Rules for Software:**
 - a. For "one-shot operation" contracts, the invoice or bill must be raised within 15 days from the date of the software transmission.
 - b. For long-duration contracts involving multiple transmissions, exporters must bill their clients periodically (at least once a month or upon reaching a contractual milestone), and the final invoice must be raised no later than 15 days after the contract's completion.
 - c. Exporters are permitted to submit a combined declaration form covering all invoices raised on a particular overseas client within a month, including any advance remittances received.
- IV. **Submission Timelines:** Exporters of software (categorized under services) must furnish their declaration to the specified authority (which includes the Authorised Dealer, STPI, or SEZ Development Commissioner) within 30 days from the end of the month in which the service invoice was raised. The bulk statement provided must include information regarding all invoices, including those valued at less than US\$25,000.
- V. **Certification and Bank Processing:** Following valuation and certification from designated official concerned of the Government of India at STPI / EPZ /FTZ /SEZ, the STPI or SEZ official (exporter should submit declaration in Form EDF in quadruplicate within 30 days from the date of invoice / the date of last invoice raised in a month) will retain one copy and hand over the certified duplicate copy to the exporter. Upon receiving this certified document from the exporter, Bank will enter the service EDF details into the Export Data Processing and Monitoring System (EDPMS).

B.6 Citing of specific identification numbers

To ensure seamless regulatory tracking and full compliance with RBI guidelines, all business units and operating teams must explicitly quote the unique identification numbers assigned to the respective Export Declaration Form (EDF) in every submission.



Furthermore, all such applications and correspondence must be routed through the RBI's PRAVAAH portal under the relevant section. Adherence to this routing and citation process is mandatory to prevent transaction delays, ensure accurate audit trails and maintain strict regulatory compliance across all export-related submissions.

B.7 Export of Services

- I. **Declaration Requirements:** Exporters of services must furnish an Export Declaration Form (EDF) specifying the full export value to the specified authority (which is the Authorised Dealer, i.e., The Bank).
- II. **Submission Timelines:** The exporter must submit the declaration within 30 days from the end of the month in which the invoice for the services was raised.
 - a. If the exporter provides services to multiple recipients in each month, they are permitted to submit a single, consolidated EDF for all such exports.
 - b. Exporters of services may also choose to submit the EDF on or before the date they receive the payment.
- III. **Extension of Submission:** The Bank may, upon receiving a request citing the reasons for delay, extend the prescribed period for EDF submission after satisfying itself about the reasonableness of the exporter's request.
- IV. **Bank Processing:** The Bank must enter the details of the service EDF into the Export Data Processing and Monitoring System (EDPMS) within five working days of receiving the form from the exporter.
- V. **Realization Obligation:** Irrespective of the declaration format, the exporter remains strictly liable to realize the foreign exchange due and repatriate it to India within nine months from the date of the invoice (or twelve months if invoiced/settled in INR).

B.8 Third Party Export Proceeds

- I. **Declaration Requirement:** The realization of export proceeds from a third party (for the export of goods or software) must be explicitly declared by the exporter in the appropriate Export Declaration Form (EDF).
- II. **Permissibility and Bona-fides:** The Bank is permitted to allow third-party receipts and payments for export transactions, provided the Bank is entirely satisfied with the bona-fides of the transaction and the underlying export documents (e.g., invoice, FIRC).
- III. **Mandatory Conditions: Tripartite Agreement:** A firm irrevocable order backed by a tripartite agreement should generally be in place. However, the Bank may waive this if adequate documentary evidence explaining the third-party payment is produced and the third party is named in the irrevocable order or invoice.
 - a. **Banking Channels:** The third-party payment must be routed exclusively through formal banking channels.
 - b. **FATF Compliance:** The Bank must strictly consult and adhere to FATF (Financial Action Task Force) statements while handling and approving such transactions.
- IV. **Restricted Cover Countries:** If shipments are made to a country in Group II of Restricted Cover Countries (e.g., Sudan, Somalia), the payment for these exports may be received from an Open Cover Country.
- V. **Responsibility & Reporting:** It remains the sole responsibility of the exporter to realize and repatriate the export proceeds from the declared third party. When reporting outstandings (such as in EDPMS), the outstanding amount will continue to be shown against the exporter's name; however, the name of the declared third party should appear in place of the original overseas buyer.

Restricted



B.9 Random Verification

Audit & Compliance Check: Across all the aforementioned export procedures, The Bank will ensure that its internal or concurrent auditors conduct routine, random checks of the relevant duplicate export declaration forms.

Suitable checkpoints are to be ensured during Concurrent Audit.

B.10 Short Shipments

Short Shipments (Partial Shipments):

- a. If a portion of a shipment covered by an already filed Export Declaration Form (EDF) is short shipped, the exporter must formally notify Customs in the prescribed form and manner.
- b. If there is a delay in the exporter obtaining the certified short shipment notice from Customs, The Bank will accept a formal undertaking from the exporter. This undertaking must state that the exporter has filed the short shipment notice with Customs and will furnish the certified copy to the Bank as soon as it is obtained.

B.11 Shut out Shipments

Shut out Shipments (Entire Shipment Cancelled/Delayed):

- a. If a shipment is completely shut out and there is a delay in making alternative arrangements to re-ship, the exporter must submit a notice in duplicate to Customs, attaching the unused duplicate copy of the EDF and the relative shipping bill.
- b. Customs will verify that the shipment was actually shut out, certify the notice as correct, and forward it directly to the Reserve Bank of India (RBI) along with the unused duplicate EDF.
- c. In such scenarios, the original EDF that was previously received by the RBI from Customs will be officially cancelled.
- d. If the exporter subsequently manages to make the shipment, a completely fresh set of EDFs must be completed and filed.

B.12 Consolidation of Air Cargo/Sea Cargo

I. Consolidation of Air Cargo:

- a. When air cargo is shipped under consolidation, the airline issues a Master Airway Bill to the Consolidating Cargo Agent, who then issues House Airway Bills (HAWBs) to individual shippers.
- b. The Bank will negotiate these HAWBs *only* if the underlying Letter of Credit (LC) specifically permits the negotiation of these documents in lieu of standard Airway Bills issued by the airline company.

II. Consolidation of Sea Cargo (LC-Backed Transactions):

- a. The Bank may accept Forwarder's Cargo Receipts (FCR) issued by IATA-approved agents in lieu of Bills of Lading for the negotiation or collection of shipping documents.
- b. This is permissible if the underlying LC specifically provides for the negotiation of this document instead of a Bill of Lading, even if the actual sale contract does not explicitly mention it.

III. Consolidation of Sea Cargo (Non-LC-Backed Transactions):

- a. At its discretion, the Bank may also accept FCRs issued by reputed shipping companies or IATA-approved agents for the purchase, discount, or collection of shipping documents in cases where the export is *not* backed by an LC.



- b. This is subject to the strict condition that the 'relative sale contract' with the overseas buyer explicitly provides for the acceptance of an FCR in lieu of a Bill of Lading.
- c. **Credit Decision & Due Diligence:** Accepting such FCRs for purchase or discount is purely a credit decision of the Bank. Because FCRs are not inherently negotiable documents, the approving authority must thoroughly satisfy themselves regarding the bona fides of the transaction, the track record of the Indian supplier, and the standing of the overseas buyer.

B.13 Exemption from Declaration

Applicability of Exemptions: The mandatory requirement for an exporter to declare the export of goods and software using the prescribed forms (EDF) will not apply to specific, exempted cases as below:

- a) trade samples of goods and publicity material supplied free of payment.
 - b) personal effects of travellers, whether accompanied or unaccompanied.
 - c) ship's stores, trans-shipment cargo and goods supplied under the orders of Central Government or of such officers as may be appointed by the Central Government in this behalf or of the military, naval or air force authorities in India for military, naval or air force requirements.
 - d) Tugs or Tugboats, Dredgers and Vessels used for providing offshore support services, subject to their re-import into India.
 - e) by way of gift of goods accompanied by a declaration by the exporter that they are not more than five lakh rupees in value
 - f) aircrafts or aircraft engines and spare parts for overhauling and/or repairs abroad subject to their reimport into India after overhauling /repairs, within a period of six months from the date of their export.
 - g) re-export of leased aircraft/helicopter and/or engines/auxiliary power units (APUs), either completely or in partially knocked down condition re-posessed by overseas lessor and duly de-registered by the Directorate General of Civil Aviation (DGCA) on the request of Irrevocable Deregistration and Export Request Authorisation (IDERA) holder under 'Cape Town Convention' or any other termination or cancellation of the lease agreement between the lessor and lessee subject to permission by DGCA/Ministry of Civil Aviation for such export/s;
 - h) goods imported free of cost on re-export basis.
 - i) the following goods which are permitted by the Development Commissioner of the Special Economic Zones, Electronic Hardware Technology Parks, Software Technology Parks, or Free Trade Zones to be re-exported, namely:
 - 1) imported goods found defective, for the purpose of their replacement by the foreign suppliers/collaborators.
 - 2) goods imported from foreign suppliers/collaborators on loan basis.
 - 3) goods imported from foreign suppliers/collaborators free of cost, found surplus after production operations.
- These goods to be re-exported by units in Special Economic Zones, under intimation to the Development Commissioner of Special Economic Zones / concerned Assistant Commissioner or Deputy Commissioner of Customs
- j) replacement goods exported free of charge in accordance with the provisions of Foreign Trade Policy in force, for the time being.
 - k) goods sent outside India for testing subject to re-import into India;

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- l) defective goods sent outside India for repair and re-import provided the goods are accompanied by a certificate from an authorised dealer in India that the export is for repair and re-import and that the export does not involve any transaction in foreign exchange.
- m) exports permitted by the Reserve Bank, on application made to it, subject to the terms and conditions, if any, as stipulated in the permission.

PART-C

C.1 Grant of EDF Waiver

B-Category Branches may consider requests for grant of EDF waiver only from exporters satisfying all of the following conditions:

- a) The exporter holds a valid Status Holder certificate under the Foreign Trade Policy currently in force.
- b) The export is being made free of cost, solely for the purpose of export promotion.
- c) The item being exported is freely exportable under FTP.

Sector classification and applicable annual limits:

The annual limit up to which free-of-cost exports may be permitted without EDF depends on the exporter's sector, as under:

S. No.	Exporter Category	Applicable Annual Limit
a)	General exporters (all sectors other excluding the exporters of sectors (1) Gems and Jewellery Sector, (2) Articles of Gold and precious metals sector).	2% of average annual export realization of the preceding three licensing years.
b)	Exporters of Gems & Articles of Gold and precious metals sectors	Lower of ₹1 crore or 2% of average annual export realization of the preceding three licensing years (April- March).
c)	Exporters supplying pharmaceutical products, vaccines, and lifesaving drugs to UN, WHO-PAHO, or Government health programmes.	Up to 8% of average annual export realization of the preceding three licensing years (April- March)

Free-of-cost supplies made under this waiver shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme.

Before processing the waiver, the branch must obtain a written declaration from the exporter confirming that no such Duty Drawback or incentive is being claimed on the same shipment.

For non-status holder/ Status Holder, EDF waiver can be given by Branches for shipments without consideration i.e. for free samples, replacements and re-export of goods received for value addition also.

For cases not falling under the above parameter/conditions, branches may approach TIBD for seeking approval. Treasury Head will have the required delegatory authority for approving such cases on merits.

Each branch shall maintain a running log per exporter showing cumulative waiver utilization against the annual limit for the relevant licensing year.

Branches shall report waiver transactions in the export monitoring system (EDPMS) as applicable, with appropriate notation that the shipment is free-of-cost and EDF-waived.

C.2 Receipt of Advance Against Exports

I. General obligation on advance received (up to 3 years)

Where an exporter receives advance payment (with or without interest) from a buyer outside India, the following conditions apply: -

- a) Shipment of goods must be made within three years from the date of receipt of the advance payment.
- b) Interest, if any, payable on the advance shall not exceed the all –in –one cost ceiling for Trade Credit in terms of RBI's Master Foreign Exchange Management (Borrowing and Lending) Regulations, Notification No. FEMA.3(R)/2018-RB dated December 17, 2018 (Amended up to February 16, 2026) and as amended from time to time.
- c) All documents covering the shipment must be routed through the same AD branch that received the advance payment.
- d) If the exporter is unable to ship, partly or fully, within three years of receipt of the advance, no remittance towards refund of the unutilized portion or towards interest payment may be made after expiry of the three-year period without prior TIBD approval.
- e) All inward remittances received as advance against exports, including old outstanding advances, must be reported by the branch in EDPMS.
- f) Electronic FIRC's issued against such inward remittances must also be reported in EDPMS.

II. Long-term export advance (up to 10 years)

Branches may allow exporters with a minimum three-year satisfactory track record to receive long-term export advances of up to 10 years' tenor, to be utilized for long-term supply contracts, subject to all the following:

- a) Firm, irrevocable supply orders/contracts must be in place and duly vetted, clearly specifying product nature, quantity, delivery timelines across the years, and penalty clauses for non-performance/cancellation. Pricing must align with prevailing international prices.
- b) The exporter must demonstrate capacity, systems, and processes to execute orders over the full contract duration.
- c) The facility is available only to entities with no adverse notice from Enforcement Directorate or any regulatory agency, and not on the caution list.
- d) Advances must be adjusted against future exports.
- e) Interest payable, if any, shall not exceed the all –in –one cost ceiling for Trade Credit.
- f) Documents must be routed through one AD bank only.
- g) AML/KYC compliance must be ensured by the branch.
- h) Such advances must not be used to liquidate Rupee loans classified as NPA.
- i) Double financing of working capital for the same export order must be avoided.
- j) Purchase of foreign exchange from the market to refund an advance credited to the exporter's EEFC account may be permitted only after the exporter's entire EEFC balances (across branches/banks) have been utilized first.



III. Bank Guarantee / SBLC issued for such long-term advances.

Where the branch is required to issue a BG/SBLC for export performance against a long-term advance:

- a) The issuance must be evaluated as rigorously as any other credit proposal, per the Bank's board-approved policy.
- b) BG/SBLC tenor shall not exceed two years at a time, rollover for a further two years at a time may be permitted, subject to satisfactory export performance against the contract.
- c) The BG/SBLC must cover only the advance amount on a reducing balance basis.
- d) A BG/SBLC issued from India in favour of the overseas buyer must not be discounted by the bank's own overseas branch/subsidiary.
- e) Branches shall additionally be guided by the Bank's Master Circular on Guarantees and Co-acceptances.

IV. Advance for export orders taking beyond 3 years to execute (no fixed 10-year cap)

Branches may allow exporters to receive advance payment for goods that would take more than three years to manufacture and ship, where the export agreement itself provides for shipment beyond three years, subject to:

- a) KYC and due diligence completed on the overseas buyer.
- b) AML compliance ensured.
- c) Branch confirms the advance is a bona fide transaction and is utilized only for executing the export, not for any other purpose.
- d) Any progress payments are received directly from the overseas buyer, strictly per contract terms.
- e) Interest payable, if any, shall not exceed the all-in-one cost ceiling for Trade Credit.
- f) No instance of refund exceeding 10% of advances received in the preceding three years.
- g) Documents are routed through the same AD bank throughout.

V. Branch follow-up obligations

- a) Branches must actively and efficiently follow up with exporters holding outstanding advances to ensure export performance (shipment) is completed within the stipulated period.
- b) Branches must exercise due diligence and ensure KYC/AML compliance so that only bona fide export advances are received.
- c) Doubtful cases and chronic defaulters must be referred to the Directorate of Enforcement (DoE) for investigation.
- d) Long-term advance (up to 10 years) where all conditions are fully met, and the exporter is not caution-listed/under adverse notice.
- e) Exporter under adverse notice of Enforcement Directorate/regulatory agency, or on the caution list cannot be granted the long-term advance facility refer for review.



C.3 EDF Approval for Trade Fair / Exhibitions Abroad

I. General permission

- a) Firms, companies, and other organizations participating in a trade fair/exhibition abroad may take/export goods for display and sale outside India without prior RBI approval.
- b) Unsold exhibit items may be sold outside the exhibition/trade fair venue, either in the same country or in a third country, including at a discounted value.
- c) Unsold goods may be gifted, up to a value of USD 5,000 per exporter, per exhibition/trade fair.

II. Branch approval of EDF for such exports

Branches may approve the EDF for goods exported for display or display-cum-sale at trade fairs/exhibitions abroad, subject to all the following conditions being met and monitored:

- a) **Re-import compliance:** The exporter must produce the relative Bill of Entry within one month of re-import into India of any unsold items.
- b) **Disposal reporting:** The exporter must report to the branch the method of disposal of every item exported i.e. whether sold, gifted, or re-imported along with repatriation of sale proceeds to India.
- c) **Mandatory audit:** Every such transaction approved by the branch is subject to 100% audit by the Bank's internal inspectors/auditors.

III. Cases branches may approve directly

- a) Standard export for display/sale at a trade fair/exhibition abroad, with the exporter undertaking to comply with re-import, reporting, and gifting-value conditions.
- b) Sale of unsold items outside the exhibition venue (same or third country), including at a discount, provided proceeds are repatriated and reported.
- c) Gifting of unsold goods provided the value does not exceed USD 5,000 per exporter per exhibition/trade fair.

IV. Cases requiring IBD approval.

- a) Gifting value exceeding USD 5,000 per exporter per exhibition/trade fair cannot be approved at branch level and will require TIBD, Mumbai approval on case-to-case basis as per below mentioned matrix:

Authority	Delegation
CM, IBD	Beyond USD5,000 to USD7,500/-
AGM, IBD	Beyond USD7,500 to USD10,000/-
DGM, TIBD	Beyond USD10,000 to USD50,000/-
Treasury Head (CGM/GM)	> USD 50,000/-

V. Documentation requirements

- a) List/value of goods exported for the exhibition/trade fair, with EDF reference.
- b) Exporter's undertaking to comply with re-import, reporting, and gifting-limit conditions.
- c) Bill of Entry for re-imported unsold items (within one month of re-import).
- d) Disposal report from the exporter method of disposal of every item (sold/gifted/re-imported) and repatriation details of proceeds.
- e) Internal audit/inspection report confirming 100% audit of the transaction.

Restricted



VI. Reporting and monitoring

- a) Branch to track the EDF until final disposal of all exported items is reported and, where applicable, re-import is completed, and proceeds repatriated.
- b) Branch to ensure the transaction is picked up in the 100% internal audit cycle for such exhibition-related exports.
- c) Gifting value utilized against the USD 5,000 per-exhibition limit to be recorded against the exporter, to prevent inadvertent breach.

C.4 EDF Approval for Export of Goods for Re-Import

I. General permission

Branches may consider requests from exporters for granting EDF approval where goods are being exported solely for the purpose of re-import into India, after undergoing.

- a) Repairs
- b) Maintenance
- c) Testing
- d) Calibration, or similar processes abroad.

II. Standard condition — Bill of Entry

- a) The exporter must produce the relative Bill of Entry within one month of re-import of the exported item into India.
- b) The branch shall track the EDF as open until this Bill of Entry is produced and verified.

III. Exception — goods destroyed during testing.

- a) Where goods exported for testing are destroyed in the course of testing (and therefore cannot be re-imported), the branch may accept, in lieu of the Bill of Entry, a certificate issued by the testing agency confirming that the goods were destroyed during testing.
- b) This certificate substitutes the Bill of Entry for the purpose of closing the EDF.

IV. Cases branches may approve directly.

- a) Standard export for repair/maintenance/testing/calibration, with the exporter undertaking to produce the Bill of Entry within one month of re-import.
- b) Closure of the EDF upon timely receipt of the Bill of Entry, or, in destruction cases, upon receipt of a valid testing-agency certificate confirming destruction.

V. Cases requiring TIBD, Mumbai Approval

- a) Bill of Entry not produced within one month of re-import, and no destruction certificate available refer for review before further action/closure.
- b) Testing-agency certificate is unclear, unverifiable, or from a non-recognized agency refer for verification before accepting in lieu of Bill of Entry.
- c) Goods neither re-imported nor destruction evidenced within a reasonable period refer up for follow-up/regularization.



Authority	Amount Involved Per Bill (Per Bill in INR Equiv.)
CM, IBD	Up to Rs.1.00 Crores
AGM, IBD	> Rs.1.00 Crores to Rs.5.00 Crores
DGM, TIBD	> Rs.5.00 Crores to Rs.15.00 Crores
Treasury Head (CGM/GM)	Full Power

VI. Documentation requirements

- EDF with clear notation that the export is for repair/maintenance/testing/calibration and re-import.
- Exporter's undertaking to produce Bill of Entry within one month of re-import.
- Bill of Entry on actual re-import, matched against the original export particulars.
- In destruction cases: original certificate from the testing agency confirming destruction of goods during testing.

VI. Reporting and monitoring

- Branch to maintain a tracker of all EDFs approved under this category, with due date for Bill of Entry/destruction certificate.
- EDF to remain open in the monitoring system until Bill of Entry or destruction certificate is received and verified.
- Cases pending beyond the one-month period to be flagged for follow-up as part of regular EDF/EDPMS monitoring.

C.5 Re-Export of Unsold Rough Diamonds from Special Notified Zone (SNZ) of Customs — Without EDF Formality

I. General exemption

- Rough diamonds imported into the Special Notified Zone (SNZ) on a free-of-cost basis, and subsequently re-exported unsold directly from the SNZ (without entering the Domestic Tariff Area), do not require any EDF formality.
- This exemption applies only so long as the diamonds remain within the SNZ (an area within Customs) and are not brought into the DTA at any point.

II. Entry conditions into SNZ

- Entry of any consignment of rough diamonds into the SNZ must be accompanied by a declaration of notional value, supported by an invoice, and packing list clearly indicating the free-of-cost nature of the consignment.
- Under no circumstance may such rough diamonds be permitted entry into the DTA.

III. Where a lot is cleared/sold at a notified centre

- For lot(s) cleared at centres duly notified under the Customs Act, 1962, or specified by CBIC (Department of Revenue, Ministry of Finance), the buyer must file the Bill of Entry.
- The branch may permit the import payment for such cleared lots only after being satisfied with the bona fides of the transaction.
- The branch must maintain a record of all such transactions.

IV. Reporting and monitoring

- a) Branch to maintain a dedicated record/register of all SNZ rough diamond transactions processed under this exemption, since these fall outside normal EDF tracking.
- b) Any consignment movement indicating DTA entry to be flagged and escalated immediately, given the absolute prohibition.

C.6 Foreign Currency Accounts of Overseas Branches/Office, Representatives of Indian Entities

I. Initial expenses at time of setting up the office.

Bank will allow remittances towards initial expenses of setting up an overseas branch/office/representative, up to the higher of:

- a) 15% of the average annual sales/income or turnover during the last two financial years, or
- b) 25% of the net worth of the Indian entity.

It may be noted that approval from TIBD, Mumbai for setting up an overseas branch/office/representative is in place before remitting such funds.

II. Recurring expenses for normal operations

- a) Branches may allow remittances up to 10% of the average annual sales/income or turnover during the last two financial years, for normal business operations of the overseas office (trading/non-trading)/branch/representative.
- b) This is subject to all the following conditions:
 - The overseas branch/office/representative has genuinely been set up/posted for conducting normal business activities of the Indian entity.
 - The overseas branch/office/representative shall not enter into any contract or agreement contravening FEMA or its Rules/Regulations.
 - The overseas office/branch/representative shall not create any financial liabilities (contingent or otherwise) for the Head Office in India and shall not invest surplus funds abroad without prior RBI approval. Any surplus funds must be repatriated to India.

III. Reporting of overseas bank accounts

Details of bank accounts opened in the overseas country by the branch/office/representative must be promptly reported to the bank.

IV. Remittance for immovable property abroad

Branches may allow remittances by an Indian-incorporated company with overseas offices, within the limits as specified in Point I, to acquire immovable property outside India for business use and for residential use of its staff.

V. Repatriation — software exporters (off-site/on-site contracts)

- a) The overseas office/branch of a software exporter company/firm may repatriate 100% of the contract value of each off-site contract.
- b) For companies undertaking on-site contracts, profits from such on-site contracts must be repatriated after completion of the contract.



VI. Annual reporting by the overseas office

An audited yearly statement showing receipts under off-site and on-site contracts, expenses incurred, and repatriation made, must be submitted by the overseas office to the branch.

VII. Relaxed route for Exports through warehouses in 'Bharat Mart' in UAE

As per relaxation given by RBI vide its notification Ref No : A.P.(DIR Series) Circular No. 03 dated April 23, 2025

Bank may allow the following without any pre-conditions, after verifying the reasonableness of the same:

- Opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter with a valid Importer Exporter Code.
- Remittances by the Indian exporter for initial as well as recurring expenses for such setup and continuing business operations of its offices.

C.7 Delay in Submission of Shipping Documents by Exporters

Where an exporter presents shipping documents after the prescribed 21-day period from date of export, the branch may accept and handle them without prior RBI approval, provided the branch is satisfied with the reason for the delay.

Branch may approve directly where the delay is genuine, satisfactorily explained, and the exporter's track record raises no concern.

As per regulatory instruction, Bank will not levy any penalty for late submission of Shipping Documents, however branches are required to ensure that customers are well informed and educated that they submit the documents in time.

C.8 Return of Documents to Exporters

Once the duplicate copy of the EDF and shipping documents are submitted to the branch for negotiation, collection, etc., they should not ordinarily be returned to the exporter except where returned solely for rectification of errors and resubmission.

C.9 Landlocked Countries

For exports to certain landlocked countries, the branch may deliver one negotiable copy of the Bill of Lading to the Master of the carrying vessel or to a trade representative, subject to:

- a) The shipment being covered by an irrevocable Letter of Credit, and
- b) The documents conforming strictly to the terms of that Letter of Credit, which must itself specifically provide for such delivery.

Branch may take the necessary action when both conditions above are satisfied — irrevocable LC in place, and the LC terms expressly permit delivery of the negotiable Bill of Lading copy to the vessel's Master/trade representative.



C.10 Direct Dispatch of Documents by the Exporter

Branch should normally dispatch shipping documents to their overseas branches/correspondents expeditiously. However, they may dispatch shipping documents direct to the consignees or their agent's resident in the country of destination of goods in cases where:

a) Branch-dispatched direct to consignee — advance/LC-backed

Branches may dispatch shipping documents directly to the consignee or their agent resident in the country of final destination, where:

- Advance payment or an irrevocable LC has been received for the full export value, and the underlying sale contract/LC itself provides for direct dispatch to the consignee/agent; or
- The exporter is a regular customer, and the branch is satisfied — based on the exporter's standing and track record — that arrangements exist for realization of export proceeds.

b) Status Holder Exporters / SEZ units — exporter dispatches document themselves

Branches may permit Status Holder Exporters (as defined in the FTP) and SEZ units to dispatch export documents themselves directly to the consignee, subject to:

- Export proceeds being repatriated through the branch named in the EDF, and
- The duplicate EDF being submitted to the branch, for monitoring, within 21 days of shipment.

c) Regularization of exporter's own direct dispatch — any exporter, any value

Branches may regularize cases where the exporter has already dispatched shipping documents directly to the consignee/agent, irrespective of shipment value, subject to all:

- Export proceeds realised in full (except for any amount duly written off per extant provisions).
- Exporter is a regular customer of the branch for at least 6 months.
- Exporter's account is fully KYC/AML compliant.
- Branch is satisfied about the bona fides of the transaction.
- Where in doubt, the branch should consider filing an STR with FIU-IND.

d) Reporting and monitoring

- Branch to track EDFs under direct-dispatch arrangements until proceeds are fully realised and reported in EDPMS.
- Regular review of exporters using this facility to confirm continued eligibility (regular customer status, KYC/AML compliance).
- Any STR filed with FIU-IND to be recorded and tracked per the Bank's AML policy.

C.11 Part Drawings / Undrawn Balances

I. General permission — negotiating bills with undrawn balance

In trade lines where a small part of invoice value is customarily left undrawn (pending post-arrival adjustment for weight, quality, etc.), branches may negotiate the bill, provided:



- a) The undrawn balance is normal for that line of trade, subject to a maximum of 10% of full export value.
- b) An undertaking is obtained from the exporter, endorsed on the duplicate EDF, that the balance proceeds will be surrendered/accounted for within the prescribed realization period.

II. Where undrawn balance cannot be repatriated despite best efforts

Branches may treat the bill as substantially realised, without further chasing the undrawn balance, where all the following are satisfied:

- a) Branch is satisfied with the bona fides of the case and the exporter's efforts to recover the balance.
- b) The exporter has realised at least the value for which the bill was initially drawn (excluding the undrawn balance), or 90% of the EDF-declared value — whichever is higher.
- c) At least one year has elapsed from the date of shipment.

III. Cases branches may approve directly at their end

- a) Negotiation of bills with undrawn balance up to 10% of export value, undertaking obtained on EDF.
- b) Treating the bill as realised under Section II, where the 90%/initially drawn threshold and 1-year condition are both met, and bona fides are clear.

IV. Cases branches cannot approve directly at their end.

- a) Undrawn balance exceeds 10% of export value or is not normal for the trade line — refer up before negotiating.
- b) Realisation falls short of both the initially-drawn value and the 90% EDF-value threshold, even after 1 year — refer for review/write-off consideration rather than closing.
- c) Doubt about the bona fides of the exporter's efforts to recover the undrawn balance — refer for verification.

V. Documentation requirements

- a) Exporter's undertaking on the duplicate EDF to surrender/account for the undrawn balance within the prescribed period.
- b) Working showing undrawn balance as % of full export value.
- c) For Section II cases: proof of realised value vs. initially drawn value/90% EDF threshold, and date of shipment confirming 1-year lapse.

VI. Reporting and monitoring

- a) Branch to track undrawn balances per EDF until surrendered/accounted for or regularised under Section II.
- b) Cases pending beyond 1 year without meeting Section II thresholds to be reviewed for further follow-up or referred for write-off consideration.



Delegation Matrix – Part Drawings / Undrawn Balances:

Particulars/Instances	FEX Branch	Concerned Zonal Office (ZM/ DZM/ ZLCC In charge) (For Approval/ Recommendation)	TIBD Approval (AGM/DGM)
Undrawn balance $\leq 10\%$ of export value, undertaking obtained	May approve and negotiate	Not required	Not required
Balance unrecovered after 1 year; $\geq 90\%$ (or initial drawn value) realised, bona fides satisfied	May treat as realised & close	Not required	Not required
Undrawn balance $> 10\%$ & with 1 Year	Cannot approve	Approval	Not required
Realisation below threshold even after 1 year	Cannot approve	Recommend	Approval

C.12 Consignment Exports

Bank will handle the Export executed on the basis of Consignment Exports based on below parameters:

(i) When goods have been exported on consignment basis, Bank, while forwarding shipping documents to his overseas branch/ correspondent, will instruct the latter to deliver them only against trust receipt/undertaking to deliver sale proceeds by a specified date within the period prescribed for realization of proceeds of the export.

This procedure should be followed even if, according to the practice in certain trades, a bill for part of the estimated value is drawn in advance against the exports.

(ii) The agents/consignees may deduct from sale proceeds of the goods expenses normally incurred towards receipt, storage and sale of the goods, such as landing charges, warehouse rent, handling charges, etc. and remit the net proceeds to the exporter.

(iii) The account sales received from the Agent/Consignee will be verified by the banks. Deductions in Account Sales should be supported by bills/receipts in original except in case of petty items like postage/cable charges, stamp duty, etc.

(iv) In case the goods are exported on consignment basis, freight and marine insurance must be arranged in India.

(v) Bank may allow the exporters to abandon the books, which remain unsold at the expiry of the period of the sale contract. Accordingly, the exporters may show the value of the unsold books as deduction from the export proceeds in the Account Sales.

C.13 Opening / Hiring of Warehouses Abroad**I. Eligibility conditions — general warehouse abroad**

Branches may consider exporter applications for opening/hiring a warehouse abroad and forward the same to TIBD for approval, complying with below mentioned conditions:

- a) Export outstanding does not exceed 5% of exports made during the previous financial year.
- b) Minimum export turnover of USD 100,000 during the last financial year.
- c) Realization period as applicable to the exporter's category.
- d) All transactions under the warehouse arrangement routed through the designated branch.

II. Validity and renewal

- a) Permission is granted initially for one year.
- b) Renewal may be considered, subject to the applicant continuing to satisfy the eligibility conditions in Section I.

III. Relaxed route — warehouse in 'Bharat Mart'

Under A.P. (DIR Series) Circular No. 03 dated April 23, 2025, branches may also accept request and forward the same to IBD, Mumbai for approval, allowing opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter holding a valid Importer Exporter Code (IEC), after the branch verifies the reasonableness of the request.

IV. Documentation requirements

- a) Exporter's application for warehouse abroad (or Bharat Mart warehouse).
- b) Export outstanding and turnover computation for the preceding financial year (general route).
- c) Valid IEC copy (Bharat Mart route) and branch's reasonableness-verification note.
- d) Record of designated branch through which transactions will be routed.
- e) Approval register maintained by the branch/office granting permission.

V. Reporting and monitoring

- a) Branch to maintain a record of all warehouse approvals granted, including validity period and renewal due dates.
- b) Eligibility (export outstanding %, turnover) to be reassessed at each renewal.
- c) Transactions routed through the designated branch to be monitored for continued compliance with the approval terms.

C.14 Export Bills Register

Bank maintains Export Bills Register in electronic form that should invariably matches with EDPMS. Every export bill gets a number, assigned financial-year-wise (April to March), and reported in EDPMS.

C.15 Follow-up of Overdue Bills

Branches must closely track realization of export bills. If a bill remains outstanding beyond its due date, the branch must promptly take it up with the exporter. If the exporter neither arranges realization within the stipulated period nor seeks extension, the branch must report the matter to the Regional Office of RBI, stating the reason for delay where known.

Duplicate EDF forms must be retained by the branch until full proceeds are realised.

Follow-up must be systematic and vigorous any laxity will be viewed seriously by Top management. All export realizations must be reported in EDPMS through TRRACS.

Records to keep: Follow-up correspondence with the exporter, duplicate EDF (until realized)

Monitoring: All realizations/extensions are to be reported in EDPMS, overdue bills to be tracked systematically so that defaulting exporters don't go unaddressed.

C.16 Reduction in Invoice Value on Account of Prepayment of Usance Bills

Exporters may approach branch for reduction in invoice value on account of cash discount to overseas buyers for prepayment of the usance bills. Banks may allow cash discount to the extent of amount of proportionate interest on the unexpired period of usance, calculated at the rate of interest stipulated in the export contract or at the prime rate/ any other widely accepted / Alternative reference rate of the currency of invoice where rate of interest is not stipulated in the contract.

Document Required: -

- Request letter of exporter
- Reasons for reduction supported by documentary evidence.

C.17 Reduction in Invoice Value in Other Cases

I. Standard reduction — up to 25%

After a bill has been negotiated or sent for collection, the branch may approve a reduction in its amount, if satisfied about the genuineness of the request, provided:

- a) Reduction does not exceed 25% of invoice value.
- b) Goods are not subject to floor-price stipulations.
- c) Exporter is not on RBI's caution list.
- d) Exporter is advised to surrender proportionate export incentives availed, if any.

II. Reduction beyond 25% — exporters with 3+ years' track record

Where the exporter has been in export business for more than 3 years, reduction may be allowed without any percentage ceiling, subject to compliance of:

- a) All conditions in Section I(b)–(d) above, and
- b) Satisfactory track record, export outstanding not exceeding 5% of average annual export realization during the preceding three financial years.

While computing the outstanding percentage in Section II(b), outstanding relating to exports to countries facing externalization problems may be excluded, provided the buyer has already paid in local currency.

Delegation matrix for approving such extension is mentioned below

III. Documentation requirements

- a) Exporter's written request stating reason for reduction.
- b) Computation of reduction as % of invoice value.
- c) Confirmation goods are not floor-price commodities.
- d) Caution-list check result.
- e) For Cases as mentioned in Section II above: track record evidence (3+ years), outstanding-to-realization computation, and any externalization-country exclusions with proof of local-currency payment.
- f) Record of advice/certificate/customs challan evidencing surrender of proportionate export incentives.

Restricted



➤ **Delegation Matrix – Reduction in Invoice Value for Normal Bills (> Rs 10 Lakhs)**

Particulars/Instances	Branch	Concerned Zonal Office (ZM/ DZM/ ZLCC In charge) (For Approval/ Recommendation)	TIBD Approval
Reduction ≤25%, all conditions met	May Approve	No Role	No Role
Reduction >25%, outstanding ≤5% & for Exporters having less than 3 Years Records	Recommend	Approve	No Role
Reduction >25% to 30% irrespective of Years in Business	Request	Recommend	May be Approved by AGM IBD
Reduction >30% to 50% & irrespective of Years in Business	Request	Recommend	May be Approved by DGM TIBD
>50 % & irrespective of Years in Business	Request	Recommend	May be Approved by TIBD Head

➤ **Reduction in Invoice Value for small value Bills (up to Rs 10 Lakhs)**

Provided that 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 non-realisation of full export value) may be permitted by FEX Branches (B-category branches) based on a declaration from the exporter.

For Exporter's associated with 'C' category branches, permission for such reduction is to given by their mapped "B" category Branch.

FEX Branches to ensure proper marking of such reduction and ensure required reporting in EDPMS.

C.18 Change of Buyer/Consignee

If goods are already shipped and, due to the original buyer's default, need to be transferred to a new buyer, no prior approval is needed provided the value reduction (if any) is within 25% of invoice value, and proceeds are realized within prescribed timelines.

For cases, where reduction exceeds 25%, approval may be sought from the delegatory authority as per Para - Reduction in Invoice Value in Other Cases

C.19 Export of Goods by Special Economic Zones (SEZs)

I. Job work abroad and export from that country

SEZ units may undertake job work abroad and export goods directly from that country, provided:

- Processing/manufacturing charges are suitably loaded into the export price and borne by the ultimate buyer.
- The exporter has made satisfactory arrangements for realization of full export proceeds, subject to the usual EDF procedure.

II. Foreign exchange payment — DTA unit to SEZ unit

- a) Branches may permit a DTA unit to purchase foreign exchange to pay an SEZ unit for goods supplied to it.
- b) Branches may also sell foreign exchange to a DTA unit to pay an SEZ unit for services rendered by the SEZ unit to the DTA unit.
- c) Before permitting such foreign exchange payment, the branch must ensure that the SEZ unit's Letter of Approval (LoA) from the Development Commissioner specifically mentions the goods/services supplied to the DTA unit and payment in foreign exchange for the same.

III. B-category branches may approve directly for any:

- a) Job work export from abroad, with charges loaded into export price and satisfactory realization arrangement in place.
- b) Foreign exchange sale to DTA unit for payment to SEZ unit, where the LoA clearly covers the goods/services and foreign exchange payment.

C.20 Extension of Time

i. General permission — up to 6 months at a time

Branches may extend the period of realization of export proceeds beyond the stipulated period of realization from the date of export, up to 6 months at a time, up to irrespective of invoice value, subject to below mentioned conditions:

- a) The export transaction is not under investigation by ED/CBI or any other investigating agency.
- b) Branch is satisfied the exporter could not realize proceeds for reasons beyond their control.
- c) Exporter submits a declaration that proceeds will be realized during the extended period.
- d) For extension beyond one year from date of export: exporter's total outstanding does not exceed USD 1 million or 10% of average export realization during the preceding three financial years — whichever is higher.
- e) Where the exporter has filed suit abroad against the buyer, extension may be granted irrespective of amount involved/outstanding.

Extension will be granted for a period of 6 months at a time., beyond the stipulated period of realization of export, maximum up to 3 years as per below mentioned delegations.

Authority	Delegation
Branch Heads (CM & above)	Extension up-to One Year beyond the stipulated period of realization of export (6 months at a time)
Zonal Office (DZM / ZM)	From One Year to 3 Years (6 months at a time)

For Branches Headed by Scale I, II & III; concerned Zonal Office only will have the delegation to consider any extension up-to 3 Years.

These delegations will be effective only when while granting such extensions, below mentioned conditions are fulfilled & ensured: -

- a) such transaction should not be under investigation of Enforcement Directorate/Central Bureau of Investigation or other investigating agencies.



b) While granting/considering extension beyond 6 months from the stipulated date of realization of export, a certificate from company certifying total export outstanding does not exceed USD One Million will be required.

c) While granting/considering extension beyond 1 Years from the stipulated date of realization from the date of export, a certificate from Chartered Accountant (CA) certifying total outstanding of the exporter does not exceed USD one million or 10 % average export realizations during proceeding three financial years, whichever is higher to be obtained and satisfied.

d) When such extension is granted, the extended date should be indicated in the 'Remarks' column while reporting the same in EDPMS.

Cases not covered by the above instructions/ beyond the limits may be referred to TIBD with proper justification and documentary evidence. The delegation at TIBD will be as below:

Authority	Delegation
CM, IBD	Extension beyond Three Year from the stipulated date of realization of export to Four Year
AGM, IBD	Extension beyond Four Year from the stipulated date of realization of export to Five Year
DGM, TIBD	Extension beyond Five Year from the stipulated date of realization of export to Seven Year
Treasury Head (CGM/GM)	• Extension beyond the limits (<i>USD one million or 10 % average export realization in 3 preceding financial years as mentioned above</i>) & • Extension beyond Seven Year from the stipulated date of realization.

Cases where the exporter has filed suits abroad, against the buyer, extension may be granted irrespective of the amount involved/ outstanding but within the delegatory powers as stipulated above.

C.21 Shipments Lost in Transit

i. Insurance claim to be filed promptly

Where a shipment for which payment has not been received (whether under LC negotiation or otherwise) is lost in transit, the branch must ensure an insurance claim is made as soon as the loss is known.

ii. Claim payable abroad — collection before releasing EDF

Where the claim is payable abroad, the branch must arrange to collect the full claim amount through its overseas branch/correspondent and release the duplicate EDF only after the amount has been collected.

iii. Certification

The amount of claim received must be certified on the reverse of the duplicate EDF.

iv. Carrier's liability settlements

Where shipping companies/airlines partially settle the loss directly abroad under carrier's liability, the branch must ensure that exporters repatriate these amounts to India as well.

v. **Branches to ensure:**

- a) Filing and following up the insurance claim promptly upon known loss.
- b) Releasing the duplicate EDF only after full claim collection, with certification recorded.
- c) Tracking and ensuring repatriation of carrier's-liability settlements paid directly abroad.

vi. **Documentation requirements**

- a) Proof of insurance claim filed, with date of loss and date of filing.
- b) Correspondence with overseas branch/correspondent on claim collection.
- c) Certificate of claim amount received, endorsed on the duplicate EDF.
- d) Evidence of repatriation for any carrier's-liability settlement paid directly abroad.

vii. **Reporting and monitoring**

- a) Branch to track the EDF as open until the claim is collected and certified.
- b) Follow up separately on carrier's-liability settlements to ensure timely repatriation.
- c) Report realization/closure in EDPMS through on completion.

C.22 Export Claims

Branches may remit export claims on the exporter's application, provided the underlying export proceeds are already realised and repatriated to India, and the exporter is not on RBI's caution list. In every case, the exporter must produce documentary evidence related to surrender of proportionate export incentives, if any.

C.23 Unrealised Export

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, already allowed by the Bank, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit.

C.24 Write-Off of Unrealised Export Bills

1. An exporter who has not been able to realize the outstanding export dues despite best efforts, may either self-write off or approach the Bank's Branch, who had handled the relevant shipping documents, with appropriate supporting documentary evidence. The limits prescribed for write-offs of unrealized export bills are as under:

Particulars	Limit	Limit(%) in relation to
Self-write-off by an exporter (Other than the Status Holder Exporter)	5%	Total export proceeds realized during the calendar year preceding the year in which the write-off is being done
Self-write-off by Status Holder Exporter	10%	
Write-off by AD Category-1 Bank	10%	

2. The above limits of self-write-off and write-off by the Bank shall be reckoned cumulatively and shall be available subject to the following conditions:

- The relevant amount has remained outstanding for more than one year;

- Satisfactory documentary evidence is furnished indicating that the exporter had made all efforts to realize the export proceeds;
- The exporter is a regular customer of the bank for a period of at least 6 months, is fully compliant with KYC/AML guidelines, and Bank is satisfied with the bonafides of the transaction.
- The case falls under any of the under-noted categories:
 - a. The overseas buyer has been declared insolvent and a certificate from the official liquidator, indicating that there is no possibility of recovery of export proceeds, has been produced.
 - b. The unrealized amount represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce, or similar Organization;
 - c. The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country.
 - d. The overseas buyer is not traceable over a reasonably long period
 - e. The unrealized amount represents the undrawn balance of an export bill (not exceeding 10% of the invoice value) remaining outstanding and turned out to be unrealizable despite all efforts made by the exporter;
 - f. The cost of resorting to legal action would be disproportionate to the unrealized amount of the export bill or where the exporter even after winning the Court case against the overseas buyer could not execute the Court decree due to reasons beyond his control
 - g. Bills were drawn for the difference between the letter of credit value and actual export value or between the provisional and the actual freight charges but the amounts have remained unrealized consequent on dishonour of the bills by the overseas buyer and there are no prospects of realization.
- 3. Bank may also permit the write-off of the outstanding amount of export bills up to the specified ceilings indicated in Point 1 above, where the documents have been directly dispatched by the exporter to the consignee or his agent resident in the country of the final destination of goods if the case falls under any of the categories specified above.

However, specified ceilings indicated in Point 1 above, will not be applicable in respect of cases falling under any of the categories specified in Point 2, 4th Bullet Points, Sub Point No 'a', 'b', 'c' and Exporters may request write-off of such cases without any ceiling.

These write-offs will be approved by respective authorities within the delegatory power as specified in section - C.24.4: DELEGATION

4. The banks will ensure that the exporter seeking write-off has submitted documentary evidence towards surrendering of proportionate export incentives if any, availed of in respect of the relative export bill.
5. In case of self-write-off, the bank shall obtain from the exporter, a certificate from a Chartered Accountant indicating the export realization in the preceding calendar year and details of the amount of write-off, if any, already availed of during the current calendar year along with the requisite details of the EDF/Export Bill under the write-off request. This certificate shall also indicate that the export benefits, if any, availed by the exporter have been surrendered.

6. However, the following would not qualify for the "write-off" facility:
 - a. Exports are made to countries with externalization problems i.e. where the overseas buyer has deposited the value of export in local currency but the amount has not been allowed to be repatriated by the central banking authorities of the country.
 - b. EDF/SDF forms are under investigation by agencies like the Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are the subject matter of civil/criminal suits.
7. Banks has in place a system under which its internal inspectors or auditors (including external auditors appointed) would carry out random sample checks/percentage checks of "write-off" outstanding export bills.
8. Cases not covered by the above instructions / beyond the above limits may be referred to TIBD Mumbai

C.24.1 GUIDELINES

Given the above it is now proposed to continue with the existing guidelines in respect of write off of unrealized export bills, as under:

1. Write-off of unrealized export bills should be considered independently of the Bank's "Compromise & Write-off Policy".
2. Only export bills received on a collection basis or export bills originally negotiated but subsequently crystallized, with the amount advanced having been recovered in full inclusive of interest and other charges, if any, should be considered for the write-off, subject to their compliance with all the mandatory conditions as stipulated by the Reserve Bank of India, Master Circular of January 1, 2016 (Updated as on March 17, 2025) as well as amendments/modifications issued in this regard from time to time.

C.24.2 CLOSING OF OLD OUTSTANDING EXPORT BILLS

As per AP (DIR Series) Circular No. 62 dated October 14, 2013, an old export bill may be closed by AD banks as a one-time measure, provided the export bill fulfils the following conditions:

1. The exporter should not come under a pending civil suit/ criminal suit
2. The exporter has not come to the adverse notice of the Directorate of Enforcement (DoE)/ Central Bureau of Investigation (CBI)/ Directorate of Revenue Intelligence (DRI) or any such other law enforcement agency
3. The Exporter has no externalization problem with the expert recipient countries
4. AND the export bill falls under the following categories:
5. With a ceiling of USD 1,00,000 and outstanding beyond 15 years as on 31.12.2012
6. With a ceiling of USD 50,000 and outstanding for more than 5 years as of 31.12.2012 where customers are not traceable subject to proof of non-traceability from the competent authority and under the banks' internal board-approved policy.

C.24.3 POWERS DELEGATED TO VARIOUS AUTHORITIES FOR APPROVING WRITE OFF OF UNREALIZED EXPORT BILLS ARE AS UNDER

Based on experience the eligibility for the write-off of export bills from the FEMA angle is required to be ascertained at the B-category branch level and re-ascertained at TIBD. Further, this write-off is

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only from the FEMA angle where no sanction or credit decision is involved. It is, therefore, proposed to have delegation powers for write off the export bill from the FEMA angle at TIBD only and the same is continued. However, considering that the exporter might have availed advance against such export bills which remained outstanding at the branch other than the B-category branch which has handled the export bills, it is necessary to involve the concerned base branch where the client is maintaining Accounts and Zonal office.

Thus, the competent authority would allow write off based on:

1. Proposal from B-category branch.
2. Confirmation from the base branch of the client that no advance is outstanding or bank's funds are not involved against the bill proposed for write-off.
3. Recommendation from the concerned Zonal Office for such write-off.

C.24.4 DELEGATION

It is proposed to continue with the existing delegation of powers for write off of export Bills as under:

Sr. no.	Authority	Powers to write off export bills per request (Rs or equivalent foreign currency at RBI reference rate on the date of such write-off)
1	CM, TIBD*	Rs 1 crore**
2	AGM, TIBD*	Rs. 5 crore**
3	DGM, TIBD*	Rs 15 crore**
4	CGM/GM, TIBD/Treasury Head	Full powers**

*Handling Charge of IBD.

**subject to maximum permissible cap within the extant RBI Guidelines applicable at time of processing of request

The following procedure would be followed by the Bank for handling write-off export bills.

All requests (including self-write-off by the exporter) for the write-off of unrealized export bills should be forwarded to the International Banking Division, TIBD.

1. In case of requests for the write-off of unrealized export bills received from exporter customers who route their export bills through the B-category branch but enjoy credit limits or maintain accounts at some other branch, the B-category branch should seek confirmation from the parent branch that no advance against the export bills requested to be written off, is outstanding at their end. On receipt of such confirmation, the B-category branches should forward the write-off application to the International Division with a copy to their Zonal Office requesting to forward their comments /concurrence to International Banking Division.
2. The International Banking Division, depending upon the amount of write-off requested, shall deal with the request and put up the proposal to the competent authority as per the delegation of powers as conferred above along with a detailed note giving compliance with the Reserve Bank of India guidelines, further B- category branch shall write off the relative export bill(s) in EDPMS.
3. B-Category Branch should maintain a proper record of the relevant papers and documents, concerning such write-off cases, for a period of -5- years or till they are verified by the inspectors of the Reserve Bank of India.

C.25 Write-Off in Cases of Payment of Claims by ECGC and IRDA-Regulated Private Insurers

On the exporter's application, supported by documentary evidence from ECGC or an IRDA-regulated private insurer confirming the claim has been settled, the branch shall write off the relative export bill(s) in EDPMS.

- a) This write-off is **not restricted** to the 10% limit applicable as above.
- b) Surrender of export incentives, if any, follows the Foreign Trade Policy provisions.
- c) Rupee-settled claims by ECGC/IRDA-regulated insurers are **not** to be treated as export realization in foreign exchange.

Branch may approve application supported by valid ECGC/IRDA-insurer claim-settlement evidence.

Branches are required to report such Write-off in EDPMS as per standard process.

C.25.1 Write-Off — Relaxation

Under the Foreign Trade Policy, realization of export proceeds is not insisted upon for benefits availed under Export Promotion Schemes, provided:

- a) The write-off is allowed by the bank, as per extant guidelines.
- b) The exporter produces a certificate from the concerned Indian Foreign Mission confirming non-recovery of export proceeds from the buyer.
- c) This relaxation does **not** apply to self-write-off cases.

C.26 Set-Off of Export Receivables Against Import Payables

- i. 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, in any, subject to conditions applicable to all set-off as below:
 - a) The arrangement is operationalised/supervised through one AD bank only.
 - b) Branch is satisfied about bona fides — no KYC/AML/CFT concerns.
 - c) Invoices are not under investigation by ED/CBI or any other agency.
 - d) Import/export is undertaken as per the Foreign Trade Policy.
 - e) ACU-country transactions are kept outside the arrangement.
 - f) Goods receivables cannot be set off against services payables, or vice versa.
 - g) Both legs must be genuinely outstanding at the time of set-off, and relate to the same calendar year.
 - h) Bilateral set-off: same overseas buyer/supplier, supported by a verifiable agreement/mutual consent.
 - i) Group/associate set-off: backed by a written, legally enforceable agreement, strictly adhered to.
 - j) Set-off must not result in tax evasion/avoidance by any party involved.

- k) Third-party payment guidelines (per Part-A) to be followed where applicable.
- l) All other regulatory requirements must be complied with.
- m) Auditor/CA certificate to be obtained where the branch feels necessary.
- n) Each export and import transaction reported separately (gross basis) in FETERS/EDPMS/IDPMS.
- o) Settlement recorded in E/IDPMS using the 'set-off indicator', with shipping bill/Bill of Entry/invoice details and entities involved noted in remarks.

ii. **Reporting and monitoring**

- a) Both legs reported separately (gross) in FETERS/EDPMS/IDPMS.
- b) Settlement recorded in E/IDPMS using the set-off indicator, with full remarks (shipping bill/BoE/invoice, entities involved).
- c) Branch to periodically review set-off arrangements for continued compliance with the agreement terms and regulatory conditions.

- iii. **Delegation:** Any set off request received by Branches are to be forwarded to TIBD, Mumbai where the delegation to accord approval of such set-off on case-to-case basis are as below:

Sr. no.	Authority	Powers to allow Set- off bills per request (Rs or equivalent foreign currency at RBI reference rate on the date of such Set-off)
1	CM, TIBD*	Rs. 1 crore
2	AGM, TIBD*	Rs. 5 crores
3	DGM, TIBD	Rs. 15 crores
4	CGM/GM, TIBD/Treasury Head	Full powers

C.27 Netting-Off of Export Receivables Against Import Payments — SEZ Units

- i. **Scope and timing:** Branches may allow SEZ-unit exporters to net off export receivables against import payments, subject to:
 - a) Netting is bilateral — same Indian SEZ entity and the same overseas buyer/supplier.
 - b) Netting may be done as on the SEZ unit's balance sheet date.
- ii. **Documentation and EDF closure**
 - a) Export details documented via EDF(O) forms/DTR; import details via A1/A2 forms, as applicable.
 - b) The relative EDF is treated as complete by the branch only after the entire proceeds are adjusted/received through netting.
- iii. **Reporting:** Sale and purchase transactions must be reported separately in R>Returns under FETERS.
- iv. **Exclusion :** Export/import transactions with ACU countries are kept outside this netting arrangement.
- v. **Documents:** All relevant documents must be submitted to the branch, which must ensure compliance with all applicable regulatory requirements.

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Delegation: Any netting- off request received by Branches are to be forwarded to TIBD, Mumbai where the delegation to accord approval of such netting-off on case-to-case basis are as below:

Sr. no.	Authority	Powers to allow Netting- off bills per request (Rs or equivalent foreign currency at RBI reference rate on the date of such Netting-off)
1	CM, TIBD*	Rs. 1 crore
2	AGM, TIBD*	Rs. 5 crores
3	DGM, TIBD	Rs. 15 crores
4	CGM/GM, TIBD/Treasury Head	Full powers

vi. **Documentation requirements**

- EDF(O)/DTR (Export Declaration Form - Other/Manual) or a DTR (Daily Trade Return) for export leg; A1/A2/In lieu of A1/A2 form for import leg.
- Confirmation both legs relate to the same SEZ entity and same overseas buyer/supplier.
- Balance sheet date on which netting is done.
- FETERS R-Return records showing sale and purchase reported separately.

vii. **Reporting and monitoring**

- Branch to close the EDF only after full adjustment/receipt of proceeds via netting.
- Sale and purchase legs tracked and reported separately in FETERS, despite being netted commercially.
- Branch to periodically verify SEZ units using this facility remain compliant with bilateral and documentation conditions.

C.28 Exporters' Caution List

i. **Caution-listing / de-caution-listing basis**

- The bank would make recommendations in this regard to the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank in case the exporter has come to the adverse notice of the Enforcement Directorate(ED) / Central Bureau of Investigation (CBI) / Directorate of Revenue Intelligence (DRI) /any such other law enforcement agency and/or the exporter is not traceable and/or is not making sincere efforts to realise the export proceeds and reconcile their outstanding/overdue EDPMS entries.
- Branches are required to follow-up / co-operate with the exporter to facilitate the closure of the pending Shipping Bill / EDF Form through the simplified process prescribed vide RBI's A.P. (Dir Series) Circular No. 12 dated October 01, 2025, which permit the reconciliation and closure of small-value entries (₹10 lakh or less) based on declarations submitted by the exporter/importer.
- Additionally, while forwarding the application request for caution listing recommendations to IBD Mumbai for onward submission to RBI, Branches are required to consider the quantum and nature of pending entries keeping in view of the aforesaid guidelines on closure of small value bills.
- FEX Branches may also recommend Customer's for de-caution listing once they are satisfied with the efforts taken by the captioned entity in realization and reconciliation of overdue Shipping Bills / EDF Forms (pending against its IEC) in EDPMS
- Branches may also consider the realization and substantial reconciliation of overdue Shipping Bills in EDPMS portal and make suitable recommendation for de-caution listing to IBD Mumbai for onward submission to RBI.

- f) Any request to IBD, Mumbai for Caution Listing/ de-caution listing of any Exporter should have the required recommendation from concerned Zonal Office, basis which only any further recommendation to RBI concerned regional office will be made by IBD, Mumbai, once circumstances warrant and on case-to-case basis.

ii. Handling shipping documents/remittances of caution-listed exporters

- a) The branch must intimate the exporter of their caution-listing, with details of outstanding shipping bills.
- b) When a caution-listed exporter submits shipping documents for negotiation/purchase/discount/collection, the branch may accept them **only** if:
- Evidence of advance payment or an irrevocable LC covering full export value is produced, or
 - For usance bills — the LC covers full export value, permits such drawings, and the bill matures within the prescribed realisation period from date of shipment.
- c) Apart from above conditions, the branch must **not** handle shipping documents of a caution-listed exporter.
- d) The branch must obtain prior approval from TIBD, Mumbai before issuing any guarantee on behalf of a caution-listed exporter. Such approval can only be given by Treasury Head (CGM/GM).
- e) Caution Listed Exporter may remit the funds outside India for bonafide business transactions within the RBI & FTP framework from their own source of funds.

No outward remittance from caution listed Exporter's will be allowed from Bank's sanctioned credit facilities.

C.29 Issuance of Electronic Bank Realisation Certificate (eBRC)

Bank will mandatorily update EDPMS with export proceeds data on an "as and when realised" basis. eBRCs must be generated **only** from data available in EDPMS, ensuring consistency between EDPMS and the consolidated eBRC.

To further improve trade facilitation for exporters, DGFT has implemented an enhanced electronic Bank Realisation Certificate (eBRC) system. This streamlined process is based on electronic Inward Remittance Messages (IRMs) which will be transmitted directly by bank to DGFT. Based on the IRMs received, the exporters shall self-certify their eBRCs.

Branches are required to be guided and inform their clients also by the guidelines issued by DGFT via Trade Notice No. 02/2025-26 dated April 21, 2025, Trade Notice No. 12/2024-25 dated August 14, 2024 and Trade Notice No. 33/2023-24 dated November 10, 2023 where Directorate has enhanced the online self-certification process for Electronic Bank Realisation Certificates (eBRCs).

C.30 EDPMS Reconciliation of Export Entries — Special Procedure (Small-Value Bills)

In order to further facilitate timely closure of entries in EDPMS & IDPMS and reduce compliance burden on small exporters and importers, Reserve Bank of India has issued Notification RBI/2025-26/89, A.P. (DIR Series) Circular No. 12 dated October 01, 2025 regarding Export Data Processing and Monitoring System (EDPMS) & Import Data Processing and Monitoring System (IDPMS) – reconciliation of export /import entries.

The details are as under:

Notwithstanding anything contained above, Banks will adopt the following procedure while closing entries (including outstanding entries) in EDPMS of value equivalent to ₹10 lakh per entry/bill or less:

Such entries shall be reconciled and closed based on a declaration (provided by the concerned exporter that the amount has been realized, either in full or otherwise, or by the importer that the amount has been paid).

Any reduction in declared value or invoice value of the shipping bills/bills of entry shall also be accepted, based on the declaration by the concerned exporter or importer.

The declarations referred above may also be received on a quarterly basis from the exporters and importers in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS/IDPMS entries.

Banks will not levy any penal charges (penalty) for delays in adherence to any regulatory guidelines.

Circular/SOP defining procedural guidelines for handling small value bills are issued by TIBD from time to time and Branches are required to follow the same as amended and updated from time to time.

C.31 Transfer of documents

Bank may accept, for negotiation or collection, shipping documents including invoice and bill of exchange covering exports, from its constituent (not being a person who has signed the declaration as applicable) only:

- i. where the value declared in the declaration does not differ from the value shown in the documents being negotiated or sent for collection, or
- b) where the value declared in the declaration is less than the value shown in the documents being negotiated or sent for collection, require the constituent concerned also to sign such declaration and thereupon such constituent shall be bound to comply with such requisition and such constituent signing the declaration shall be considered to be the exporter for the purposes of these guidelines to the extent of the full value shown in the documents being negotiated or sent for collection.

PART-D Remittances connected with Export.

D.1 Agency commission on exports

Branches may allow payment of agency commission on exports, either by outward remittance, or by deduction from the export invoice value, based on a request from the exporter, subject to the conditions below.

Basic conditions for allowing commission.

- a) **Declaration / agreement:** Preferably, the amount of commission should be mentioned in the export documents (e.g. contract / invoice / declaration form) and be consistent with trade practice. If commission was not mentioned earlier, the branch must be satisfied with the exporter's written explanation and ensure there is a valid written agreement/ acceptance / understanding between the exporter and the overseas agent for payment of commission.
- b) **Shipment completed:** The underlying export shipment must already have taken place. No commission should be remitted in advance.
- c) **Commission in counter-trade / escrow arrangements:** Where exports are covered under approved counter-trade arrangements and payments are routed through an escrow account:
 - Commission may be paid only if the conditions in point a) & b) above are met.
 - Commission must not be paid to the escrow account holder(s) themselves.
 - Commission must not be settled by deduction from the export invoice value; it should be remitted separately.

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d) Cases where commission is not permitted: Bank will not allow payment of commission:

- On exports made by Indian partners towards equity participation in an overseas joint venture / wholly owned subsidiary; and
- On exports under the rupee credit route, except that commission up to 10% of the invoice value may be paid for exports of tea and tobacco under such arrangements, where properly documented.

Branches must ensure all commission payments are through normal banking channels and comply with KYC / AML requirements.

D.2 Refund of export proceeds

- i. The branch that originally handled realisation of export proceeds may permit refund of those proceeds to the overseas buyer where:
 - a) The goods have been (or are to be) returned / re-imported due to poor quality or similar bona fide reasons; or
 - b) The goods have been disposed of (e.g. auctioned / destroyed) by competent authorities overseas.
- ii. Branch Checks before allowing refund: Before allowing any refund of export proceeds, the branch must:
 - a) Review the exporter's track record, ensure there is no adverse history of misuse / non-compliance.
 - b) Verify bonafide of the transaction.
 - c) Examine export documents, correspondence with the buyer, and any evidence supporting rejection / return / disposal of goods.
 - d) Obtain a written confirmation and documentary evidence from the exporter that:
 - No export incentive has been claimed against the shipment, or
 - Any incentives already claimed (e.g. duty drawback, export benefits) have been or will be reversed / surrendered to the extent of the refund. (A certificate issued by DGFT/ Custom authorities/ Copy of Challan mentioning the Shipping Bill Details involved to be obtained in satisfaction to this clause)
 - e) Ensure, eBRC (Realization Certificate) is cancelled on RBI's website before refunding Export proceed for related Shipping Bill.
- iii. Cases where re-import is not insisted upon: The branch need not insist on physical re-import of the goods where the exporter submits satisfactory documentary evidence that the goods have been:
 - auctioned, or
 - destroyed by Port / Customs / Health authorities or any other recognised authority in the importing country.
- iv. Other cases – re-import requirement: In all other situations where a refund is permitted:
 - Normal import procedures must be followed for re-import of the goods; and
 - The branch must obtain a written undertaking from the exporter that the goods will be re-imported within three months from the date of refund of export proceeds and monitor compliance as per the bank's SOP.
 - Exporters are permitted to make A2 remittance for legal and recovery charges for unpaid export bill in buyer's country.



All such cases must be handled strictly in line with this circular and RBI directions issued from time to time. Refund of Export proceeds within 1 Year from the date of receipt of such realization will be within the delegatory power of FEX Branch Head.

Approval for any refund of export proceeds after 1 Year from the date of receipt of such realization is to be sought from IBD, Mumbai. DGM TIBD/AGM IBD will have the required delegation to approve such transactions on merit and on case-to-case basis.

E .EDPMS & IDPMS REPORTING

- i. EDPMS (Export Data Processing and Monitoring System) and IDPMS (Import Data Processing and Monitoring System)
 - a) Bank will record 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) Bank will enter details of EDF of service (of its customers) in EDPMS within five working days of receipt of EDF from an exporter.
 - c) Bank will enter details of import (of its customers) as received from non-EDI port in IDPMS within five working days of receipt of documents.
 - d) Bank will enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.
 - e) Bank will enter details of inward and outward remittances for all exports, imports and Merchanting Trade Transactions (MTT) in EDPMS and/ or IDPMS.
 - f) Branches are required to 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.
 - g) Bank will, in the case of an export, mark-off the entry in EDPMS after ensuring that the export value has been duly realised. Transactions for such mark-off will be automated based on transactions initiated/processed by FEX Branches/CPH-Forex.
 - h) Bank will, in the case of an import, mark-off the entry in IDPMS after ensuring that the payment for the import has been made. Transactions for such mark-off will be automated based on transactions initiated/processed by FEX Branches/CPH-Forex.
 - i) 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. Transaction request for such instances are to be strictly carried out within the delegation/framework provided in this policy.
 - j) 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. Transaction request for such instances are to be strictly carried out within the delegation/framework provided in this policy.
 - k) 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. Transaction request for such instances are to be strictly carried out within the delegation/framework provided in this policy.
 - l) 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. Transactions for such mark-off will be automated based on transactions initiated/processed by FEX Branches/CPH-Forex.
- ii. Bank will continue to 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.



E.1 Roles and Responsibilities for I/EDPMS Monitoring & Reduction

A) Role of AD “B” Category Branches for compliance in reduction of I/EDPMS outstandings:

- 1.) To contact the customers including sending mails, calls, and sending letters for reducing the O/S & overdue I/EDPMS and follow up for same.
- 2.) To ensure daily monitoring and follow up of overdue and outstanding entries.
- 3.) To consolidate the potential cases for caution listing after execution of all the efforts as per policy in adherence with following points: -
 - a. Posting of Letters to the customers
 - b. In person visit to the customers
 - c. Non-cooperation/non-committal customers
 - d. After following the due process, the said request to be forwarded to ZOs.

B) Role of Deputy Zonal Managers (DZMs) / Zonal Managers (ZMs) in the absence of DZM at Zonal offices linked to Forex Branches for reduction of I/EDPMS outstandings:

- 1.) To monitor the outstanding on daily basis most particularly overdue entries
- 2.) To visit the customers listed as top 10 pendency in terms of outstanding entries.
- 3.) To review the potential cases recommended by the forex branches and submission of final caution listing request with ZO recommendations to IBD.

C) Role of IBD, TIBD: -

- 1.) To oversee the overall process for reduction of pendency in I/EDPMS.
- 2.) To arrange centralize Email/SMS (whichever is feasible and/or available in system) to its clients for informing the pendency on fortnightly basis.
- 3.) User level support to FEX branches and ZOs.
- 4.) To ensure downloading of input files from RBI and to ensure uploading of output files to RBI portal.
- 5.) Reconciliation of Banks data with RBI data in coordination with FEX branches & IT support PMO team.
- 6.) To consolidate the references for caution listing and submission to RBI and further coordination along with compliance department, HO.



SECTION 3:

IMPORT POLICY

Introduction

India share in international trade is steadily increasing over the years. Government of India's initiatives like Make in India, Ease of doing Business and progressive liberalization in trade and forex regulations have contributed to the development of external trade and the service sector playing a dominant role in the basket of forex earning over the last years. Indian regulator, Reserve Bank of India, help continuously liberalizing the regulations pertaining to foreign exchange transactions related to current and capital account segments. More delegation of powers is being entrusted with the authorized dealer banks who are dealing in trade and treasury import-export of merchandise goods and services.

A. Section I (General)

A.1 Import of goods and services

External trade is governed by the regulations under Foreign Trade Policy and permissibility of importing goods and services. Therefore, it is important for- any transactions of import of goods and services that it must be in conformity with the extant foreign trade regulations and the government policies as mentioned therein. Bank must check the proposed goods or service for which they are undertaking any import transaction is permit data in the prevailing FTP and valid importer exporter code (IEC Number) has to be available before transactions exists.

While doing the transactions the branches should be strictly adhere to the Delegation of Power (DoP) as and where stated, be guided by commercial judgment of any transaction as regards the clients nature,. business volume of past years, requirement of the potential transaction etc to avoid the risk of Trade -Based Money Laundering in Trade transactions.

A.2 Documentary credit

LCs for import purpose should be in strict compliance of Uniform Customs and Practices for Documentary Credit (UCPDC-600). FTP regulations & internal guidelines should also be taken into account before the facilities are extended. The LC instrument should be properly structured so as to avoid any ambiguity in submission of trade documents. Complete examination of LC documents with reference to UCPDC is absolutely required to find out complying presentation and the commitment of the bank to pay on such non funded facility.

A.3 Import Remittances

Import remittances can be affected for KYC complied customers and need presentation of documents evidencing the transaction such as Commercial Invoice, Transport documents, Certificate of Origin, Packing list, Marine Insurance Policy and Bill of Exchange and any other related documents, if any. Scrutiny of Import documents is necessary so as to determine the eligibility for remittance under FTP & FEMA. If required, Import Licenses, may be called for from clients and endorsed when goods are imported under Restricted category as stipulated and updated from time to time under Schedule 2 of Foreign Trade Policy (FTP).

Schedule 2 of Foreign Trade Policy (FTP) specifies whether the export/import of any given commodity is Free, Restricted (requiring a license/authorization), Prohibited, or canalized through State Trading Enterprises (STE).

Restricted



License obtained from DGFT for “Restricted” goods will be mandatorily obtained by CPH-Forex before processing any such transactions. Further such licenses received from Customers are to be preserved by Branches as per Bank’s Record Retention Policy & for verification by Internal/External Auditors.

Branches to ensure that such licenses are properly endorsed, wherever required.

A.4 FEMA Declaration

Purchasers of Foreign Exchange are under legal obligation to use it for intended transaction or for similar purposes permissible under FEMA. A Declaration to this effect from importer client, owning the liability legally, for every import transaction proposed, signed by authorized signatory is, prime document to proceed with the remittance request.

B. Time period for Import settlements

Branches need to monitor IDPMS to follow for settlement of import bill payments as per the Term as specified in the Commercial Invoice & BOE, **but no later than 6 Months** from the date of shipment, except in cases where amounts are withheld towards guarantee of performance, etc.

Extension if requested may be granted on merits of the case preferably after obtaining NOC from Supplier’s bank if Bills were originally routed through Bank to Bank. For the cases where NOC is not being provided and for all other remaining cases, confirmation from Overseas seller may be obtained. The maximum period of such extension should not exceed beyond three years from the date of shipment.

Branch may consider granting extension for a period of 6 months at a time., maximum up to 3 years from the date of Shipment as per below mentioned delegations. Such extension may be granted for reasons such as quality disputes, financial difficulty, or non-fulfillment of contractual terms, irrespective of the invoice value.

Authority	Delegation
Branch Heads (CM & above)	Extension up-to One Year from date of Shipment (6 months at a time)
Zonal Office (Deputy Zonal Manager / Zonal Manager)	From One Year to 3 Years

For Branches Headed by Scale I, II & III; concerned Zonal Office only will have the delegation to consider any extension up-to 3 Years.

These delegations will be effective only when while granting such extensions, below mentioned conditions are fulfilled & ensured: -

a) such import transaction should not be under investigation of Enforcement Directorate/Central Bureau of Investigation or other investigating agencies.

b) While granting/considering extension beyond 6 Months from date of shipment, a certificate from company certifying total import outstanding does not exceed USD One Million on the date of remittance will be required.



c) While granting/considering extension beyond 1 Years from date of shipment, a certificate from Chartered Accountant (CA) certifying total outstanding of the importer does not exceed USD one million or 10 % average import remittances during proceeding two financial years, whichever is lower to be obtained and satisfied.

d) When such extension is granted, the extended date should be indicated in the 'Remarks' column while reporting the same in IDPMS.

Cases not covered by the above instructions/ beyond the limits may be referred to TIBD with proper justification and documentary evidence. The delegation at TIBD will be as below:

Authority	Delegation
CM, IBD	Extension beyond Three Year from Date of Shipment to Five Year
AGM, IBD	Extension beyond Five Year from Date of Shipment to Seven Year
DGM, TIBD	Extension beyond Seven Year from Date of Shipment to Ten Year
Treasury Head (CGM/GM)	• Payment beyond the limits (USD one million or 10 % average import remittances) as mentioned above & • Extension beyond Ten Year

While considering such extension at TIBD, it may be ensured that remittances are being affected from Own source of funds and Bank's financial support/ credit facilities are not being utilized for clearing such old outstandings.

However **outstanding import dues may be** settled after obtaining requisite documents including Bill of Entry through IDPMS and reasons for non-payment to the satisfaction of approving authority.

B.1 Time limit for deferred payment Arrangement—

Any import payment beyond 180 days, including Byers Credit and Suppliers credit is termed as Deferred Credit Arrangement. Such arrangement is permitted for a period up to 3 years for import of Capital goods and up to one year import or Operating Cycle of Non-capital goods whichever is lower. For shipyards / shipbuilders, the period of Trade Credit for import of non-capital goods can be up to three years. Procedural guidelines will be in line with RBI's Master Direction on External commercial Borrowings, Trade Credits & Structured Obligations & Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 as updated from time to time.

B.2 Time limit for Import of Books

Remittance against import of Books may be allowed without any restriction as to time limit mentioned in Point B above. However, interest for delayed payment will be allowed up to 3 years only.

C. Interest on Import Bills

Bank will allow payment of interest on usance bills or overdue interest on delayed payments for a period of up to three years from the date of shipment only.

In no case interest can be paid beyond Three years from the date of shipment.

Restricted



Interest payable, if any, or on delayed payment for imports, shall not exceed the all-in-cost ceiling of trade credit in terms of the RBI's Master Foreign Exchange Management (Borrowing and Lending) Regulations, Notification No. FEMA.3(R)/2018-RB dated December 17, 2018 (Amended up to February 16, 2026) and as amended from time to time.

In case of pre-payment before the due date proportionate interest for unexpired period be deducted from the remittance value at Alternative Reference Rate (ARR) of the currency of Invoice or as per rate mutually agreed between exporter-importer and duly confirmed & accepted by overseas bank through authenticated SWIFT.

D. Import of Foreign Exchange /Indian Rupees –

Import Foreign Exchange /Indian Rupees –is prohibited unless otherwise permitted. However, a person may bring Foreign Exchange into India without any limit provided that person declare to Custom Authorities, on arrival, of total foreign exchange brought if the aggregate value in form of currency notes, bank notes or traveler's cheques) exceeds USD10,000/- or equivalent in other currency in Currency Declaration Form (CDF). If the FC cash portion exceeds USD 5,000/- or equivalent such declaration is needed even if the total value is less than USD10,000/- or equivalent at a time.

A Resident Indian who has gone out of India on temporary visit may bring up to INR 25,000/- (Twenty-Five Thousand Only) on arrival other than Persons coming from Nepal and Bhutan.

For, Nepal and Bhutan such limit is not there, but permitted in denominations of up-to Rs100/- only.

Import & Export of Currency procedural guidelines is governed by RBI's Master Direction on Foreign Exchange Management (Export and import of currency) Regulations, 2015 (Amended up to February 24, 2026) as amended from time to time.

E. Third party payments for Import transaction

Bank will permit third party (other than the parties undertaking import) payments for import transactions post closer scrutiny and subject to conditions below-

1. Firm irrevocable purchase order in place
2. B- category Branch is satisfied about bonafide of the transaction including but not limited to considering Financial Action Task Force (FATF) statement before handling the transactions.
3. Specific narration/name mention in the Invoice and Bill of Entry related to Third Party.
4. Importers comply with extant FTP and FEMA prescriptions.
5. Tripartite agreement covering the transaction will be required in case where Third-party name/narration is not mentioned in Original Invoice/Bill of Entry.

F. Issue of Guarantees

Bank will issue foreign guarantee within the procedural guidelines issued by the RBI's Master Direction on Foreign Exchange Management (Guarantees) Regulations, 2026 No. FEMA 8(R)/2026-RB dated January 6, 2026, as amended from time to time.



Section II – Operational

A. Advance Remittance for Import of goods and Services

International trade involves trading partners separated by various nationalities and regulations. Trading partners have therefore to deal with numerous unknown regulations of the Exporter's Country and therefore are faced with a sense of insecurity. Traders hence seek ways to increase their comfort levels concerning international trade. Seeking an advance payment for exports is one such way of increasing the comfort level. It is a normal trade practice to find exporters putting a condition that some percentage of the value of goods to be exported by them, be paid by way of advance payment.

Advance payment involves parting with funds before goods or services are received and hence there is always a risk of the money being rendered irrecoverable due to a default on the part of the goods/service provider. Recovery through the Courts can be a long-drawn process and the costs are prohibitive.

Post Liberalization and the rise in Foreign Exchange reserves of the Country, Exchange control measures in respect of Advance Payment for Imports have been simplified.

Given the above, the Bank's policy about:

- i) advance remittances for imports of goods, exceeding USD 2,00,000/- or its equivalent and up to a maximum of USD 5,000,000/- which are not secured by the bank guarantees/standby letters of credit from overseas banks or bank guarantees/standby letters of credit from banks in India, issued against counter guarantees of overseas banks, &
- ii) Public Sector Company or a Department/Undertaking of the Government of India / State Government/s which is not in a position to obtain a guarantee from an international bank of repute against advance payment is required to obtain a specific waiver for the bank guarantee from the Ministry of Finance, Government of India before making advance remittance exceeding USD 100,000/- will be as under:

1. Advance remittances should be made for genuine imports of goods/services and should not become a means of siphoning funds out of India.
2. Indian importers affecting advance remittances should not be duped by unethical business entities

GUIDING PRINCIPLES

a) Customers having no sanctioned credit limits but routing their exports/imports through us where the Bank would not be faced with any Credit Risk, as the customers would be deploying their funds for advance remittance.

However, still, the outflow of precious foreign exchange is involved and hence it is necessary to monitor these remittances as also compliance with FEMA guidelines.

b) Customers having sanctioned credit limits for exports/imports where the Bank would face Credit Risk, as the customer enjoys bank advance.

The Bank will need to ensure that in case the foreign exporter default and the recovery of money sent through advance remittance are delayed, the impact of such default on the Indian importer would not render Bank's advance to the client irrecoverable.

Restricted



Given this, it is felt that the Bank should put a cap on the maximum advance remittance permissible vis-a-vis the Net Worth of the Indian Importer and the total value of the goods/services proposed to be imported. Further, this facility should be made available only to bonafide customers with a good track record.

These guidelines apply to all customers other than Public Sector Undertakings, Departments, and Undertakings of the Government of India / State Governments.

Type of Customer	Limit
Customers not enjoying any credit limits but routing their imports through our Bank [would also apply to customers not using Bank's funds for advance payment.]	Advance remittance may be permitted without insisting on a bank guarantee/standby letter of credit from overseas banks to the extent of : 100% of the value of goods/services proposed to be imported.; OR USD 5,000,000/-(goods)/USD 5,00,000/-(services) or its equivalent. WHICHEVER IS LOWER. However, if there are recurring instances of non-submission of the Bill of Entry, further advance remittances should not be allowed even if the bank's funds are not involved. Further such cases should be brought to the notice of R.B.I.
Customers enjoy credit limits and route their imports through our Bank by debit to CC/ TL Account.	Advance remittance may be permitted without insisting on a bank guarantee/standby letter of credit from overseas banks to the extent of: a. 25% of Net Worth as of the date of the last audited balance sheet. (not applicable for amounts up-to USD 1 million or equivalent) or b. 50% of the value of goods/services proposed to be imported or USD 5,000,000/-(goods)/USD 500,000/ (Services) or its equivalent. WHICHEVER IS LOWER The above percentage ceiling would not apply for advance remittance up-to USD 1,000,000 for the import of goods and USD 5,00,000 for the import of services.,

Note: The above limits were approved by the Board in its meeting held on March 19, 2015, & last reviewed by the Board in its meeting held on 10.08.2026 and the same are proposed to be continued.

Amount mentioned above is to be considered for entire contract/invoice amount and not for individual/part advance amount being remitted at one point of time.

Additionally, satisfactory credit report (not older than 1 year from date of transaction) from Bank's empaneled credit rating agencies for overseas beneficiary is mandatory while remitting/processing advance payment/import payment/LC issuance etc., of USD50,000/- or equivalent and above.

If any request for remitting advance payment/import payment/LC issuance etc., is received for which credit report is required and is not available on the date of transaction, such request can be accepted based on below mentioned conditions/delegations:

Particulars	Delegation	Next Authority *
Importers having at-least one year of banking relationship with satisfactory track record, or	Branch Head along with a confirmation of placing request for	Concerned Zonal Office Recommendations

Restricted



Minimum Annual Forex Turnover ≥ Rs 50.00 Crores	obtaining the required credit report.	(ZM/DZM/CPC In-charge)
For Others	Concerned Zonal Office Recommendations (ZM/DZM/CPC In-charge) with a confirmation from Branch that request for obtaining the required credit report has been placed.	TIBD DGM/AGM (Handling Charge of IBD)

*If any recurring transaction request for same overseas beneficiary has been received in the meantime from placing the request till the credit reports get available, same will be processed by CPH-Forex based on recommendations/approval of Next Level of Authority.

Delegation/Recommending Authority based on Credit Report Status

Based on the Credit report status, considering the business need, bonafide of transactions & line of business of importers and overseas seller, request of advance payment/import payment/LC issuance etc., wherever credit report is mandatory to be obtained from Bank's empaneled, can be processed by CPH-Forex as per below mentioned parameter/delegations:

Credit Report Status	Delegation/Recommending Authority
For Moderate to Low Risk	CPH-Forex can process directly
For Insufficient History (No Score)	Branch Head recommendations
For High Risk	Zonal Office recommendations

The Bank would allow advance remittance against the import of goods subject to:

1. The importer should be a customer of the Bank.
2. The Customer's A/c is fully compliant with Reserve Bank's extant KYC / AML guidelines and due diligence exercise for the Indian importer entity as well as the overseas manufacturer/supplier has been done.
3. 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.
4. Customers are to give the undertaking to effect physical import of goods into India within 6 months (3 years in case of capital goods) from the date of remittance and to furnish documentary evidence of import within 15 days from the closure of the relevant period as stated earlier.
5. After ensuring that all import advance payment transaction from respective branch which cumulatively exceeds USD 2,00,000 are genuine & not split or bifurcated purposefully to keep it below USD 2,00,000.
6. Customers are to give an undertaking that in the event of non-import of goods, the amount of advance payment shall be repatriated to India or shall be utilized for a purpose for

which release of exchange is permitted under FEMA Act and Rules Regulations made there under and/or amended from time to time.

7. B-category branches affecting advance remittance should satisfy themselves that the importers are known to be trading in items proposed for import, or that the items are required for their actual use.

8. In case of an importer entity in the Public Sector or a Department / Undertaking of the Government of India / State Government/s, AD Category – I bank may permit advance remittance subject to the above conditions and a specific waiver of bank guarantee from the Ministry of Finance, Government of India where the advance payments are equivalent to or exceed USD 100,000.

9. For non-EDI ports, concerned FEX Branch of the Importer shall initiate the process to upload the BoE data in IDPMS as per the message format “Manual BoE reporting” on daily basis on receipt of BoE from the customer/Customs Office.

10. Branches to enter BOE details and mark off ORMs as per the message format “BOE Settlement”.

11. In case of payment after receipt of BoE, ORM for import payments made by the importer customer as per the message format “BOE Settlement” will be generated.

12. Multiple ORMs can be settled against a single BoE and also multiple BoEs can be settled against one ORM.

13. Advance remittance under the above guidelines is to be affected only for bonafide customers with a good track record.

14. Only imports that conform with the Export-Import Policy in force and Foreign Exchange Management (Current Account Transactions) Rules, 2000 framed by the Government of India and the directions issued by the Reserve Bank of India under the Foreign Exchange Management Act from time to time, should be considered for advance payment under the above guidelines.

15. Follow-up should be made for the submission of documentary evidence for import into India.

16. The Treasury Head/CGM/GM/DGM TIBD would be the competent authority to approve any deviation from the above guidelines on case-to-case basis subject to compliance with the Reserve Bank of India guidelines and after taking into account various risks involved for the Bank.

A.1 Precautions while undertaking Advance payment against Import:

a. Advance remittance needs to be done to the regular clients after examining the Proforma Invoice asking for the advance remittance and be remitted directly to the supplier of goods. The following factors will stand for scrutiny while allowing advance remittance transaction.

- 1) Line of business of client vis a-vis the goods to be imported - and average import turnover during preceding 3 financial years.

Restricted



- 2) Where the amount to be remitted is commensurate with the raw material requirement, past history and level of business.
- b. A review of earlier advance remittance made by the concerned Client as regards receipt of original import documents, bill of entry should be undertaken before allowing the next remittance.

If IDPMS entry is not marked off, of earlier Advance Remittance i.e If Documentary evidence and ORM settlement of earlier Advance Payment has not been settled then advance remittance on the date of transaction will be affected based on below parameters:

Parameters	Compliance/Delegations Required
Advance Payment Pending for Settlement for Overdue Age Bracket – up to 1 Year	Recommendations from Branch Head
For Overdue Age Bracket > 1 Year to 2 Year	Recommendations from Zonal Office and Bank guarantee /SBLC for the amount involved may be solicited.
For Overdue Age Bracket > 2 Years onward	Recommendations from Zonal Office & subsequent approval of TIBD DGM/AGM. Mandatory requirement of Bank guarantee /SBLC for the amount involved.

- c. Branch should exercise caution if Importer is frequently asking for advance payment in shorter period.
- d. If there is a frequent remittance request for the same beneficiary within short period, a close examination of request is required.
- e. All advance remittance transactions should be routed through IDPMS to create ORM.
- f. If import is not taking place as in the contract /purchase order, Importer is under obligation to repatriate the advance remittance amount back to India.

A.2 Sector Specific Import:

I. Import of gold and silver

No advance remittance will be permitted by Bank for the import of gold or silver.

II. Import of Rough Diamonds

Bank will allow advance remittance without bank guarantee or standby Letter of Credit, by an importer (other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government/s), for import of rough diamonds into India subject to above prescribed limit in Point A- Advance Remittance for Import of goods and Services – Para - Guiding Principles, based on following parameters:

1. The Overseas Mining company should have the recommendation of the Gem and Jewellery Export Promotion Council (GJEPC). The latest list of Mining Companies recommended by GJEPC for Advance Remittance vide circular may be obtained from <https://gjepc.org/>.
2. The importer should be a recognized processor of rough diamonds and should have a good track record of export realization;

3. B- Category branches to undertake the transaction based on their commercial judgment and after being satisfied with the bonafide of the transaction;
4. Advance payments should be made strictly as per the terms of the sale contract and should be made directly to the account of the company concerned, that is, to the ultimate beneficiary and not through numbered accounts or otherwise and Branches should be able to ensure that Outward Remittance Message (ORM) for all such outward remittance in IDPMS has been created.
5. Further, due caution may be exercised to ensure that remittance is not permitted for the import of conflict diamonds (Kimberly Certification).
6. KYC and due diligence exercise should be done by the Branches as per prevailing regulator & bank's internal guidelines.
7. Branches to follow up submission of the Bill of Entry/documents evidencing the import of rough diamonds into the country by the importer, in terms of FEMA / Rules / Regulations / Directions issued in this regard.

III. Advance Remittance for Import Of Aircraft/Helicopters And Other Aviation-Related Purchases And Shipping Vessels

As a sector-specific measure, entities that have been permitted under the extant Foreign Trade Policy to import aircraft and helicopters (including used / second-hand aircraft and helicopters) or any other person who has been granted permission by the Directorate General of Civil Aviation (DGCA) to operate Scheduled or Non-Scheduled Air Transport Service (including Air Taxi Services), can make advance remittance without bank guarantee or an unconditional, irrevocable Standby Letter of Credit, up to USD 50 million. Bank may allow advance remittance, without obtaining a bank guarantee or an unconditional, irrevocable Standby Letter of Credit, up to USD 50 million, for direct import of each aircraft, helicopter, and other aviation-related purchases & shipping vessel subject to the prescribed limits as mentioned in prescribed limit in Point A- Advance Remittance for Import of goods and Services , Para - Guiding Principles, based on following parameters and conditions:

1. The Branches should undertake the transactions based on their commercial judgment and after being satisfied with the bonafide of the transactions. KYC and due diligence exercises should be done by the Branches for the Indian importer entity and the overseas manufacturer company as well.
2. Advance payments should be made strictly as per the terms of the sale contract and are made directly to the account of the manufacturer (supplier) concerned.
4. In the case of a Public Sector Company or a Department / Undertaking of Central /State Governments, the Branches to ensure that the requirement of bank guarantee has been specifically waived by the Ministry of Finance, Government of India for advance remittances exceeding USD 100,000, before initiating any such transactions request to CPH-Forex.
5. Branches to ensure that physical import of goods into India is made within six months (three years in the case of capital goods) from the date of remittance and the importer gives the undertaking to furnish documentary evidence of import within fifteen days from the close of the relevant period. It is clarified that where advance is paid as milestone payments, the date of the last remittance made in terms of the contract will be reckoned for submission of documentary evidence of import.



6. Before making the remittance request to CPH-Forex, branches are required to ensure that the requisite approval of the Ministry of Civil Aviation / DGCA / other agencies in terms of the extant Foreign Trade Policy has been obtained by the company, for import.
7. In the event of non-import of aircraft and aviation sector-related products, AD Category - I bank should ensure that the amount of advance remittance is immediately repatriated to India.
8. Concerned AD Category I banks to ensure the generation of ORMs, BoE entries, and BoE settlement with the respective ORMs, etc. as per extant IDPMS guidelines.

IV. Advance Remittance for Import of Services

Bank will allow advance remittance without bank guarantee or standby Letter of Credit, by an importer (other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government/s), for import of services subject to above prescribed limit in Point A- Advance Remittance for Import of goods and Services – Para - Guiding Principles.

B. Remittances against Replacement Imports-

Where goods are short-supplied, damaged, short-landed or lost in transit and the Exchange Control Copy of the import license has already been utilized to cover the opening of a letter of credit against the original goods which have been lost, the original endorsement should be cancelled and fresh endorsement to be done.

Fresh remittance for replacement imports may be permitted, provided, the insurance claim relating to the lost goods has been settled in favor of the importer.

It may also be ensured that the consignment being replaced is shipped within the validity period of the license. Branches to ensure that proper remark/indicator is entered for ORM mark off/closure of Bills in IDPMS etc. as per extant IDPMS guidelines.

C. Guarantee for Replacement Import

In case replacement goods for defective import are being sent by the overseas supplier before the defective goods imported earlier are reshipped out of India, Bank may issue guarantees at the request of importer client for dispatch/return of the defective goods, according to the commercial judgment within the procedural guidelines issued by the RBI's Master Direction on Foreign Exchange Management (Guarantees) Regulations, 2026 No. FEMA 8(R)/2026-RB dated January 6, 2026, as amended from time to time.

D. Import of Equipment by Business Process Outsourcing (BPO) Companies for their Overseas Sites

Bank may allow BPO companies in India to make remittances towards the cost of equipment to be imported and installed at their overseas sites in connection with the setting up of their International Call Centers (ICCs) subject to the following conditions:

- (i) The BPO company should have obtained necessary approval from the Ministry of Communications and Information Technology, Government of India and other authorities concerned for setting up of the ICC.
- (ii) The remittance should be initiated by Branches to CPH-Forex based on their commercial judgment, satisfying the bonafide of the transactions and strict compliance in terms of the contract.
- (iii) The remittance is made directly to the account of the overseas supplier.
- (iv) The Branches to also obtain a certificate as evidence of import from the Chief Executive Officer (CEO) or auditor of the importer company that the goods for which remittance was made have actually been imported and installed at overseas sites.
- (v) The Branches to mandatorily ensure compliance with IDPMS guidelines as applicable.

E. Receipt of Import bills/Documents

a) All the transactions are to be mandatorily recorded & routed through IDPMS so that generation of ORMs, BoE entries and BoE settlement with respective ORMs in compliance with applicable IDPMS guidelines are ensured.

b) Preferably import documents to be received from Suppliers banks.

If import documents are directly received by the importer from Overseas Supplier and presented for payment, Bank will not make the remittance except; in the following cases—

1. Where value of remittance does not exceed USD300000 or equivalent.
2. Import bills received from Status Holder Exporter, SEZ/EOUs, Public sector undertakings, Public limited companies, and Limited Companies.
3. Import bills received from WOS of foreign parent companies.
4. Import bills received from public limited, private limited and deemed public limited companies.

Before initiating any such payment, Branches are required to conduct enhanced due diligence of both remitters & beneficiary to ascertain the bonafide of transactions to avoid the risk of documentary fraud and money laundering.

c) In case of importer of rough diamonds by non-status holder importer remittance up to USD 300,000/- may be permitted if----

- i) Import is FTP compliant
- ii) Branch is satisfied about bonafide of the transaction and is commercially convincing.
- iii) KYC of foreign supplier and due diligence exercise of foreign supplier is done. Along with report on financial standing from their Bank /credit rating agencies.

For Status Holder Importers (as defined in Foreign Trade Policy), Bank may undertake the transactions without any ceiling for the import bills received directly by such importers on account of import of rough diamonds, rough precious and semi-precious stones.



e) Cases not falling within the above parameters, will be processed by CPH-Forex only after approval from AGM & above at TIBD based on concerned Zonal office (ZM/DZM) recommendations on a case-to-case basis.

Bank shall follow up with the importer for submission of evidence of import irrespective of the amount remitted for import into India w.e.f. date of making available all bills of entry issued by the customs dept.

F.1 Evidence of Physical Imports

- a) BoE number, port code and date for marking evidence of import;
- b) Customs Assessment Certificate or Postal Appraisal Form, as declared by the importer to the Customs Authorities, where import has been made by post, or Courier Bill of Entry as declared by the courier companies to the Customs Authorities in cases where goods have been imported through couriers, as evidence that the goods for which the payment was made have actually been imported into India;
- c) For goods imported and stored in Free Trade Warehousing Zone (FTWZ) or SEZ Unit warehouses or Customs bonded warehouses, etc., the Exchange Control Copy of the Ex-Bond Bill of Entry or Bill of Entry issued by Customs Authorities by any other similar nomenclature the importer shall submit applicable BoE number, port code and date for marking evidence of import under IDPMS.
- d) In respect of imports on Delivery against acceptance basis, Branches shall verify the evidence of import from IDPMS at the time of effecting remittance of import bill. However, if importers fail to produce documentary evidence due to genuine reasons such as non- arrival of consignment, delay in delivery/ customs clearance of consignment, etc., Branches may, on their satisfaction with the genuineness of request, allow reasonable time, not exceeding three months from the date of remittance to the importer to submit the evidence of import.
- e) Bank will create Outward Remittance Message (ORM) for all such outward remittances irrespective of value and Branches shall ensure the subsequent activity viz document submission, matching with ORM, closing of transactions etc. as per IDPMS guidelines.

F.2 Evidence of Import in Place of Bill of Entry

The Bank may accept, in place of an Exchange Control copy of the Bill of Entry for home consumption, a certificate from the Chief Executive Officer (CEO) or auditor of the company that the goods for which remittance was made have been imported into India provided:

1. The amount of foreign exchange remitted is less than USD 1,000,000/- or its equivalent.
2. The importer is a company listed on a stock exchange in India whose net worth is not less than Rs. 100 crores as of the date of the last audited balance sheet.

OR

3. The importer is a public sector company or an undertaking of the Govt. of India or its department

OR

4. The importer is an autonomous body including a scientific body/academic institution such as the Indian Institute of Science/Indian Institute of Technology etc. whose accounts are audited by the comptroller and Auditor General of India (CAG).

In such cases, B- category branches should insist on a declaration from the auditor/CAG of such institutions that their accounts are audited by CAG.

In case of non-EDI ports duplicate copy/customs certified copy have to be submitted or BoE waiver obtained from RBI.

F.3 Evidence of Import for Non-Physical Imports

1. Where imports are made in non-physical form, i.e., software or data through internet / Datacom channels and drawings and designs through e-mail/ fax, a certificate from a Chartered Accountant that the software/data/drawing/ design has been received by the importer, may be obtained.
2. Branches are to suitably advise importers to keep Customs Authorities informed of the imports made by them under this clause and a suitable undertaking from the company in this regard to be obtained and held in record.

F.4 Guidelines for Closure of Outward Remittance Messages (ORMs) In IDPMS

The Reserve Bank of India vide its notification no. FE.CO. Trade (EXP)No.5406/05.31.042/2017-18 dated December 20, 2017, came across the following areas on which instructions/clarifications were required to be issued, to help AD Banks in the closure of relevant Outward Remittance Messages (ORMs) before 01st April 2016.

1. Import Remittances up to USD 1,00,000/- (US Dollar One Lakh) or an equivalent amount in any other currency.
2. Non-availability of evidence in cases of import by Public Sector Entities/Government Departments
3. Import through courier ports.

Bank's Policy Guidelines for closure of ORM's up to USD 1,00,000 or equivalent currency before 01st April 2016 in IDPMS:

Given the Reserve Bank of India notification, it is proposed to confer the power for closure of ORMs up to USD 1,00,000 or equivalent currency before 01st April 2016 in IDPMS to the Branch Head of B Category Branch, subject to compliance of the following:

- (i) In cases, where the Importer is other than Public Sector Entities/Government Department
 1. The Branch shall ensure that the Importer has not come to the adverse notice of the Directorate of Enforcement (DoE)/ Central Bureau of Investigation (CBI)/ Directorate of Revenue Intelligence (DRI) or any such other law enforcement agency.
 2. The branch shall confirm that the Import transactions concerned are not under any Investigation by investigating/enforcement agencies.
 3. The branch shall obtain a Certificate/ undertaking from the Chief Executive Officer (CEO) or Authorized Signatory of the Company, and/or A Certificate from the Chartered Accountant that the Goods for which remittance was made have been imported into India.
- (ii) In cases, where the importer is a Public Sector Entity/Government Department
 1. The branch shall obtain a declaration from the competent authority of such importer that the audit of the accounts of the entity/department is done by CAG (Comptroller & Auditor General of India).
 2. The branch shall obtain a Certificate/ undertaking from the Chief Executive Officer (CEO) or Authorized Signatory of the Company, and/or A Certificate from the Chartered Accountant that the Goods for which remittance was made have been imported into India.
 3. In case the Company submits the declaration that the audit of the accounts of the company is done by CAG, then, the Branch may close the ORMs even beyond USD 1 Million
 4. In case the audit of the company is not done by the CAG then, the Branch may close the ORMs up to USD 1,00,000/- or equivalent in any currency only.

In all aforesaid cases, Branch should be satisfied with the bonafides of the transaction/ concerned and should ensure that the relevant goods have been imported.

G. Import through courier ports:

In case of imports through courier ports where the courier bill of entry (CBE-IV/V) is getting filed with the customs, the Bank may close open ORM using the ORM Adjustment/closure message with selecting indicator as import/export done through couriers based on submission of CBE-IV/V by the importer to the Bank.

In all aforesaid cases, Branches should be satisfied with the bonafide of the transaction concerned and should ensure that the relevant goods have been imported.

H. Settlement of ORM with BoE (Operational Procedures for IDPMS)

(i) Based on the AD code declared by the importer, the bank shall download the Bill of Entry (BoE) issued by EDI ports from "BOE Master" in IDPMS. For non-EDI ports, Bank for their customer shall upload the BoE data in IDPMS as per message format "Manual BOE reporting" on daily basis on receipt of BoE from the customer/Customs office. In order to enhance the ease of doing business and reduce transaction costs, submission of hardcopy of evidence of import documents i.e., BoE Exchange Control copy has been discontinued with effect from December 1, 2016 as the same is available in IDPMS. The revised procedure is as under:



(ii) Bank shall enter BoE details (BoE number, port code and date) for ORM associated with the advance payments for import transactions as per the message format “BOE settlement”.

(iii) In case of payment after receipt of BoE, the Bank shall generate ORM for import payments made by its importer customer as per the message format “BOE settlement”.

(iv) Multiple ORMs can be settled against single BoE and also multiple BoE can be settled against one ORM.

(v) On settlement of ORM with evidence of import, bank shall in all cases issue an acknowledgement slip to the importer containing the following particulars:

- a. importer's full name and address with code number ;
- b. number and date of BoE and the amount of import ; and
- c. a recap advice on number and amount of BoE and ORM not settled for the importer.

(vi) The importer needs to preserve the printed ‘Importer copy’ of BoE as evidence of import and acknowledgement slip for future use.

I. Extension and Write Off

1. Branches should grant extension for submission of BOE beyond the prescribed period on merits and the same should be noted in IDPMS with the parameters as stipulated in para - Time period for Import settlements.
2. Branches may allow write off up to 5% of invoice value while adjusting and closing any BOE on account of quality issues, short shipment or destruction of goods by the custom authorities, bank charges etc. subject to satisfactory documents submission by the importer irrespective of the amount involved.

Following conditions shall apply:

- a. The case is not pending in any civil or criminal court.
- b. No investigation pending on Importer by ED/CBI/DRI.
- c. Cases not covered above should be referred to TIBD for examination with due recommendations.

A request note put up by concerned FEX officer /FEX In-charge, duly approved by Branch Head should be held in record for all such write-off.

Request of write-off for clients pertaining to C- Category branch will be handled by mapped B-Category Branch based on C- Category Branch Head recommendation as per process defined above.

3. For write-off / Mark-off /Closure of BOE beyond 5% of invoice value:
 - a. Branches should be satisfied of the genuineness of the reasons cited and place the request to Zonal Office for their recommendation.
 - b. Based on Zonal Office Recommendations, TIBD will be the approving authority for any such write-off/mark-off/closure.
 - c. Delegation of powers for write-off/mark-off/closure of Import Bills at TIBD is as under:

Sr. no.	Authority	Powers to write off Import bills per request (Rs or equivalent foreign currency at RBI reference rate on the date of such write-off)
1	CM, TIBD*	Rs. 1 crore
2	AGM, TIBD*	Rs. 5 crores
3	DGM, TIBD	Rs. 15 crores
4	CGM/GM, TIBD/Treasury Head	Full powers

*Handling Charge of IBD.

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J. Follow up for Evidence of Import

Branch should follow for unsettled ORM & BOE and ask the customer for documentary evidence of Import where BOE is not shown in IDPMS.

Rigorous follow up should be ensured to reduce overdue IDPMS entries.

1. If importer fails to produce evidence of import within three months from the day of remittance the branch should rigorously follow for next three months by sending all communication however one such communication needs to go under registered AD.
2. Irrespective of the amount involved, all the outstanding entries where evidence of import is not furnished/ available will be captured in IDPMS register.

K. Verification and preservation

Branch concurrent auditors will carry out the audit pertaining to adjustment of BOE.

Original documents pertaining to import along with bill of entry proof should be preserved by branches as per Bank's record retention policy. However, cases under investigation by law enforcement agencies the original documents need to be preserved till the cases are cleared.

Internal auditors are required to verify the documents evidencing import transactions other than those available in IDPMS.

L. Import of gold

Nominated banks and nominated agencies as notified by the DGFT are permitted to import gold on consignment basis. Qualified jewelers and tariff rate quota holders are also permitted by IFSCA to import gold under ITC-HS category. All sale of gold should be against upfront payment. Import of gold coins medallions is also permitted.

Maximum credit for import of gold from any Trade finance instrument is limited to 90 days. Accordingly, Letter of Credit, Buyer's credit, Supplier's credit, Suppliers loan or SBLC Credit period should not exceed maximum 90 days putting in all instruments together.

All the regulatory returns will be continued to be reported by Head Office/TIBD as applicable.

No Advance Remittances allowed for import of gold.

M. Import of platinum silver rough cut and Polish diamonds precious and semi- precious stone

Supplier's & Buyer's Credit will have a maximum credit period of 90 days only from the date of shipment including the usance period of LCs opened for import of Platinum, Palladium, Rhodium and Silver and rough, cut and polished Diamonds, Precious and semi-precious stones.

However, in case of clean credit given by foreign supplier to Indian customer buyer without any comfort letter from Indian banks, it may have a credit period of 180 days from the date of shipment.

Branches need to ensure precaution and due diligence in import of gold, silver and diamonds because these are sensitive commodities where high risk is involved, and the valuations are very high.

Branches should closely examine for any large or abnormal increase in the volume of business to ensure that transactions are bonafide and genuine business transactions and are not intended for interest/currency arbitrage.

The branches dealing in such transactions need to have a complete market report of domestic as well as overseas party before entertaining any transaction even of clean collection nature. KYC /AML guidelines need to be scrupulously followed by ensuring the standing, existence, and capability of overseas parties.

N. Import of Platinum/Silver on Unfixed Price Basis

The nominated agencies are allowed to import of platinum and silver, on outright purchase basis subject to the condition that although ownership of the same shall be passed on to the importers at the time of import itself, the price shall be fixed later as and when the importer sells to the user. Bank shall handle the import transaction in such case ensuring the stated condition.

O. Import of Gold and Silver by Qualified Jewelers as notified by IFSCA

i. Qualified Jewelers (QJ) are allowed to import gold through IIBX or any other exchange approved by IFSCA and DGFT, Government of India, subject to below mentioned guidelines:

a. No advance remittance for gold/silver import are permitted.

Branches shall carry out all the due diligence and ensure the import payment are sent only for the bona fide import transactions through exchange/s authorized by IFSCA.

b. For gold imported through IIBX, QJ shall submit the Bill of Entry (or any other such applicable document issued/approved by Customs Department for evidence of import), issued by Customs Authorities to the Bank.

c. All payments by Qualified Jewelers (QJ) for imports of gold through IIBX, shall be made through exchange mechanism as approved by IFSCA in terms of IFSC Act and regulations. Any deviation from the extant guidelines for import of Gold through IIBX need to be approved in advance by IFSCA and other applicable and appropriate authority/ies.

ii. IFSC Authority (IFSCA) will conduct all required due diligence on the exchange – IIBX including all other entities involved in enabling import of Gold by QJs in terms of the IFSCA regulations. IFSCA shall also put in place necessary system to ensure that the advance remittance received from QJs are solely for the purpose for import of gold through IIBX.

iii. Branch shall ensure that:

- a. All required documentation, custom duty related procedures and filing Bill of Entry (BoE) as evidence of import, etc. is complete for the import of gold by QJ within the specified applicable period.
- b. Single/ multiple ORMs created and matched with corresponding BoEs and closed appropriately in IDMPs.
- c. The importer i.e. QJs, comply with the related extant instructions relating to imports under FEMA, 1999, FTDR Act 1992, Foreign Trade Policy and regulations of IFSCA.

Valid Tariff Rate Quota (TRQ) holders under the India-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) as notified by the IFSCA have been permitted to import gold and silver under specific ITC (HS) codes through IIBX against the Tariff Rate Quota (TRQ).

iv. Reporting requirement

- a. Bank will continue to create Outward Remittance Message (ORM) for all such outward remittances in IDPMS in terms of extant guidelines.
- b. All these transactions will be reported in FETERS in terms of extant guidelines.
- c. All the regulatory returns will be continued to be reported by Head Office/TIBD as applicable.

v. The above-mentioned arrangement is for the sole purpose of facilitating physical import of gold through IIBX or any similar exchange authorized by IFSCA, by Qualified Jewelers in India.

P. Import Factoring

- i) Bank may enter into arrangements with international factoring companies of repute, preferably members of Factors Chain International, with the required approval of HLIC of General Managers, Head Office
- (ii) Before getting into such arrangements, compliance with the extant foreign exchange directions relating to imports, Foreign Trade Policy in force and any other guidelines/directives issued by Reserve Bank in this regard is to be ensured

Q. Merchanting Trade -MTT

Branch may handle Merchanting Trade transaction within the framework of guidelines as stated below:

1. Goods under Merchanting Trade shall not enter into domestic tariff area-DTA except where processing is required by way of value addition. The bonafide of the transaction based on documentary evidence need to be checked and ensured by branch before processing any such MTT.
2. As per Special Circular Issued by FEDAI vide reference number : SPL-02/MTT/2026 dated 04.08.2026 , it has been clarified that Merchanting trade involving shipment of goods from one foreign country to another foreign country without touching Indian ports, or shipment of goods within one specific foreign country, involving an Indian intermediary is allowed subject to compliance with RBI guidelines, except for goods/items in the CITES and SCOMET list as on the date of shipment.
3. KYC/AML guidelines followed, and overseas reports should be scrutinized to ensure the genuineness of the transaction.
4. Under MTT the relevant import transaction and the export transaction should be routed through same AD Bank.
5. Original or non-negotiable documents copy, attested by the banker of the overseas party, may be scrutinized to observe the movement and the cycle of the goods under MTT.
6. Online verification of BL/AWB needs to be done from the International Maritime Bureau where documents are not being routed through Bank.
7. The commencement date of MTT shall be the date of shipment/export leg receipt/or import leg payment whichever is first. The completion date shall be the date of shipment/export leg receipt /or import leg payment whichever is the last.
8. Once shipment is done, Trade Credit by way of Buyers Credit/Suppliers Credit may be granted to MTT-Importer to the extent Advance Remittance against Export leg is not received. However, Letter of Undertaking (LoU)/ Letter of Comfort (LoC) shall not be issued for supplier's/ buyer's credit. Discounting of export leg bills under LC can be done by branches. For discounting Export Leg Bills which is not under LC, Bills to be purchased/discounted only based on specific sanction by respective sanctioning authority.
9. If export receipt is received prior to import payment the same can be parked in EEFC A/c.,or in interest bearing INR FD but the same should be used and be lien marked for import payment only. Branch may allow Forward Booking to facilitate import payment on due date once the FD is booked. If export bill is discounted, prior to import leg payment the same instruction should be followed. Branches to ensure that, no fund/non-fund-based facilities are extended against these balances.



10. Advance Payment for import leg is permitted on specific demand by overseas supplier as per limits defined in the policy in line with SOPs issued by TIBD as amended from time
 11. Branch to monitor one to one matching for each MTT and report default in any leg by traders to TIBD.
 12. All such exporters who have 5% or more export earning outstanding are liable to be caution listed and accordingly, Branches to recommend such defaulters for caution listing.
 13. MTT traders should be genuine traders of goods and not mere financial intermediaries. Confirmed orders must be received by them from the overseas buyers. Branch should satisfy about the capabilities of trader to perform the obligations. MTT must result in profit for Indian party.
 14. Branches need to satisfy itself with bonafide of the transaction and ensure that there no KYC/AML deficiencies.
 15. Counter party under MTT should not be from FATF blacklisted countries.
 16. MTT is not permitted for import of services.
 17. 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 branches is satisfied of the reasons cited based on documentary evidence required for normal third-party payment in Export & Import.
18. The entire MTT cycle needs to be completed in overall period of nine months. However, the period between the outward remittance and inward remittance or vice versa does not exceed six months.

Extension of time in MTT period & period between the outward remittance and inward remittance & vice versa will be considered as within the delegation power as under:

Extension of MTT Period, Period between Outward & Inward Remittance	Instance Over the prescribed Period (Both MTT Period & Period between O/w & I/w Remittance) / Per Transaction Amount	Authority
	Up to 3 Months; For amount equivalent < Rs. 5 Crores	Concerned Zonal Office
	Up to 3 Months; For amount equivalent > Rs. 5 Crores	TIBD/DGM/AGM
	Beyond 3 Months to 6 Months; irrespective of amount	TIBD AGM
	Beyond 6 Months to 1 Year; irrespective of amount	TIBD DGM
	Beyond 1 Year; irrespective of amount	Treasury Head

Cases not covered by any of the above instructions, may be referred to the TIBD, Mumbai. CGM/GM, TIBD/Treasury Head will have the required delegation to approve such cases.

Q.1 Write -off of unrealized amount of export leg:

AD 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:

- a. 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.

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- b. 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.
- c. The unrealized amount of the export leg represents the balance due in a case settled through the intervention of the Indian Embassy, Settled through Arbitration, Foreign Chamber of Commerce, or similar Organization;

Provided, the MTT is in adherence to all other provisions and in addition to above, write-off shall be subject to following conditions:

- a. AD bank shall satisfy itself with the bonafide 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.

Branches shall after complying with above guidelines, shall submit the write-off request to Zone and post Zonal Office recommendation, TIBD will be the approving authority for final write -off.

Delegation for considering the Write-off of unrealized amount of export Leg / per request at TIBD will be as under:

Sr. no.	Authority	Powers to write off unrealized amount of export Leg/ per request (Rs. for equivalent foreign currency at RBI reference rate on the date of such write-off)
1	CM, TIBD*	Rs. 1 crore
2	AGM, TIBD*	Rs. 5 crores
3	DGM, TIBD*	Rs 15 crores
4	CGM/GM, TIBD/Treasury Head	Full powers

*Handling Charge of IBD.

Q.2 Reporting for Merchant Trade Transaction:

Bank will enter details of inward and outward remittances for exports & imports leg of Merchanting Trade Transactions (MTT) in EDPMS and/ or IDPMS against the undermentioned codes:

Trade	Purpose Code under FETERS	Description
Export	P0108	Goods sold under merchanting /receipt against export leg of merchanting trade
Import	S0108	Goods acquired under merchanting /payment against import leg of merchanting trade.

Branches to scrupulously 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.

Branches to ensure closing or updating the respective entry in EDPMS and IDPMS after making the receipt and payment for both legs of the MTT and shall ensure that the requisite documentary details are made available/retrievable at the time of Inspection/Audit/investigation of the transactions.

Bank will ensure reporting 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.

Bank will continue to report to the Regional Office of the Reserve Bank on a half-yearly basis for any default observed in MTT transactions as against the above stipulated guidelines, within 15 days from the close of each half-year, i.e., June and December.

Q.3 Merchanting trade to Nepal and Bhutan

Nepal and Bhutan are land locked countries, So MTT is not possible. However, there is a facility of transit trade whereby goods are imported from third countries by Nepal and Bhutan through India under the cover of Customs Transit Declarations in terms of the Government of India Treaty of Transit with these two countries.

It has been further clarified herein that goods consigned to the importers of Nepal and Bhutan from third countries under merchanting trade from India would qualify as traffic-in-transit, if the goods are otherwise compliant with the provisions of the India-Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit respectively.

Q.4 Payment of Agency Commission

Bank will generally not encourage payment of agency commission for MTTs. However, considering the evolving trade practices, payment of agency commission is allowed up to a reasonable extent by way of outward remittance under exceptional circumstances, subject to the following conditions:

- i) MTT has been completed in all respects.
- ii) The payment of agency commission shall not result in the MTT ending into a loss.
- iii) The Merchanting trader shall make a specific request to the AD bank in this regard.

R. Online payments gateway service provider for Import transactions

(i) The facility shall only be available for import of goods and software (as permitted in the prevalent Foreign Trade Policy) of value not exceeding USD 2,000 (US Dollar Two Thousand) only.

(ii) The balances held in the Import Collection account shall be remitted to the respective overseas exporter's account immediately on receipt of funds from the importer and, in no case, later than two days from the date of credit to the collection account.

(iii) The Branches will obtain a copy of invoice and airway bill from the OPGSP/Payment Aggregator (PA) containing the name and address of the beneficiary as evidence of import and report the transaction which will be subsequently reported in R-Return under the foreign currency payment head.

(iv) The permitted credits in the OPGSP/PA Import Collection account will be:

- a. collection from Indian importers for online purchases from overseas exporters electronically through credit card, debit card and net banking and
- b. charge back from the overseas exporters.

(v) The permitted debits in the OPGSP Import Collection account will be:

- a) payment to overseas exporters in permitted foreign currency;
- b) payment to Indian importers for returns and refunds;
- c) payment of commission at rates/frequencies as defined under the contract to the current account of the OPGSP; and
- d) bank charges.

All the Processing and settlement of import related payments facilitated by Online Payment Gateway Service Providers will be guided by RBI Master Direction on Processing and settlement of import and export related payments facilitated by Online Payment Gateway Service Providers vide RBI Ref No : RBI/2015-16/185 A.P. (DIR Series) Circular No.16 dated September 24, 2015 & Master Direction on Regulation of Payment Aggregator (PA) issued vide Ref No : RBI/DPSS/2025-26/141 , CO.DPSS.POLC.No.S-633/02-14-008/2025-26 dated September 15, 2025 and as amended from time to time.

S. Settlement of import transactions in currencies not having a direct exchange rate:

Branches may allow settlement of such import transaction for regular customers and by obtaining the requisite import documents.

Bank will permit settlement of such import transactions (excluding those put through the ACU mechanism), subject to conditions as under:

- (a) Importer shall be a customer of the AD Bank,
- (b) Signed contract / invoice is in a freely convertible currency,
- (c) The beneficiary is willing to receive the payment in the currency of beneficiary instead of the original (freely convertible) currency of the invoice/ contract, Letter of Credit as full and final settlement,
- (d) AD bank is satisfied with the bonafides of the transactions, and
- (e) The counterparty to the importer of the AD bank 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.

T. Reconciliation of import entries of value equivalent to Rupees Ten lakh per entry/bill or less.

In order to further facilitate timely closure of entries in EDPMS & IDPMS and reduce compliance burden on small exporters and importers, Reserve Bank of India has issued Notification RBI/2025-26/89, A.P. (DIR Series) Circular No. 12 dated October 01, 2025 regarding Export Data Processing and Monitoring System (EDPMS) & Import Data Processing and Monitoring System (IDPMS) – reconciliation of export /import entries.

The details are as under:

Notwithstanding anything contained above, Banks will adopt the following procedure while closing entries (including outstanding entries) **in IDPMS of value equivalent to ₹10 lakh per entry/bill or less:**

a. Such entries shall be reconciled and closed based on a declaration (provided by the concerned exporter/importer that the amount has been realized, either in full or otherwise, or by the importer that the amount has been paid.

b. Any reduction in declared value or invoice value of the shipping bills/bills of entry shall also be accepted, based on the declaration by the concerned exporter or importer.

c. The declarations referred above may also be received on a quarterly basis from the exporters and importers in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS/IDPMS entries.

Banks will not levy any penal charges (penalty) for delays in adherence to any regulatory guidelines.

Circular/SOP defining procedural guidelines for handling small value bills are issued by TIBD from time to time and Branches are required to follow the same as amended and updated from time to time.

Any regulatory instructions issued by any regulator will automatically supersede the guidelines as mentioned in this policy.

