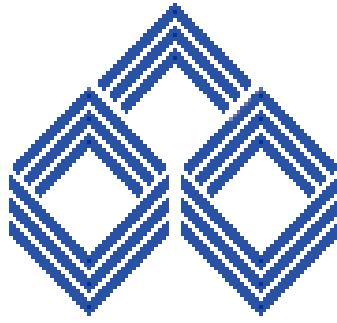




Indian Overseas Bank

SOP FOR HANDLING INTERNATIONAL TRADE TRANSACTIONS

1. Objective

Indian Overseas Bank ("the Bank") is committed to providing transparent, efficient, and compliant trade finance transaction related to exports & imports of Goods and services, and merchanting trade transactions.

This Standard Operating Procedure (SOP) aims to:

- Establish a uniform and standardized process for handling exports & imports of Goods and services, and merchanting trade transactions.
- Ensure compliance with the provisions of FEMA, RBI Directions, Foreign Trade Policy (FTP), DGFT requirements, and other applicable regulatory guidelines.
- Provide guidance on indicative documentation requirements, transaction processing, verification standards, reporting obligations, and regulatory timelines.
- Promote consistency in operational practices across branches, Centralised processing cell and customers.
- Facilitate efficient customer service while ensuring adherence to applicable laws and internal policies.

2. Scope

This SOP covers customer and operational processes relating to the following trade transactions handled by the Bank:

- Export of Goods and Services
- Import of goods and services
- Merchanting trade transactions

3. Regulatory Framework

All trade transactions shall be governed by the provisions of the Foreign Exchange Management Act (FEMA), 1999, and the rules, regulations, directions and master directions issued thereunder by the Reserve Bank of India (RBI). Transactions shall also be subject to the applicable provisions of the Foreign Trade Policy (FTP), FEDAI Rules, internationally accepted trade finance practices including UCP 600, URC 522 and ISP 98, and the Bank's internal policies, operational guidelines and procedures, as amended from time to time.

4. Customer Responsibilities

Customers are required to provide complete and accurate information, select the appropriate purpose code, submit prescribed supporting documents and comply with applicable FEMA, RBI, DGFT and other regulatory requirements. Customers shall also furnish post-transaction documents or evidence, wherever applicable.

The Bank may seek additional information or clarification, defer processing pending receipt of the required information, or decline transactions that do not meet regulatory, compliance or documentation requirements.

5. Processing Structure

Function	Role
Branch	Customer interaction, receipt and scrutiny of documents, due diligence of remitter/beneficiary wherever required ensuring compliance of credit sanction (wherever applicable) and forwarding to CFEPCC (Centralised Foreign Exchange Processing Cell)
Centralised Foreign Exchange Processing Cell(CFEPCC), Central Office	Scrutiny of documents, sanction screening, Processing of eligible trade transactions
Regional Offices/ Central Office	Necessary pre-approvals on case-to-case basis

6.Cut-off Time& Turn Around Time (TAT)

The Bank shall endeavour to process all eligible cross-border transactions on the same business day, provided complete requests, supporting documents and regulatory/compliance requirements are received and fulfilled before the cut-off time of 3:00 PM on a working day. Requests received after the cut-off time, or those requiring additional information or clarifications, may be processed on the next working day (T+1). Transactions requiring regulatory approvals or external confirmations shall be processed within the timelines prescribed by the concerned regulatory authority. TAT shall commence only upon receipt of complete and compliant documentation.

7. Trade Transaction Process Flow

7.1 Inward Remittances

Particulars	Details
Scope	Inward Trade Remittances, Export Proceeds
Process Flow	Receipt of remittance → Customer intimation → Submission of disposal instructions/documents → Branch scrutiny → Processing by CFEPCC → Regulatory verification (where required) → Credit to beneficiary account
Documents required	Disposal Instruction, Purpose Declaration, Invoice/Contract (where applicable), FEMA Declaration, KYC documents and any other documents required under regulatory guidelines on case-to-case basis.

7.2 Export Transactions

Activity	Process Flow	Indicative Documents/Requirements
Export Documents for Collection	Exporter submits documents → Branch scrutiny → Forwarding to CFEPCC → Processing as per FEMA/RBI guidelines → Dispatch to overseas bank	Export Invoice, Transport Documents, Bill of Exchange, Shipping Documents, Export Declaration, FEMA Declaration & any other clearance/ regulatory approval as applicable
Export Bills for Negotiation / Purchase /	Branch scrutiny → CFEPCC processing → Financing/Negotiation as	Export Order/LC, Export Invoice, Transport Documents, Bill of Exchange, Shipping Documents,

Discounting	applicable→ Dispatch to overseas bank/buyer as applicable	Export Declaration, FEMA Declaration, availability of Export Credit Limit, Compliance with sanction terms, ECGC Cover (where applicable), any other clearance/ regulatory approval as applicable
Export Realisation	Receipt of proceeds → Customer disposal instructions → Processing by CFEPCC → Adjustment of export finance (if applicable) → Reporting and closure	Disposal Instructions, Export Bill Reference, Any pending export-related documents, any other clearance/ regulatory approval as applicable

7.3 Import Transactions

Activity	Process Flow	Indicative Documents
Import Letter of Credit (LC)	Customer request → Branch scrutiny → Forwarding to CFEPCC → LC issuance through SWIFT → Customer advice	LC Application, Import proforma Invoice, Purchase Order/Contract, IEC, Insurance Details (if applicable), availability of Credit Limit, Compliance with sanction terms, approval from competent authority for any additional clause removal in LC, any other clearance/ regulatory approval as applicable
Import Bills under Collection	Submission of documents → Branch scrutiny → CFEPCC processing → Payment/Acceptance → Release of documents	Import Invoice, Bill of Lading/Airway Bill, Bill of exchange, Transport Documents, Packing list, any other Regulatory Declaration if any, any other clearance/ regulatory approval as applicable
Import Bills under Documentary Credit	Receipt of documents → Scrutiny → CFEPCC processing → Payment/Acceptance → Release of documents	Documents as applicable under LC terms, any other clearance/ regulatory approval as applicable
Import Payments	Request submission → Branch scrutiny → CFEPCC processing → Remittance through SWIFT → Customer advice	Form A1, Bill of Entry/CA certificate for non-physical import (where ever applicable) along with above mentioned import documents as applicable (LC/NON-LC), due diligence as per regulatory requirement, any other clearance/ regulatory approval as applicable

Note: Document requirements are indicative and may vary depending upon the nature of transaction, applicable FEMA regulations, RBI directions and the Bank's internal compliance requirements. The Bank may seek additional documents/information wherever considered necessary.

8. Service Charges

The Bank shall levy applicable charges, including forex transaction charges, SWIFT charges and correspondent bank charges, as per the Schedule of Charges in force from time to time. Banks will not levy any penal charges (penalty) for delayed submission/ delays in adherence to any regulatory guidelines. Details of the applicable charges are available at Bank branches and on the Bank's website(<https://www.iob.bank.in/en/search?q=FOREX+SERVICE>).

9. Customer communication

The Bank shall endeavour to keep customers informed on the status of their transactions through transaction acknowledgements, debit advice, SWIFT confirmations (where applicable) and status updates. Such communications may be provided through registered e-mail, SMS or physical advice through the concerned branch.

10. Grievance Redressal Mechanism: Customers may register their grievances, service requests, or feedback through the Bank's online Grievance Redressal Portal available on the official website. The Bank is committed to addressing customer complaints in a transparent, efficient, and time-bound manner. To lodge a complaint online, please visit: www.iob.bank.in/en/grievances-redressal-mechanism

Alternatively, customers may access the Grievance Redressal Mechanism section on the Bank's website for details of complaint registration, escalation matrix, and resolution timelines.

Note: Customers are encouraged to provide complete transaction details, account information and supporting documents while lodging a complaint to facilitate timely resolution.