

Indian Overseas Bank



POLICY ON HANDLING EXPORT AND IMPORT OF GOODS AND SERVICES AND MECHANING TRADE TRANSACTION

1. Introduction

The export and import regulatory framework in India is governed by FEMA, the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, the Foreign Trade Policy (FTP) 2023, and related directions issued by RBI, DGFT, and other regulatory authorities. As an Authorised Dealer Category-I Bank, Indian Overseas Bank facilitates export and import transactions while ensuring compliance with applicable regulatory requirements. This Policy provides a uniform operational and compliance framework for handling export transactions across the Bank and serves as the guiding reference for all export-import and Merchanting Trade related activities.

2. Objective

This Policy aims to establish a standardized framework for processing and monitoring export transactions, ensure compliance with applicable regulatory requirements, strengthen internal controls and reporting mechanisms, and provide clear operational guidance on documentation, approvals, timelines, and monitoring of export transactions across the Bank.

3. Scope of the Policy

This Policy covers all export-import and Merchanting trade related foreign exchange transactions handled by the Bank, including export realization, repatriation, advances, third-party payments, write-offs, extensions, set-off arrangements, and regulatory reporting. It shall apply to all Branches, Regional Offices, Centralized Foreign Exchange Processing Cell (CFEPC) and Treasury.

4. Regulatory Framework

This Policy shall be read in conjunction with the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, the Foreign Trade Policy (FTP) 2023 and the DGFT Handbook of Procedures, the FEMA (Current Account Transactions) Rules, 2000, the FEMA (Guarantees) Regulations, 2026, the Customs Act, 1962, FEDAI Rules, and all applicable RBI Directions, Circulars, Master Directions, Notifications, and other regulatory instructions issued by competent authorities from time to time. In the event of any inconsistency, the prevailing regulatory provisions shall take precedence. This Policy shall come into force with effect from **October 01, 2026** and shall govern all export-import and Merchanting trade transactions handled by the Bank from that date onwards.

Export of Goods and Services 2026: Part – A

Section - I General

A.1 Introduction

This section sets out the Policy on handling of export transaction is in compliance with the Reserve Bank of India Notification No. FEMA 23(R)/2026-RB on Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026.

A.2 Realization of export of goods / software / services

A.2.1 Standard Time Limit for Realisation

The full export value in respect of exports of goods, software and services shall be realised and repatriated to India within the following timelines:

- a. Exports of Goods: **Within Nine months** from the date of **shipment**.
- b. Exports of Services: **Within Nine months** from the date of the export **invoice**.
- c. Exports of Software: **Within Nine months** from the date of the relevant export declaration/invoice, as applicable.

A.2.2 Exports through Overseas Warehouses

In the case of goods exported to overseas warehouses established or utilised by the exporter, the export proceeds shall be realised and repatriated to India **within Nine months from the date of sale of the goods from the warehouse**.

A.2.3 INR-denominated Exports

Where export transactions are invoiced and/or settled in Indian Rupees (INR) in accordance with applicable RBI guidelines, the export proceeds shall be realised and repatriated to India **within Twelve months** from the date of shipment in the case of goods and from the date of invoice in the case of services.

A.2.4 Project Exports

In respect of project exports, the period for realisation and repatriation of export proceeds shall be based on the **payment terms specified in the underlying contract** and shall be monitored accordingly by the bank.

A.2.5 Extension of Time

The bank may permit extension of the prescribed period for realisation and repatriation of export proceeds, after satisfying itself regarding the bona fides of

the transaction and the reasons for delay, subject to compliance with the applicable FEMA regulations, RBI directions, and internal due diligence requirements.

A.2.6 Monitoring

Bank shall monitor all outstanding export bills through EDPMS and ensure timely follow-up for realisation of export proceeds. Cases involving overdue export receivables, delays in repatriation, or requests for extension shall be reviewed and regularised in accordance with the extant regulatory guidelines and the Bank's internal policy framework.

A.3 Manner of receipt and payment

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 bill:**

1. 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.
2. Any reduction in declared value or invoice value of the shipping bills shall also be accepted, based on the declaration by the concerned exporter.
3. The declarations referred above may also be received on a quarterly basis from the exporters in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS entries.
4. Banks will not levy any penal charges (penalty) for delayed submission/ delays in adherence to any regulatory guidelines.

(v) 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.
- 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 exports 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.

(vi) Third party payments for export transactions

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

a. Documentary requirement – Tripartite agreement

For permitting third-party payments in export transactions, the Bank shall ensure that a **firm irrevocable order supported by a tripartite agreement** among the exporter/importer, the overseas buyer/seller, and the third party is ordinarily in place. However, a formal tripartite agreement need not be insisted upon where documentary evidence clearly establishes the circumstances leading to third-party payment, or where the name of the third party is already reflected in the irrevocable order, contract, or invoice. In such cases, the AD branch must be satisfied about the bona fides of the transaction based on the export documents, including invoice, shipping documents, and FIRC. Further, the exporter must correctly declare the third-party remitter in the Export Declaration Form (EDF), and the transaction must comply with all applicable regulatory requirements.

b. Channel of payment

All third-party payments must be routed strictly through authorised banking channels only.

c. Obligations of Exporter

The exporter shall remain fully responsible for the realization and repatriation of export proceeds from the declared third party within the prescribed regulatory timeframe. Any export outstanding will continue to be reported in the name of the exporter; however, for monitoring purposes, the name of the declared third party—rather than the original overseas buyer—shall be reflected as the entity from whom the proceeds are to be realized.

d. Restricted cover countries

For exports to countries classified as *restricted cover countries* (such as Sudan, Somalia, etc.), the Bank may, where permitted under applicable regulations, allow receipt of export proceeds from a third-party resident in an *open cover country*. Such transactions must be supported by enhanced due diligence on the third

party, including full compliance with the Bank's KYC, AML, and CFT standards, verification against FATF public statements and applicable international sanctions, and adherence to relevant credit cover and export credit insurance norms.

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

The Bank may permit settlement of export transactions where the contract or invoice is denominated in one freely convertible currency, but the actual payment is received in another freely convertible currency that does not have a direct exchange rate with the invoice currency, subject to the following conditions:

- a) The exporter must be an existing, fully KYC-compliant customer of the AD branch and must meet all AML/CFT requirements.
- b) The underlying export contract or invoice must be issued 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) The overseas counterparty must not belong to any jurisdiction identified as high-risk or non-cooperative under FATF public statements, UN sanctions, or other applicable international sanctions frameworks.

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

- a) 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.
- b) 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.
- c) 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. Temporary Foreign Currency Account

Temporary Foreign Currency Account may be opened by residents for specific events such as trade fairs, exhibitions, or project-related activities abroad. Such accounts are strictly temporary in nature and must be closed immediately after the event concludes. Any balance remaining in the account must be repatriated to India within one month of closure. RBI guidelines mandate that Authorized Dealer (AD) Category-I banks ensure that all transactions are supported by commercial documentation such as invoices, purchase orders, and shipping documents, and that the account is operated strictly within FEMA provisions.

2. Foreign Currency Account (FCA)

As per the recent amendments issued by the Reserve Bank of India—Notification No. FEMA 10(R)(5)/2025-RB dated January 14, 2025, and the subsequent Seventh Amendment to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2025, notified vide FEMA 10(R)(7)/2025-RB dated October 06, 2025—a person resident in India, being an exporter, is permitted to open, hold, and maintain a Foreign Currency Account (FCA) with a bank outside India.

This facility may be used for:

- Realisation of full export value of goods or services; and Receipt of advance remittances towards export of goods or services.
 - Funds held in such FCAs may be utilised for payment of imports into India, or may be repatriated to India within the timelines prescribed below:
 - Within three months from the date of receipt of funds, for FCAs maintained with banks located in an International Financial Services Centre (IFSC);
 - Within the next month, for FCAs maintained in all other jurisdictions.
 - These timelines apply after adjusting for forward commitments, and subject to compliance with the realisation and repatriation requirements as per FEMA.
- 3.** Special Economic Zone (SEZ) Units are allowed to open and maintain FC accounts in India. These accounts may be credited with export proceeds and other eligible receipts, while debits must conform to SEZ regulations and FEMA provisions.

Branches must verify the SEZ status of the unit, ensure that credits and debits are legitimate, and monitor compliance with RBI and SEZ guidelines.

4. A person resident in India being a project / service exporter may open, hold and maintain foreign currency account with a bank outside or in India, subject to the standard terms and conditions in the Memorandum PEM.

A.5 Diamond Dollar Accounts (DDA)

Diamond Dollar Accounts (DDA) are a facility extended to firms engaged in the diamond, gemstone, and jewellery trade. Eligibility requires a minimum track record of three years in export of diamonds, gemstones, or jewellery, along with an average annual turnover of at least ₹3 crore during the preceding three licensing years (April–March). Firms must be engaged in the purchase or sale of rough or cut/polished diamonds, precious metal jewellery (plain, minakari, studded with or without diamonds or other stones), diamond and coloured gemstone studded jewellery, or plain gold jewellery.

Firms are permitted to maintain a maximum of five DDAs across all banks, and disclosure of existing DDAs with other AD banks is mandatory to avoid regulatory breach. Branches must review the track record of the firm annually at the end of each licensing year. All transactions must be supported by commercial documents such as invoices, shipping papers, and certificates of origin, and for diamonds/gemstones, certificates from recognized agencies like GIA or IGI must be maintained. Compliance with the Foreign Trade Policy (FTP), FEMA provisions, FATF guidelines, and sanctions screening is mandatory.

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

- (i) A person resident in India may open with, an AD Category – I bank in India, an account in foreign currency called the Exchange Earners' Foreign Currency (EEFC) Account, in terms of Regulation 4 (D) of Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations, 2015 dated January 21, 2016.
- (ii) Resident individuals are permitted to include resident close relative(s) as defined in the Companies Act 2013 as a joint holder(s) in their EEFC bank accounts on former or survivor basis.
- (iii) This account shall be maintained only in the form of non-interest bearing current account. No credit facilities, either fund-based or non-fund based, shall be permitted against the security of balances held in EEFC accounts by branches.
- (iv) All categories of foreign exchange earners are allowed to credit 100% of their foreign exchange earnings to their EEFC Accounts subject to the condition that

- a) The sum total of the accruals in the account during a calendar month should 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
- b) The facility of EEFC scheme is intended to enable exchange earners to save on conversion/transaction costs while undertaking forex transactions. This facility is not intended to enable exchange earners to maintain assets in foreign currency, as India is still not fully convertible on Capital Account.

(v) Eligible credits to EEFC Accounts represents,

- a) inward remittance received through normal banking channel, other than the remittance received pursuant to any undertaking given to the Reserve Bank or which represents foreign currency loan raised or investment received from outside India or those received for meeting specific obligations by the account holder.
 - b) payments received in foreign exchange by a 100 per cent Export Oriented Unit or a unit in Export Processing Zone, Software Technology Park or Electronic Hardware Technology Park for supply of goods to similar such unit or to a unit in Domestic Tariff Area and also payments received in foreign exchange by a unit in Domestic Tariff Area for supply of goods to a unit in Special Economic Zone (SEZ).
- (vi)** Bank may permit their exporter constituents to extend trade related loans/ advances to overseas importers out of their EEFC balances without any ceiling subject to compliance with the provisions of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (Notification No. FEMA.3(R)/2018-RB dated December 17, 2018)
- (vii)** Bank may permit exporters to repay packing credit advances whether availed in Rupee or in foreign currency from balances in their EEFC account and / or Rupee resources to the extent exports have actually taken place.
- (viii)** Where a part of the export proceeds are credited to an EEFC account, the export declaration (duplicate) form may be certified as: "Proceeds amounting to representing percent of the export realization credited to the EEFC account maintained by the exporter with.....".

A.7 Counter Trade Arrangement

Counter trade proposals involving adjustment of value of goods imported into India against value of goods exported from India in terms of an arrangement voluntarily entered into between the Indian party and the overseas party through an Escrow

Account opened in India in US Dollar will be considered by the Bank subject to following conditions:

- (i) All imports and exports under the arrangement should be at international prices in conformity with the Foreign Trade Policy and Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.
- (ii) 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.
- (iii) No fund based/or non-fund based facilities would be permitted against the balances in the Escrow Account.
- (iv) The exporter must submit an application to the Branch for opening an Escrow Account, either in the prescribed format or through a detailed letter containing all required information. The application must include details of the counter-trade arrangement and parties involved, a copy of the counter-trade agreement, the list of goods or services to be imported and exported, expected timelines and values, the details of the AD bank where the Escrow Account will be opened, full KYC of both Indian and overseas parties, and a confirmation that all imports and exports will be executed at international prices. Once complete, the application shall be forwarded to Central Office 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. For such exports, the handling of the Export Declaration Form (EDF) and related customs clearance procedures follows a process distinct from exports routed through ports or airports. The procedures outlined below govern this specific category of cross-border movement. Notwithstanding these operational differences, all exports must continue to comply fully with the Foreign Trade Policy, applicable export regulations, and prescribed customs procedures.

a) Exports by road transport

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.

- b) Timing:** The Export Declaration Form (EDF) should be presented to Customs as close as possible to the actual border crossing to ensure proper verification of goods against the declaration, allow Customs to affix the required seals and endorsements, and facilitate uninterrupted movement of the consignment without operational delays.
- c) Methods of submission:** The exporter may submit the Export Declaration Form (EDF) to Customs at the border either personally or through an authorised clearing agent. Alternatively, the exporter may hand over the EDF to the driver or transporter responsible for the vehicle, who will present it to Customs at the time of crossing. The exporter may also forward the EDF to an agent or representative stationed at the border for submission. These options ensure that the EDF reaches Customs in time for verification and endorsement.
- d) Documentation:** The exporter must retain a duplicate or triplicate copy of the Export Declaration Form (EDF) for their records and for submission to the AD bank. A stamped or sealed copy of the EDF, evidencing Customs clearance and endorsement at the border, must also be obtained and furnished to the AD bank as part of the export documentation.

(i) Export by rail transport

- a) Designated railway stations:** Customs staff are posted at designated railway stations to carry out Customs formalities for export goods loaded at designated stations. Exporters may refer to the list of such designated stations, which is available with the Railways or can be obtained from the Directorate General of Foreign Trade (DGFT).
- b) Exports loaded at designated stations:** For goods loaded at designated railway stations, the exporter or their authorised agent must present the original Export Declaration Form (EDF) to the Customs Officer posted at that station. The Customs Officer will collect and process the EDF, enabling the consignment to move directly to the foreign destination without requiring additional Customs formalities at the border. This streamlined procedure reduces transit delays and allows goods to proceed without stopping at border stations.
- c) Exports loaded at non-designated stations:** For goods loaded at railway stations that are not designated for Customs processing, the exporter must ensure that the original Export Declaration Form (EDF) is presented to the Customs Officer at the Border Land Customs Station where final Customs formalities are completed. This ensures that all export procedures are duly completed before the consignment crosses the border.

(ii) Exports by barge / country craft / inland waterways

Exports carried out through barges, country craft, or other vessels operating on inland waterways shall follow the same procedures applicable to road-transport exports. The exporter must ensure that the original Export Declaration Form (EDF) is presented to the Customs station at the border point through which the vessel will exit India, and this must be done before the vessel crosses into foreign territory.

A.9 Repayment of State credits

- (i) State credits were extended by the erstwhile Union of Soviet Socialist Republics (USSR) to India for financing trade and development projects, creating long-term obligations for India to repay these credits through exports of goods and services to the USSR and, following its dissolution, to the successor states—primarily Russia and other former Soviet republics.
- (ii) All exports undertaken against repayment of such state credits must comply with the directions issued by the Reserve Bank of India and any bilateral arrangements between the Government of India and the respective successor states, in addition to the applicable provisions of the Foreign Trade Policy and export regulations.
- (iii) These exports must be declared through the standard Export Declaration Form (EDF), clearly marked as “Against Repayment of State Credit (USSR)” or an equivalent notation. Exporters are required to furnish documentary evidence of the authorization or allocation letter issued by the Government of India or the designated nodal agency responsible for administering state credit repayment.
- (iv) Prior to undertaking any shipment, the exporter must obtain this authorization, which specifies the approved goods or services, quantities, invoice values, destination country, and timelines. A copy of the authorization letter must be submitted to the AD bank along with the export documentation to ensure compliance with regulatory and governmental requirements.

A.10 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.
- c) This arrangement enables exporters to improve cash flow, meet working capital requirements, and convert receivables into immediate funds.

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

A.11 Project Exports and Service Exports

(i) Definition

Project exports, as defined under the Foreign Trade Policy, include civil construction contracts, turnkey engineering projects involving supply of capital goods on deferred payment terms, process and engineering consultancy services, and project construction items. Under FEMA 23(R)/2026, Regulation 15 governs the handling of such transactions and replaces the earlier PEM framework. The responsibility for permitting receipts and payments now rests entirely with the Authorised Dealer Category-I bank, although internal risk-management practices may still require large or complex projects to be reviewed through an internal committee or EXIM Bank as a matter of prudence.

(ii) Requirement of Approval

The exporter does not require any external approval for handling a project export. The branch/ AD branch handling the transaction must satisfy itself of the genuineness of the project based on the **intimation** and supporting documents submitted by the exporter. Once the bank is satisfied, it may permit receipts and payments strictly in accordance with the underlying contract.

(iii) Documentation

Before undertaking any project export transaction, the exporter must submit an intimation letter containing the export contract or Letter of Award, project cost and revenue projections, the payment-terms schedule, and copies of bid bonds, performance guarantees or advance-payment guarantees wherever applicable. These documents enable the bank to verify the authenticity of the project and ensure that the proposed transactions are legitimate and compliant with FEMA.

(iv) Monitoring

The Bank shall consider the initial intimation and supporting documents submitted by the exporter, along with updates and documentary evidence provided in connection with subsequent project-related transactions. The Bank shall ensure that all receipts and payments remain aligned with the underlying contract and apply enhanced oversight in specific situations such as deployment of temporary cash surplus abroad to ensure appropriate supervision and regulatory compliance throughout the project lifecycle.

The exporter shall submit, at least on an annual basis, a status report on the project, including details of project progress, cash flows, profit and loss statement, outstanding receivables, repatriation status of funds, and any other information that may be required by the Bank. The Bank shall monitor such submissions to ensure that

all project-related receipts and payments remain consistent with the underlying contract and permitted business activities.

(v) Realisation and Repatriation Timelines

Realisation and repatriation of export proceeds for project exports follow the payment terms stipulated in the underlying contract. Branches must ensure that receipts are aligned with contractual milestones and that repatriation occurs as per agreed terms.

(vi) Reporting of Losses

If an exporter incurs a loss on a project, the exporter must promptly report the loss to the bank, supported by detailed documentation including certified financial statements, cost-revenue reconciliation, and evidence explaining the circumstances leading to the loss. The bank shall examine the submission to ensure that the loss is genuine, properly accounted for, and consistent with the underlying contract and project execution records. After satisfying itself of the bonafides, the bank must record the loss appropriately, ensure compliance with FEMA requirements, and verify that any associated adjustments—such as reduction or write-off of outstanding balances—are carried out in accordance with Regulations 6 and 15 of FEMA 23(R)/2026-RB and other regulatory guidelines.

(vii) Temporary Deployment of Cash Surplus

Regulation 15(2) of FEMA 23(R)/2026-RB permits project exporters to deploy temporary cash surplus generated outside India in short-term instruments abroad, such as treasury bills or bank deposits with original or residual maturity of one year or less. The bank must verify the legitimacy of the surplus, permit deployment only in eligible instruments, and ensure appropriate adjustment or repatriation of overseas funds at project closure.

(viii) Third-Country Payments and Receipts

Payments in foreign exchange to a third country for procurement of materials required at the project site are permissible under Regulation 8. The bank must be satisfied about the bonafides of the arrangement and ensure that the procurement contract and supporting documentation establish that the third-country payment is genuinely required for the project. Similar scrutiny applies to third-country realisation of export proceeds, which is common in project exports where a parent, associate or financing entity settles on behalf of the project-site buyer.

(ix) Dissolution or Termination of Project

If a project export contract is terminated midway, the exporter must promptly submit termination or settlement documentation such as a mutual termination agreement, arbitration award, court order or force majeure notice, along with details of work executed, financial settlement terms, supporting documents and certified

accounts. The bank must examine the circumstances, permit repatriation or consider reduction or write-off of outstanding balances in accordance with Regulations 6 and 15, and ensure proper settlement of overseas funds, reporting and closure of the project.

(x) INR Settlement of Export Proceeds

Export proceeds may be received in INR under the International Trade Settlement in INR framework (Regulation 17) or where otherwise permitted under the underlying contract and RBI directions. The bank must ensure compliance with the applicable INR settlement guidelines.

A.12 Export on elongated credit terms

Where an exporter proposes to export goods on elongated credit terms (i.e., credit period beyond the normally permitted / commercially reasonable period), prior approval from the from central office is to be obtained.

In such cases, the exporter shall submit a detailed proposal through their branches to the competent Authority, 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).

A.13 Export of Currency

Export of Indian currency—comprising currency notes issued by the Government of India and the Reserve Bank of India—is regulated under the applicable Foreign Exchange Management regulations governing the export and import of currency. Export of Indian currency is permitted only under the following general permissions:

- (i) Any person resident in India may take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India up to an amount not exceeding Rs.25,000 (Rupees twenty five thousand only); and
- (ii) Any person resident outside India, not being a citizen of Pakistan and Bangladesh and also not a traveler coming from and going to Pakistan or Bangladesh, and visiting India may take outside India currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs. 25,000 (Rupees twenty five thousand only) while exiting only through an airport.

Section - II EDF Procedure

B.1 Export of goods through Customs ports

- (i) At the time of shipment of goods, exporters shall submit the duplicate copy of the EDF to Customs. After examining the goods, Customs shall certify the quantity in the form and return it to the exporter for submission to AD for negotiation or collection of export bills.
- (ii) Within 21 days from the date of export, exporter shall lodge the duplicate copy together with relative shipping documents and an extra copy of the invoice to the AD named in the EDF.
- (iii) After the documents have been negotiated / sent for collection, the AD shall report the transaction through Export Data Processing and Monitoring System (EDPMS) to the Reserve Bank and retain the documents at their end.
- (iv) Where duplicate copy of EDF is misplaced or lost, AD may accept copy of duplicate EDF duly certified by Customs.

B.2 Export of Goods / Services/ Software

Export of Goods

Exports through EDI Ports: For exports effected through Electronic Data Interchange (EDI) enabled Customs ports, the filing of the Shipping Bill shall be deemed to constitute submission of the Export Declaration Form (EDF), and the export declaration details shall be transmitted electronically to EDPMS through the Customs system.

Exports through Non-EDI Ports : For exports effected through non-EDI ports, the exporter shall submit the EDF in physical form along with the Shipping Bill to the specified authority, namely Customs authorities or the Development Commissioner in the case of exports from Special Economic Zones (SEZs).

Upon authentication of the export documents, the specified authority shall forward the duly authenticated EDF to the Authorised Dealer (AD) bank nominated in the declaration. On receipt of the authenticated EDF, the AD bank shall capture and upload the export data in EDPMS within the prescribed regulatory timeline.

In cases where the authenticated EDF is not received from the specified authority within a reasonable period, the branch/processing centre shall follow up with the exporter and obtain a duplicate or certified copy of the EDF, wherever required, to facilitate reporting and regularisation of the transaction in EDPMS.

Export of Services

- (i) In terms of the applicable FEMA Regulations, an exporter of services shall furnish the EDF to the designated Authorised Dealer (AD) Bank within 30 days from the end of the month in which the export invoice is raised.
- (ii) A consolidated EDF may be submitted for multiple service export invoices raised

during the same month, wherever permitted.

- (iii) 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.

The EDF shall be supported by:

- a. Export invoice(s) containing details of the services rendered and the applicable SAC code.
 - b. An invoice-wise annexure, where a consolidated EDF is submitted, reconciling the individual invoices and export values with the total amount declared.
 - c. FIRC/Bank Credit Advice or other evidence of receipt, wherever export proceeds have already been realised.
- (iv) The Bank may obtain additional documents, such as service agreements, contracts or purchase orders, only where considered necessary based on the nature of the transaction, customer profile, or risk assessment.
- (v) 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.
- (vi) Irrespective of the declaration format, the exporter remains strictly liable to realize the foreign exchange due and repatriate it to India within fifteen months from the date of the invoice (or eighteen months if invoiced/settled in INR).

Export of Software

- (i) For software exports, the exporter may submit the Export Declaration Form (EDF) either to the Software Technology Parks of India (STPI) or directly to the designated Authorised Dealer (AD) Bank, both of which are recognised as specified authorities under the applicable FEMA Regulations. Software exporters are permitted to file single or bulk export declarations in the form of an Excel statement to the specified authority for certification.
- (ii) For software export contracts, exporters shall raise invoices within 15 days of the software transmission in the case of one-time transactions. For contracts involving multiple transmissions or extended execution periods, invoices shall be raised periodically, at least on a monthly basis or upon achievement of contractual milestones, with the final invoice being issued no later than 15 days from the date of contract completion. Exporters may submit a consolidated declaration form covering all invoices raised on a particular overseas client during a month, including any advance remittances received against such exports.

- (iii) Exporters of software (categorized under services) must furnish their declaration (EDF) 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.
- (iv) Where the EDF is submitted through STPI or any other specified authority, such authority may upload the export declaration directly in EDPMS or forward the authenticated declaration to the designated AD Bank for processing and reporting.
- (v) Where the EDF is submitted directly to the Bank, the exporter shall furnish the relevant software export invoice(s) containing details of the software/services exported and the applicable SAC code. Based on its risk assessment of the exporter and the transaction, the AD Bank may, wherever considered necessary, obtain additional supporting documents such as contracts, work orders, delivery or acceptance confirmations, proof of export of services/software, STPI/SEZ registration documents, or related-party declarations.
- (vi) The Bank shall verify the declaration and supporting documents and ensure timely reporting of the export transaction in EDPMS in accordance with the applicable guidelines.

Timelines for Reporting

- I. For exports effected through EDI ports, the EDF shall be deemed to have been submitted as part of the shipping bill. Where a physical Exchange Control (EC) Copy of the shipping bill is generated by Customs/SEZ authorities, the exporter shall submit the same to the Bank within 21 days from the date of export for collection/negotiation of export documents. However, where the EC Copy is not printed in accordance with Customs guidelines and the shipping bill data is successfully transmitted to and available in EDPMS, submission of a physical EC Copy shall not be required.
- II. In respect of exports through non-EDI ports, the AD bank shall enter the details of the duly authenticated EDF in EDPMS within five working days from the date of receipt of the declaration.
- III. In respect of software exports, the AD bank shall capture and update the relevant declaration details in EDPMS within five working days from the date of receipt of the authenticated EDF information, as applicable.
- IV. Where the authenticated EDF is not received within the prescribed or reasonable time, the AD bank shall initiate follow-up with the exporter and obtain appropriate documentary evidence, including a duplicate or certified copy of the EDF

wherever necessary, to ensure timely reporting and regularisation of the export transaction.

- V. Persistent non-submission or non-regularisation of export documentation shall be dealt with in terms of the applicable FEMA regulations, RBI directions, and EDPMS reporting requirements.

B.3 Export of Goods through Post

Postal Authorities shall allow export of goods by post only if the original copy of the EDF has been countersigned by an AD. Therefore, EDF which involve sending goods by post should be first presented by the exporter to an AD for countersignature. The procedure is as under,

- (i) AD shall countersign EDF after ensuring that the parcel has been addressed to their branch or correspondent bank in the country of import and return the original copy to the exporter, who shall then submit the EDF to the post office with the parcel.
- (ii) The duplicate copy of EDF shall be retained by the AD to whom the exporter shall submit relevant documents together with an extra copy of invoice for negotiation/collection, within the prescribed period of 21 days.
- (iii) The concerned overseas branch or correspondent shall be instructed to deliver the parcel to consignee against payment or acceptance of relative bill.
- (iv) AD may, however, countersign EDF covering parcels addressed direct to the consignees, provided:
 - a) An irrevocable letter of credit for the full value of export has been opened in favor of the exporter and has been advised through the AD concerned.
Or
 - b) The full value of the shipment has been received in advance by the exporter through an AD.
Or
 - c) The AD is satisfied, on the basis of the standing and track record of the exporter and the arrangements made for realization of the export proceeds.

In such cases, particulars of advance payment/letter of credit / AD's certification of standing, etc., of the exporter should be furnished on the form under proper authentication.

- (v) Any alteration in the name and address of consignee on the EDF form should also be authenticated by AD under its stamp and signature.

B.4 Short Shipments and shut out shipments

- (i) Where a part of the goods covered under an Export Declaration Form (EDF) is not shipped fully, the exporter shall promptly report the short shipment to the Customs authorities in the prescribed manner and obtain the necessary acknowledgement/certification.
- (ii) The certified short shipment advice/notice issued by Customs shall be submitted to the Bank for updating the export transaction records.
- (iii) Pending receipt of the certified Customs document, the Bank may accept an undertaking from the exporter confirming that the short shipment has been duly reported to Customs and that the certified copy shall be submitted immediately upon receipt.
- (iv) 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.
- (v) 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. In such scenarios, the original EDF that was previously received by the RBI from Customs will be officially cancelled.
- (vi) If the exporter subsequently manages to make the shipment, a completely fresh set of EDFs must be completed and filed.

B.5 Consolidation of Air Cargo/Sea Cargo

- (i) In cases of consolidated air cargo shipments, the airline issues a Master Airway Bill (MAWB) to the consolidating cargo agent, who in turn issues House Airway Bills (HAWBs) to individual exporters.
- (ii) The Bank may negotiate export documents supported by HAWBs only where the underlying Letter of Credit (LC) specifically permits negotiation against such documents in lieu of the airline-issued Airway Bill.
- (iii) The Bank may accept Forwarder's Cargo Receipts (FCRs) issued by IATA-approved agents or other recognised freight forwarders in lieu of Bills of Lading, subject to the terms of the underlying transaction.
- (iv) In LC-backed export transactions, FCRs may be accepted for negotiation or collection purposes where the Letter of Credit expressly permits submission of FCRs in place of Bills of Lading.
- (v) In non-LC export transactions, the Bank may, at its discretion, accept FCRs for purchase, discounting, or collection of export bills, provided the underlying export contract or sale agreement specifically recognizes an FCR as an acceptable transport document in lieu of a Bill of Lading.
- (vi) Acceptance of FCR-backed export bills for purchase or discounting shall be subject to the Bank's credit and risk assessment, considering that FCRs are not negotiable documents of title.

B.6 Exemption from Declaration

- (i) A traveller carrying or dispatching personal effects, whether accompanied or unaccompanied, from India shall not be treated as an exporter and shall therefore be exempt from the requirement of furnishing an EDF.
- (ii) Any other exemptions as may be notified by the Reserve Bank of India, Government of India, Customs authorities, or any other competent authority from time to time shall be complied with by the Bank and the exporter, as applicable.

Section - III

C.1 Grant of EDF Waiver

- (i) Separate GR/EDF waiver approval from the Authorised Dealer (AD) Bank is not required for goods taken out of India for **samples, exhibition, repair, testing, or similar purposes** where no foreign exchange transaction is involved.
- (ii) In such cases, the exporter shall submit an EDF with Nil export value, indicating the nature and purpose of the goods being taken abroad.
- (iii) The Bank shall process such transactions based on the Nil value EDF and supporting documents evidencing the purpose of export, wherever considered necessary.
- (iv) The exporter shall comply with the applicable Customs and regulatory requirements relating to the temporary export or movement of such goods.
- (v) Such free of cost supplies shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme.
- (vi) Status holders shall be entitled to export freely exportable items (excluding Gems and Jewellery, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit as below;
 - a) Annual limit of 2% of average annual export realization during preceding three licensing years for all exporters (excluding the exporters of following sectors-(1) Gems and Jewellery Sector, (2) Articles of Gold and precious metals sector).
 - b) Annual limit of Rupees One Crore or 2% of average annual export realization during preceding three licensing years, whichever is lower. (for exporters of the following sectors-(1) Gems and Jewellery Sector, (2) Articles of Gold and precious metals sector).
 - c) In case of supplies of pharmaceutical products, vaccines and lifesaving drugs to health programmes of international agencies such as UN, WHO-PAHO and Government health programmes, the annual limit shall be up to 8% of the average annual export realisation during preceding three licensing years.

C.2 Receipt of advance against exports

- (i) Exporters may receive advance payment, with or without interest, from an overseas buyer against future exports of goods/services.
- (ii) The export shipment shall be completed within three years from the date of receipt of the advance payment.
- (iii) Interest payable on such advances, if any, shall not exceed the applicable all-in-cost ceiling prescribed for Trade Credit under the prevailing FEMA/RBI regulations.
- (iv) All export documents relating to shipments against the advance received shall be routed through the same AD branch that received the advance payment. If routed through different AD Banks, proof of intimation to all banks involved to be shared by exporter.
- (v) Where the exporter is unable to fulfill the export obligation, either fully or partly, within the stipulated period of three years, refund of the unutilized advance and/or payment of interest thereon after the expiry of the stipulated period shall require prior approval from Treasury (Foreign) Department, Central Office.
- (vi) All advance remittances received against exports, including outstanding advances received earlier, shall be reported in EDPMS.
- (vii) e-FIRCs issued against such advance remittances shall also be appropriately linked and reported in EDPMS.

Long-Term Export Advances

- (i) Bank may permit exporters having a minimum three-year satisfactory track record to receive export advances for long-term supply contracts with a tenor of up to ten years, subject to regulatory compliance and satisfactory due diligence.
- (ii) The facility shall be supported by a firm and irrevocable export contract or supply agreement clearly stipulating:
 - Nature and quantity of goods;
 - Delivery schedule;
 - Contract value and pricing methodology;
 - Performance obligations; and
 - Penalty clauses for non-performance, cancellation, or delay.
- (iii) The exporter shall demonstrate adequate operational, financial, and technical capability to execute the contract throughout its tenure.
- (iv) The facility shall not be available to exporters who are:
 - Under adverse notice from the Enforcement Directorate or any regulatory authority; or
 - Included in any caution, defaulter, or restrictive list maintained by regulatory authorities.
- (v) Export advances shall be adjusted only against future exports under the relevant contract.

- (vi) Interest payable, if any, shall not exceed the applicable all-in-cost ceiling prescribed for Trade Credit.
- (vii) All transactions under the arrangement shall be routed through a single AD Bank.
- (viii) Bank shall ensure full compliance with KYC, AML, and CFT requirements.
- (ix) Such advances shall not be utilized for adjustment or liquidation of Rupee credit facilities classified as NPA.
- (x) Bank shall ensure that double financing of working capital against the same export order is avoided.
- (xi) Purchase of foreign exchange for refund of advances credited to an EEFC account may be permitted only after utilization of all available EEFC balances maintained by the exporter across all branches and banks.

Issuance of Bank Guarantees / SBLCs for Long Term Export Advance

- (i) In case Bank is required to issue bank guarantee (BG) / Stand by Letter of Credit (SBLC) for export performance, then the issuance should be rigorously evaluated as any other credit proposal.
- (ii) BG / SBLC may be issued for a term not exceeding two years at a time and further rollover of not more than two years at a time may be allowed subject to satisfaction with relative export performance as per the contract.
- (iii) BG / SBLC should cover only the advance on reducing balance basis.
- (iv) BG / SBLC issued from India in favor of overseas buyer should not be discounted by the overseas branch / subsidiary of bank in India.

Advance receipts for Export Contracts Involving Shipment Beyond Three Years

- (i) Bank may permit receipt of advance payments for export contracts requiring a manufacturing or execution period exceeding three years, provided the export agreement itself envisages such extended delivery timelines.
- (ii) The following conditions shall be satisfied:
 - Comprehensive KYC and due diligence on the overseas buyer;
 - Compliance with AML/CFT requirements;
 - Satisfaction regarding the bona fide nature of the transaction;
 - Utilization of advance funds solely for the execution of the export contract;
 - Receipt of milestone or progress payments directly from the overseas buyer in accordance with contract terms;
 - Interest payable, if any, remaining within the applicable Trade Credit all-in-cost ceiling; and
 - No significant history of refunds, with refunds not exceeding 10% of advances received during the preceding three years.
- (iii) All export documents and related transactions shall continue to be routed through the same AD Bank.

Monitoring and Follow-up

- (i) Bank shall undertake continuous monitoring of outstanding export advances and ensure fulfillment of export obligations within the prescribed timelines.
- (ii) Appropriate systems shall be established for tracking shipment performance, realization of export proceeds, and adjustment of advances.
- (iii) Bank shall carry out enhanced due diligence to ensure that advance remittances are received only against genuine export transactions and remain compliant with KYC, AML, and FEMA requirements.
- (iv) Cases involving non-performance, abnormal delays, suspicious transactions, or chronic defaults shall be escalated to the appropriate authorities, including referral to the Directorate of Enforcement, wherever required.
- (v) Long-term advance facilities shall be permitted only where all prescribed regulatory conditions are satisfied.

C.3 EDF Approval for export of goods for re-imports

- (i) Bank may consider request from exporters for granting EDF approval in cases where goods are being exported for re-import after repairs / maintenance / testing / calibration, etc., subject to the condition that the exporter shall produce relative Bill of Entry within one month of re-import of the exported item from India.
- (ii) Where the goods being exported for testing are destroyed during testing, branches may obtain a certificate issued by the testing agency that the goods have been destroyed during testing, in lieu of Bill of Entry for import.

C.4 Re-Export of Unsold Rough Diamonds from Special Notified Zone (SNZ) of Customs — Without EDF Formality

- (i) In order to facilitate re-export of unsold rough diamonds imported on free of cost basis at SNZ, it is clarified that the unsold rough diamonds, when re-exported from the SNZ (being an area within the Customs) without entering the Domestic Tariff Area (DTA), do not require any EDF formality.
- (ii) Entry of consignment containing different lots of rough diamonds into the SNZ should be accompanied by a declaration of notional value by way of an invoice and a packing list indicating the free cost nature of the consignment. Under no circumstance, entry of such rough diamonds is permitted into DTA.
- (iii) For the lot/ lots cleared at the center/s which are duly notified under Customs Act, 1962/specified by the Central Board of Indirect Taxes & Customs, Department of Revenue, Ministry of Finance, Government of India for the above purpose, Bill of Entry shall be filed by the buyer. Branches may permit such import payments after being satisfied with the bona-fides of the transaction. Further, Branches shall also maintain a record of such transactions.

C.6 Foreign Currency Accounts of Overseas branches/office, representatives of Indian Entities

- (i) At the time of setting up of the office, Bank may allow remittances towards initial expenses up to fifteen per cent of the average annual sales/income or turnover during the last two financial years or up to twenty-five per cent of the net worth, whichever is higher.
- (ii) For recurring expenses, remittances up to ten per cent of the average annual sales/income or turnover during the last two financial years may be sent for the purpose of normal business operations of the office (trading/non-trading)/branch or representative office outside India subject to the following terms and conditions;
- The overseas branch/office has been set up or representative is posted overseas for conducting normal business activities of the Indian entity;
 - The overseas branch/office/representative shall not enter into any contract or agreement in contravention of the Act, Rules or Regulations made there under.
 - The overseas office (trading / non-trading) / branch / representative should not create any financial liabilities, contingent or otherwise, for the head office in India and also not invest surplus funds abroad without prior approval of the Reserve Bank. Any funds rendered surplus should be repatriated to India.
- (iii) The details of bank accounts opened in the overseas country should be promptly reported to the Bank.
- (iv) Bank may also allow remittances by a company incorporated in India having overseas offices, within the above limits for initial and recurring expenses, to acquire immovable property outside India for its business and for residential purpose of its staff.
- (v) The overseas office / branch of software exporter company/firm may repatriate to India 100 per cent of the contract value of each 'off-site' contract.
- (vi) In case of companies taking up 'on site' contracts, they should repatriate the profits of such 'on site' contracts after the completion of the said contracts.
- (vii) An audited yearly statement showing receipts under 'off-site' and 'on-site' contracts undertaken by the overseas office, expenses and repatriation thereon may be sent to the Bank.
- (viii) Bank may allow remittances by the Indian exporter for initial as well as recurring expenses for setup and continuing business operations of its offices without any pre-conditions, after verifying the reasonableness of the same.

C.7 Delay in Submission of Shipping Documents by Exporters

- (i) Where shipping documents are submitted after the prescribed period of 21 days from the date of export, the Bank may accept and process such documents without obtaining prior approval, provided it is satisfied with the genuineness of the reasons for the delay.
- (ii) Bank may permit delayed submission where the delay is adequately explained, supported by appropriate justification, and the exporter's compliance track record is satisfactory.
- (iii) No penalty or charge shall be levied solely on account of delayed submission of shipping documents, in accordance with applicable regulatory guidelines.

C.8 Return of Documents to Exporters

The duplicate copies of EDF and shipping documents, once submitted to the bank for negotiation, collection, etc., should not ordinarily be returned to exporters, except for rectification of errors and resubmission.

C.9 Landlocked Countries

- (i) In respect of exports to certain landlocked countries, the Bank may permit delivery of one negotiable copy of the Bill of Lading to the Master of the carrying vessel or to an authorised trade representative.
- (ii) Such delivery may be allowed only where:
 - The export shipment is covered by an **irrevocable Letter of Credit (LC)**; and
 - The export documents strictly comply with the terms and conditions of the LC; and
 - The LC specifically provides for delivery of the negotiable Bill of Lading to the Master of the vessel or the designated trade representative.
- (iii) Bank shall satisfy themselves that the terms of the LC expressly permit such delivery before releasing the negotiable Bill of Lading.
- (iv) Appropriate records and supporting documents evidencing compliance with the LC terms shall be maintained by the branch as part of the transaction records.

C.10 Direct dispatch of documents by the exporter

- (i) Bank shall normally dispatch shipping documents to their overseas branches/correspondents expeditiously. However, they may dispatch shipping documents direct to the consignees or their agents resident in the country of final destination of goods in cases where,
 - a) Advance payment or an irrevocable letter of credit has been received for the full value of the export shipment and the underlying sale contract/letter

of credit provides for dispatch of documents direct to the consignee or his agent resident in the country of final destination of goods.

- b)** Branches may also accede to the request of the exporter provided the exporter is a regular customer and the branch is satisfied, on the basis of standing and track record of the exporter and arrangements have been made for realization of export proceeds.
- (ii)** Branches may also permit 'Status Holder Exporters' (as defined in the Foreign Trade Policy), and units in Special Economic Zones (SEZ) to dispatch the export documents to the consignees outside India subject to the terms and conditions that,

 - a) The export proceeds are repatriated through the AD banks named in the EDF
 - b) The duplicate copy of the EDF is submitted to the AD banks for monitoring purposes, by the exporters within 21 days from the date of shipment of export.
- (iii)** Bank may regularize cases of dispatch of shipping documents by the exporter direct to the consignee or his agent resident in the country of the final destination of goods, irrespective of the value of export shipment, subject to the following conditions,

 - a) The export proceeds have been realised in full except for the amount written off, if any, in accordance with the extant provisions for write off.
 - b) The exporter is a regular customer of AD Category – I bank for a period of at least six months.
 - c) The exporter's account with the bank is fully compliant with the Reserve Bank's extant KYC / AML guidelines.
 - d) Bank is satisfied about the bonafides of the transaction.
- (iv)** In case of doubt, the Bank may consider filing Suspicious Transaction Report (STR) with FIU_IND (Financial Intelligence Unit in India) as per Bank's reporting procedure.

C.11 Part Drawings / Undrawn Balances

- (i)** In certain lines of export trade, it is the practice to leave a small part of the invoice value undrawn for payment after adjustment due to differences in weight, quality, etc., to be ascertained after arrival and inspection, weighment or analysis of the goods. In such cases, Bank may negotiate the bills, provided,

 - a) The amount of undrawn balance is considered normal in the particular line of export trade, subject to a maximum of 10 per cent of the full export value.

- b) An undertaking is obtained from the exporter on the duplicate of EDF forms that he will surrender/account for the balance proceeds of the shipment within the period prescribed for realization.
- (ii) In cases where the exporter has not been able to arrange for repatriation of the undrawn balance in spite of best efforts, branches, on being satisfied with the bona fides of the case, should ensure that the exporter has realised at least the value for which the bill was initially drawn (excluding undrawn balances) or 90 per cent of the value declared on EDF form, whichever is more and a period of one year has elapsed from the date of shipment.
- (iii) Cases involving undrawn balances exceeding 10% of the export value, or instances where the undrawn balance remains unrealized beyond one year from the date of shipment and does not meet the prescribed criteria for regularization at the branch level, shall be referred to Central Office.

C.12 Consignment Exports

- (i) When goods have been exported on consignment basis, branches, while forwarding shipping documents to his overseas branch/ correspondent, should 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 should be verified by the branch. 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) Branches may consider the applications received from exporters and forward to Central Office for taking prior permission for opening / hiring warehouses abroad subject to the following conditions,
 - a) Applicant's export outstanding does not exceed 5 per cent of exports made

- during the previous financial year
- b) Applicant has a minimum export turnover of USD 100,000/- during the last financial year
- c) Period of realization should be as applicable
- d) All transactions should be routed through the same designated branch of the AD.
- e) The above permission may be granted to the exporters initially for a period of one year and renewal may be considered subject to the applicant satisfying the requirement above.

(ii) In terms of A.P.(DIR Series) Circular No 03 dated April 23, 2025 issued by Reserve Bank of India, Branches may allow Opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter with a valid Importer Exporter Code, without any pre-conditions, after verifying the reasonableness of the same.

- a) Before allowing opening or hiring a warehouse abroad, including a warehouse in Bharat Mart, the Bank shall obtain and verify a duly signed application from the exporter, along with details of the export turnover and export outstanding position for the preceding financial year, wherever applicable.
- b) The exporter shall also furnish a valid Importer Exporter Code (IEC), and the branch shall record its assessment regarding the bona fides and reasonableness of the request.
- c) Details of the designated AD branch through which all transactions relating to the warehouse will be routed shall be obtained and kept on record.
- d) Bank may also call for such additional documents, declarations, information, or confirmations as may be considered necessary for due diligence, regulatory compliance, and assessment of the proposal.

C.14 Reduction in Invoice Value on Account of Prepayment of Usance Bills

Exporters may approach Bank for reduction in invoice value on account of cash discount to overseas buyers for prepayment of the usance bills. Bank 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/LIBOR/ any other widely accepted / Alternative reference rate of the currency of invoice where rate of interest is not stipulated in the contract.

C.15 Reduction in Invoice Value in Other Cases

- (i)** If, after a bill has been negotiated or sent for collection, its amount is to be reduced for any reason, Branches may approve such reduction, if satisfied about genuineness of the request, provided
 - a)** The reduction does not exceed 25 per cent of invoice value
 - b)** It does not relate to export of commodities subject to floor price stipulations

- c) The exporter is not on the exporters' caution list of the Reserve Bank
- d) The exporter is advised to surrender proportionate export incentives availed of, if any
- (ii) In the case of exporters who have been in the export business for more than three years, reduction in invoice value may be allowed, without any percentage ceiling, subject to the above conditions as also subject to their track record being satisfactory, i.e., the export outstanding do not exceed 5 per cent of the average annual export realization during the preceding three financial years.
- (iii) For export bills or invoices not exceeding ₹10 lakh or its foreign currency equivalent, reduction or non-realisation may be permitted based on a declaration obtained from the exporter in accordance with the extant regulatory guidelines.
- (iv) For amounts exceeding the above threshold, Branches shall examine the supporting documents and record its satisfaction regarding the reasons for reduction before permitting the adjustment and updating EDPMS.
- (v) For the purpose of reckoning the percentage of export bills outstanding to the average export realizations during the preceding three financial years, outstanding of exports made to countries facing externalization problems may be ignored provided the payments have been made by the buyers in the local currency.
- (vi) **Cased not falling under/ exceeding above criteria** shall be referred to the Central Office.

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 Central Office

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

- (i) Units in SEZs are permitted to undertake job work abroad and export goods from that country itself subject to the conditions that
 - a) Processing / manufacturing charges are suitably loaded in the export price and are borne by the ultimate buyer
 - b) The exporter has made satisfactory arrangements for realization of full export proceeds subject to the usual EDF procedure
- (ii) Bank may permit units in DTAs to purchase foreign exchange for making payment

for goods supplied to them by units in SEZs. Bank may permitted to sell foreign exchange to a unit in the DTA for making payment in foreign exchange to a unit in the SEZ for the services rendered by it (i.e. a unit in SEZ) to a DTA unit. It must be ensured that in the Letter of Approval (LoA) issued to the SEZ unit by the Development Commissioner(DC) of the SEZ, the provisions pertaining to the goods / services supplied by the SEZ unit to the DTA unit and for payment in foreign exchange for the same should be mentioned.

C.20 Extension of Time

- (i) Bank may extend the period for realization of export proceeds beyond the prescribed realization period, irrespective of the invoice value, in blocks of up to six months at a time, subject to compliance with applicable regulatory guidelines.
- (ii) Such extensions may be granted only where:
 - a) The export transaction is not under investigation by the Enforcement Directorate (ED), Central Bureau of Investigation (CBI), or any other investigating agency;
 - b) The branch is satisfied that the delay in realization is due to reasons beyond the control of the exporter; and
 - c) The exporter provides a written undertaking confirming that the export proceeds are expected to be realized during the extended period.
- (iii) For cases where the extension sought is beyond one year from the original due date of realization, the branch shall ensure that the exporter's total outstanding export receivables do not exceed USD 1 million or 10% of the average export realizations during the preceding three financial years, whichever is higher.
- (iv) Where legal proceedings have been initiated by the exporter against the overseas buyer for recovery of export dues, extensions may be considered irrespective of the amount outstanding.
- (v) Bank may grant extension of time for realization of export proceeds up to **One year** beyond the prescribed realization period, in blocks of six months at a time.
- (vi) Extension beyond One year &/or if the total outstanding of the exporter exceeds USD one million or 10 per cent of the average export realizations during the preceding three financial years, whichever is higher, prior permission from Central Office is to be obtained.

C.21 Shipments Lost in Transit

- (i) When shipments from India for which payment has not been received either by negotiation of bills under letters of credit or otherwise are lost in transit, Bank shall ensure that insurance claim is made as soon as the loss is known.

- (ii) In cases where the claim is payable abroad, Bank may arrange to collect the full amount of claim due on the lost shipment, through the medium of its overseas branch/correspondent and release the duplicate copy of EDF only after the amount has been collected.
- (iii) A certificate for the amount of claim received should be furnished on the reverse of the duplicate copy.
- (iv) Bank shall ensure that amounts of claims on shipments lost in transit which are partially settled directly by shipping companies/airlines under carrier's liability abroad are also repatriated to India by exporters.

C.22 Export Claims

- (i) Bank may remit export claims on application, provided the relative export proceeds have already been realised and repatriated to India and the exporter is not on the caution list of the Reserve Bank.
- (ii) In all such cases of remittances, the exporter are advised to surrender proportionate export incentives, if any, received by exporter.

C.23 Unrealised Export & "Write-off" of unrealised export bills

- (i) 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. This condition will apply only to future export transactions between the specific exporter and the specific overseas buyer responsible for the unrealised export proceeds. It will not apply generally to all exports undertaken by the exporter with other overseas buyers. Once the unrealised amount is resolved, either fully realised and repatriated, or a reduction/write-off is approved and the EDPMS entry closed as per guidelines, the restriction of advance/ LC will be lifted, and the exporter may resume normal (non-advance/non-LC-secured) export activity through the AD
- (ii) An exporter who has not been able to realise the outstanding export dues despite best efforts, may either self-write off or approach the AD Branch, who had handled the relevant shipping documents, with appropriate supporting documentary evidence. The limits prescribed for write-offs of unrealised 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 realised 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 Branches	10%	

(iii) The above limits of self-write-off and write-off by the AD branches shall be reckoned cumulatively and shall be available subject to the following conditions

- a) The relevant amount has remained outstanding for more than one year;
- b) Satisfactory documentary evidence is furnished indicating that the exporter had made all efforts to realise the export proceeds;
- c) 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 AD branch is satisfied with the bonafides of the transaction.
- d) The case falls under any of the undernoted categories:
 - 1) 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.
 - 2) The unrealised amount represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar Organization;
 - 3) The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country;
 - 4) The overseas buyer is not traceable over a reasonably long period of time.
 - 5) The unrealised 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;
 - 6) The cost of resorting to legal action would be disproportionate to the unrealised 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;
 - 7) 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 unrealised consequent on dishonor of the bills by the overseas buyer and there are no prospects of realization.

(iv) Notwithstanding anything contained in para C.23.(ii) and C.23.(iii) above, the bank may, on request of the exporter, write-off unrealised export bills without any limit in respect of cases falling under any of the categories specified at C.23.(iii) (d) (1), (2) and (3) above provided AD Branch is satisfied with the documentary evidence produced.

- (v) Bank may also permit write-off of outstanding amount of export bills up to the specified ceilings indicated in para C.23.(ii) above, where the documents have been directly dispatched by the exporter to the consignee or his agent resident in the country of final destination of goods if the case falls under any of the categories specified at C.23.(iii) (d) (1), (2) and (3) above.
- (vi) Branches shall 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.
- (vii) In case of self-write-off, the branches shall obtain from the exporter, a certificate from 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.
- (viii) The following cases, however, would not qualify for the "write-off" facility;
 - a) Exports made to countries with externalization problem 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 Bank/ authorities of the country concerned
 - b) EDF which are under investigation by agencies like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are subject matter of civil / criminal suit.
- (ix) Bank shall report write-off of export bills in Export Data Processing and Monitoring System (EDPMS).
- (x) Bank shall maintain proper records of all export bills written off and ensure that such cases are subject to periodic random checks and sample verification by Internal Audit, Concurrent Audit, Inspection Officials, and/or External Auditors to ensure compliance with regulatory guidelines and Bank policy.
- (xi) Requests of write-off not covered under the above instructions may be allowed by Treasury department subject to discretionary limits

C.24 Write-Off in Cases of Payment of Claims by ECGC and IRDA-Regulated Private Insurers

- (i) Bank shall, on an application received from the exporter supported by documentary evidence from the ECGC and private insurance companies regulated by IRDA confirming that the claim in respect of the outstanding bills has been settled by them, write off the relative export bills in EDPMS.
- (ii) Such write-off will not be restricted to the limit of 10 per cent indicated above in Para C.23.(ii)
- (iii) The claims settled in rupees by ECGC and private insurance companies regulated by IRDA should not be construed as export realization in foreign exchange.
- (iv) Surrender of incentives, if any, in such cases will be as provided in the Foreign Trade Policy of DGFT.

(v) Bank shall report such Write-off in EDPMS as per standard process

C.25 Write-Off — Relaxation

As per Foreign Trade Policy (FTP) realization of export proceeds shall not be insisted upon under any of the Export Promotion Schemes under the said FTP, subject to the following conditions:

- (i) The write off on the basis of merits is allowed by the Reserve Bank or by AD Category – I bank on behalf of the Reserve Bank, as per extant guidelines;
- (ii) The exporter produces a certificate from the Foreign Mission of India concerned, about the fact of non-recovery of export proceeds from the buyer; and
- (iii) This would not be applicable in 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 shall be operationalised/supervised through/by one AD Category – I bank only
 - b) bank is satisfied with the bonafides of the transactions and ensures that there are no KYC/AML/CFT concerns
 - c) The invoices under the transaction are not under investigation by Directorate of Enforcement/Central Bureau of Investigation or any other investigative agency
 - d) Import/export of goods/services has been undertaken as per the extant Foreign Trade Policy
 - e) The export / import transactions with ACU countries are kept outside the arrangement
 - f) Set-off of export receivables against goods shall not be allowed against import payables for services and vice versa
 - g) Bank shall ensure that import payables/export receivables are outstanding at the time of allowing set-off. Further, Branches may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realisation of export proceeds or extended period, if any, allowed by the AD branch, provided gap between first and last leg of export/ import leg transaction should not exceed 1 year.

- h) In case of bilateral settlement, the set-off shall be in respect of same overseas buyer/supplier subject to it being supported by verifiable agreement/mutual consent
- i) In case of settlement within the group/associates companies, the arrangement shall be backed by a written, legally enforceable agreement/contract.
- j) Set-off shall not result in tax evasion/avoidance by any of the entities involved in such arrangement.
- k) Third party guidelines shall be adhered to by the concerned entities, wherever applicable.
- l) Bank shall ensure compliance with all the regulatory requirement relating to the transactions
- m) Bank may seek Auditors/CA certificate wherever felt necessary.
- n) Each of the export and import transaction shall be reported separately (gross basis) in FETERS/EDPMS/IDPMS, as applicable
- o) Bank shall settle the transaction in E/IDPMS by utilizing the 'set-off indicator' and mentioning the details of shipping bills/bill of entry/invoice details being settled in the remark column (including details of entities involved).

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

- (i) Bank may allow requests received from exporters for 'netting off' of export receivables against import payments for units located in Special Economic Zones subject to the following;
 - a) The netting off of export receivables against import payments is in respect of the same Indian entity and the overseas buyer / supplier (bilateral netting) and the netting may be done as on the date of balance sheet of the unit in SEZ.
 - b) The details of export of goods are documented in EDF (O) forms / DTR as the case may be while details of import of goods / services are recorded through A1 / A2 form as the case may be. The relative EDF will be treated as complete by the designated Bank only after the entire proceeds are adjusted / received.
 - c) Both the transactions of sale and purchase in R- Returns under FETERS are reported separately.
 - d) The export / import transactions with ACU countries are kept outside the arrangement.
 - e) All the relevant documents are submitted to the concerned bank branch who should comply with all the regulatory requirements relating to the transactions.

C.28 Exporters' Caution Listing

Bank shall undertake appropriate due diligence and risk-based monitoring of export transactions, in accordance with applicable regulatory guidelines. Treatment of exporters included in the Caution List as on September 30, 2026, as per orders issued by the Reserve Bank under Regulation 16 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, shall continue to be governed by the said order till such time the exporter is removed from the Caution List.

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

Bank shall promptly update **EDPMS** with details of export proceeds as and when they are realized. eBRCs shall be generated only on the basis of data available in EDPMS to ensure accuracy and consistency of export realization records.

Under the enhanced eBRC framework introduced by DGFT, banks are required to electronically transmit Inward Remittance Message (IRM) data, based on which exporters can generate and self-certify eBRCs online.

Bank shall ensure timely and accurate reporting in EDPMS and guide exporters regarding the self-certification process and the applicable DGFT guidelines issued from time to time.

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

In terms of FEMA regulations, export or import entries of a value not exceeding ₹10 lakh or its foreign currency equivalent per bill/invoice may be regularised and closed in EDPMS/IDPMS based on a declaration obtained from the exporter or importer.

Such declaration shall, at a minimum, contain details of the Shipping Bill/Bill of Entry, invoice particulars, declared value, realised/paid amount, date of realisation/payment, reasons for any shortfall or variation, and a declaration of correctness by the authorised signatory.

Bank may also permit submission of a consolidated declaration covering eligible transactions in accordance with the extant RBI guidelines.

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

Section - IV Remittances connected with Export

D.1 Agency commission on exports

- (i) Bank may allow payment of commission, either by remittance or by deduction from invoice value, on application submitted by the exporter. The remittance on agency commission may be allowed subject to conditions as under,

- a) Amount of commission has been declared on EDF form and accepted by the Customs authorities or Ministry of Information Technology, Government of India / EPZ authorities as the case may be. In cases where the commission has not been declared on EDF form, remittance may be allowed after satisfying the reasons adduced by the exporter for not declaring commission on Export Declaration Form, provided a valid agreement/written understanding between the exporters and/or beneficiary for payment of commission exists.
 - b) The relative shipment has already been made.
- (ii) Bank may allow payment of commission by Indian exporters, in respect of their exports covered under counter trade arrangement through Escrow Accounts designated in US Dollar, subject to the following conditions,
- a) The payment of commission satisfies the conditions as at (a) and (b) stipulated in paragraph (i) above
 - b) The commission is not payable to Escrow Account holders themselves
 - c) The commission should not be allowed by deduction from the invoice value
- (iii) Payment of commission is prohibited on exports made by Indian Partners towards equity participation in an overseas joint venture / wholly owned subsidiary as also exports under Rupee Credit Route except commission up to 10 per cent of invoice value of exports of tea & tobacco.

D.2 Refund of export proceeds

Bank may consider request for refunds provided export proceeds were originally realised through it in respect of goods exported from India and being re-imported into India on account of poor quality. While permitting such transactions, Bank shall,

- (i) Exercise due diligence regarding the track record of the exporter
- (ii) Verify the bona-fides of the transactions
- (iii) Obtain from the exporter a certificate issued by DGFT / Custom authorities that no export incentive has been availed by the exporter against the relevant export or the proportionate incentives availed, if any, have been surrendered.
- (iv) Not insist on the requirement of re-import of goods, where exported goods have been auctioned or destroyed by the Port / Customs / Health authorities/ any other accredited agency in the importing country subject to submission of satisfactory documentary evidence.

In all other cases Bank shall ensure that procedures as applicable to normal imports are adhered to and that an undertaking from the exporter, to re-import the goods within three months from the date of refund of export proceeds, shall be obtained.

Export Declaration Form

1. General Information:		
Type of export : Goods/Service	Form No:	
Shipping Bill No. & Date:	Mode of Transport/Delivery: ☐ Air ☐ Land ☐ Sea ☐ Post/Couriers ☐ ☐ Internet ☐ others	
Category of Exporter: ☐ Custom (DTA units) ☐ SEZ ☐ 100% EOU ☐ Warehouse export ☐ others (Specify).....	AD code:	
IE Code: GSTIN: PAN:	AD Name & Address:	
Exporters Name & Address:	Mode of Realisation : ☐ L/C ☐ BG[] Others (advance payment, etc. including transfer/remittance to bank a/c maintained overseas)	
Consignee Name & Address:	Port of Loading / Source Port in case of SEZ :	
Third Party name & Address (In case of third Party Payments for Exports) Relationship between Exporter & Third Party:	Country of Final Destination:	Port of Discharg e:
Name of the AD and AD code, in case of LC/BG	Date of Let Export order (LEO):	
Description of Goods/Services:		
Total FOB/Services value in words (INR):		

2A. Details of Export Value[^] of Goods (This part shall be repeated for each invoice drawn under a shipping bill)

Client Name & Address:	Invoice No. Invoice date. Invoice Currency: Invoice Amount: Contract No. and Date:	Nature of payment in terms of Contract: ☐ FOB ☐ CIF ☐ C&F ☐ CI ☐ periodical ☐ milestone ☐ advance ☐ others HSN/Service Accounting Codes (SAC):
Particulars	Currency	Amount
FOB/Services Value		
Freight/Transmission		
Insurance		
Commission		
Discount		
Other Deduction		
Packing Charges		
Full export value / Net Realisable export value		

2B. Details of Export Value [^] of Services											
Details of services provided to multiple recipients											
S. No.	Service recipient Name & Address	Country	Details of Invoice				Net Realisable value	Contract No., if any, and Date	Description of services	SAC Code	Remarks
			No.	Date	Currency	Amount					

3. Applicable for Export under FPO/Couriers	
Name of the Foreign post Office/Courier:	
Number & date of Parcel receipts:	Stamp & Signature of Authorised Dealer

4. Declaration by the Exporters (All types of exports)
I /We hereby declare that I/we am/are the seller/consignor of the goods/ provider of services in respect of which this declaration is made and that the particulars given above are true and that the value to be received from the buyer/third party represents the export value[^] contracted and declared above. I/We undertake that I/we have delivered/ will deliver to the authorised dealer named above the foreign exchange / Indian Rupees representing the full value of the goods/services exported as above on or before..... (i.e. within the period of realisation stipulated by RBI from time to time) in the manner specified in the Regulations made under the Foreign Exchange Management Act, 1999. I/We also undertake to submit the documents pertaining to exports declared in this form, to the Authorised Dealer named above, as may be required under the Act.
Date: (Signature of Exporter)

5. Space for use of Specified Authority (Custom/SEZ/AD/STPI):
Certified, on the basis of above declaration at 4, that the goods/services described above and the export value[^] declared by the exporter in this form is as per the corresponding invoice/gist of invoices submitted and declared by the exporter.
Date(Signature of Designated/Authorised officials of Custom /SEZ/ Authorised Dealer/STPI)

1. @ Strike out whichever is not applicable.

2. ^ If the full export value is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions expects to receive on the sale of the goods in overseas market.

3. Export value may be indicated as nil in case the goods are sent without any consideration.

Annexure 2

Format of customer request letter for intimation regarding undertaking project export contracts

**(On letter head
of exporter)**

To
The Branch Manager,
Indian Overseas Bank
.....Branch

Dear Sir/Madam,

Intimation for undertaking Project Export contract

We hereby request you to kindly note the details regarding project export contract entered by us with brief details provided below:

1	Contract amount	:	
2	Tenor of the project (including maintenance)	:	
3	Importer Exporter (I.E.) code no.	:	
4	Date of contract	:	

1. Overseas Buyer			
a) Name and address			
b) Main lines of activity			
c) Whether the project is being financed by World Bank/ADB, etc.			
d) Brief particulars of the overall project to which the present application relates			
2. Prime Contractor (If other than overseas Buyer) Name & address			
3. Break-up of contract value (In Rupees)	Supplies	Service	Total
Indian			
Third Country*			
Local			
Total Value			
*Goods directly imported into buyer's country			
4. Goods/Services to be exported from India			

a) Description	
b) Value with currency and incoterms	
c) Payment terms i. ii. iii.	
d) Advance Payment	
e) How and when	
f) Time schedule for Shipments	
- Last date of shipment/ service, as per contract	
- Probable dated of commencement and completion	
shipments/ service	
- Penalty provisions, if any	
5. Details of Sub suppliers/consortium members	
a) Name/s & Address/es of major sub-supplier/s /consortium member(s)	
b) Nature of goods/services relating to each sub-supplier/consortium member and value thereof	
c) Payment and other back-to-back arrangements with sub-supplier/s/consortium members	
(Note: If prime exporter is a sub-supplier to a foreign principal other than the overseas buyer, Annexure 2 may be completed).	
6. Foreign Exchange outgo	
a) Import payments	
b) Freight payable	
c) Third country imports	
d) Agency commission/fee	
e) Remittances of Royalty payment, if any, and Exchange Control approval therefore	
7. Whether machinery equipment's etc. - are required for execution of the contract, If so, whether these are to be procured on hire / lease basis or are to be purchased abroad or are to be exported from India on reimport basis, or are to be transferred from other project abroad. Please furnish particulars thereof with value.	
8. Cost & Profitability Estimated profit - amount and %	
9. ECGC cover - Nature of the ECGC insurance proposed to be obtained. (State whether ECGC quotations have been obtained. If so, furnish rates quoted and certified copies of the relevant correspondence with the Corporation).	
10. Arrangement for Bank Finance	
a) Name/s of the exporter/s banker/s	
b) Arrangements made or proposed to be made to obtain finance during the pre- and post-shipment stages and guarantee facilities for executing	

the export order.				
c) Credit and other facilities				
i) Guarantees and letter of credit	Bank Name	Amount (with currency)	Rupee Equivalent	Period
- Advance Payment Guarantee				
- Performance Guarantee				
- Retention Money Guarantee				
- Guarantee for borrowings abroad/or				
- Remittances on repatriation basis				
- Any other guarantee				
✓ From India				
✓ Outside India				
ii) Credit facilities				
- Pre-shipment credit				
- Credit against deferred receivables				
- Credit against export incentives				
- Other credit facilities				
iii) other facilities				
- Whether site office/s / liaison office are required, and location thereof				
- Whether foreign currency bank accounts are required? If more than one account is required, places where these are required and reasons therefor.				
- Whether foreign exchange for meeting initial / mobilisation expenses are to be remitted from India. If so, please indicate the amount and reasons therefor.				
Any other relevant information				

We would like to inform the bank to take note of the project details submitted above and allow us the transactions under this project.

We hereby undertake to intimate the Bank for any short-term investment / foreign currency accounts opened / credit facilities (fund / non-fund) availed by us under this project.

We hereby certify that the particulars given above are true to the best of our knowledge and belief.

STAMP

(Signature of Authorized Official)

Place:

Name: _____

Date:

Designation: _____

Annexure 3

To be completed where the Indian exporter is a sub-supplier to a foreign prime contractor or is a joint bidder

(To be completed and attached to Annexure 2, where the Indian exporter is a sub-supplier to a foreign prime contractor other than the overseas buyer, or is a joint bidder.)

1. Prime contractor/Joint Bidder	
a) Name and address	
b) Standing and reputation	
c) Past dealings with the exporter, if any.	
2. Contract between prime contractor/joint bidders and overseas buyer	
a) Value	
b) Payment terms	
c) Security	

(On letter head of exporter)

Annexure 4

Format of customer declaration for intimation regarding short term deposit

To

The Branch Manager,

Indian Overseas Bank

.....Branch

Dear Sir/Madam,

Intimation for undertaking Project Export contract – placement of short term deposit

We hereby request you to kindly note the details regarding cash surplus generated for the below project export contract entered by us. The funds are being deployed in short-term deposits as permissible under the extant regulations:

1	Project Reference number	:	
2	Cash flow surplus generated	:	
3	Mode of short term investment	:	T-bill / Deposit
4	Date of opening	:	
5	Maturity date	:	

We hereby confirm that we shall ensure all provisions of regulation 15 under FEMA 23(R) have been adhered to and intimate Bank for any change / closure of the investment.

STAMP

(Signature of Authorized Official)

Place:

Name:

.....

Date:

Designation:

.....

(On the letterhead of the exporter / importer)

Annexure-5

Format for Self-Declaration for Closure of Shipping Bills / Bills of Entry — Up to ₹10 Lakh or FCY Equivalent (Issued under the proviso and further proviso to Regulation 4(2), FEMA 23(R)/2026-RBI)

To,

The Branch Manager,

Indian Overseas Bank

.....Branch

Subject: Self-declaration for closure of Shipping Bill(s) / Bill(s) of Entry under Regulation 4(2) proviso, FEMA 23(R)/2026-RB (up to ₹10 lakh or FCY equivalent per bill)

Dear Sir/Madam,

We refer to the above and confirm that the export/import transaction(s) listed in the Schedule below are each within the ₹10 lakh (or FCY equivalent) threshold prescribed under Regulation 4(2) of FEMA 23(R)/2026-RB, and request the Bank to close/update the corresponding EDPMS/IDPMS entries on the basis of this self-declaration, without requiring further documentary evidence of realisation/payment.

Declaration type (tick as applicable):

- ☐ Bill-wise declaration (single transaction)
- ☐ Consolidated quarterly declaration, for the quarter ended: ____
- ☐ Export (Shipping Bill / EDF)
- ☐ Import (Bill of Entry)

Schedule of Transactions

S l. N o .	Ship ping Bill / BOE No. & Date	Invoic e Refere nce	Decla red Value	Reali sed / Paid Valu e	Date of Realisa tion / Payme nt & IRM/O RM Ref #	Shor tfall / Exce ss (if any)	Reaso n for Shortf all / Write- off / Reduc tion (if any)
1							
2							
3							

Add rows as required for a consolidated quarterly declaration covering multiple bills.)

Declaration

We hereby declare that the particulars given above are true and correct to the best of our knowledge and belief, and that each transaction listed is within the ₹10 lakh (or FCY equivalent) threshold prescribed under Regulation 4(2).

We confirm that none of the above Shipping Bill(s)/Bill(s) of Entry is presently the subject of any ongoing enquiry by the Directorate of Enforcement or any other government agency; where such an enquiry is ongoing, we have obtained and enclose the relevant No-Objection Certificate.

We undertake to promptly inform the Bank of any subsequent recovery, adjustment, or change in the above particulars, and to provide such further information/documents as the Bank may reasonably require.

STAMP

(Signature of Authorised Signatory)

Place: Name: _____

Date: Designation: _

For AD Bank Use Only

Verified by	
EDPMS / IDPMS reference no.(s)	
Date of EDPMS / IDPMS closure	
Approving authority (if escalated)	
Remarks, if any	

Import of Goods and Services 2026: Part – B

Section I - Introduction & Definitions

A. 1. Introduction

This Section sets out. the Policy on handling of import transaction in compliance with the Reserve Bank of India Notification No. FEMA 23(R)/2026-RB on Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 .

Definitions

(1) In this **policy**, unless the context requires otherwise, -

(a) "Act" means the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) "Authorised Dealer" means a person authorised as an authorised dealer under subsection (1) of Section 10 of the Act;

(c) "Software" means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called in or on any medium other than in or on any physical medium;

(d) "Specified authority" means:

(i) Commissioner of Customs in Domestic Tariff Area (DTA) and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for goods;

(ii) An Authorised Dealer in DTA and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for services other than software; and

(iii) An Authorised Dealer or Software Technology Parks of India (STPI) in DTA, and Development Commissioner of Special Economic Zone (SEZ) in SEZ, for software.

Explanation. – 'services' shall also include 'software'.

(2) The words and expressions used but not defined in this policy shall have the same meanings as assigned to them in the Act made thereunder

Section II - General Guidelines for Imports

B.1. General Guidelines

Bank shall follow **Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 and this policy** while handling import transactions on behalf of their clients. Bank may note to adhere to "Know Your Customer" (KYC)

guidelines issued by Reserve Bank (Department of Banking Regulation) and bank's internal guidelines in all its dealings.

B.2. Remittances for Import Payments

Bank may allow remittance for making payments for imports into India, after ensuring that all the requisite details are made available by the importer and the remittance is for bona fide trade transactions as per applicable laws in force.

B.3. Import Licences

Except for goods included in the negative list which require licence under the Foreign Trade Policy in force, Bank may freely open letters of credit and allow remittances for import. While opening letters of credit, the 'For Exchange Control purposes' copy of the licence shall be called for and adherence to special conditions, if any, attached to such licences should be ensured. After effecting remittances under the licence, Branches may preserve the copies of utilised licence /s till they are verified by the internal auditors or inspectors.

B.4. Obligation of Purchaser of Foreign Exchange

(i) In terms of Section 10(6) of the Foreign Exchange Management Act, 1999 (FEMA), any person acquiring foreign exchange is permitted to use it either for the purpose mentioned in the declaration made by him to bank under Section 10(5) of the Act or for any other purpose for which acquisition of foreign exchange is permissible under the said Act or Rules or Regulations framed there under.

(ii) Where foreign exchange acquired has been utilised for import of goods into India, branches should ensure that the importer furnishes evidence of import and satisfy himself that goods equivalent to the value of remittance has been imported. Bank shall ensure that all import remittances outstanding on the notified date of IDPMS are uploaded in IDPMS.

B.5. Time Limit for Settlement of Import Payments

B.5.1. Time period for making import payment

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

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

B.5.2. Advance payment for imports

(i) In case of advance payment for imports, an importer shall route the advance payment and its subsequent payments, if any, through the same Authorised Dealer.

However, an importer may route the transactions through any other Authorised Dealer provided the importer has intimated the change to both the Authorised Dealers.

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

B.5.3. Delayed payment for Imports

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

B.5.4. Extension of Time

(i) Bank may consider granting extension of time for settlement of import dues up to a period of six months at a time (maximum up to the period of three years) irrespective of the invoice value for delays on account of disputes about quantity or quality or non-fulfilment of terms of contract; financial difficulties and cases where importer has filed suit against the seller.

(ii) While granting extension of time, Bank shall ensure that:

a. The import transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies;

b. While considering extension beyond one year from the date of remittance, the total outstanding of the importer does not exceed USD one million or 10 per cent of the average import remittances during the preceding two financial years, whichever is lower; and

c. Where extension of time has been granted by the Bank, the date up to which extension has been granted may be indicated in the 'Remarks' column.

(iii) Cases not covered by the above instructions / beyond the above limits, may be referred to Central Office.

(iv) The extension shall be reported in IDPMS as per message reporting requirement.

B.5.5. Import not materialised

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

(ii) If the advance payment is not repatriated by the importer within the contract period or extended period, if any, allowed by the Bank or where the IDPMS entry has

not been marked-off in terms of Regulation 18(1)(j), any future advance payment for imports by the importer shall require an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute or a guarantee of an Authorised Dealer in India, which is issued against a counter-guarantee of an international bank of repute.

B.6. Third Party Payment for Import Transactions

Bank may permit third party (other than the parties undertaking export and import) receipts and payments for export and import transactions provided that the AD branch is satisfied with the bonafides of the transactions, subject to conditions as under:

- a.** Firm irrevocable purchase order / tripartite agreement should be in place. However, this requirement may not be insisted upon in case where documentary evidence for circumstances leading to third party payments / name of the third party being mentioned in the irrevocable order / invoice has been produced.
- b.** AD branch should be satisfied with the Bonafide's of the transactions and should consider the Financial Action Task Force (FATF) Statement before handling the transactions;
- c.** The Invoice should contain a narration that the related payment has to be made to the (named) third party;
- d.** Bill of Entry should mention the name of the shipper as also the narration that the related payment has to be made to the (named) third party;
- e.** Wherever a third-party payment is made in favour of a group company or associate concern of the importer, AD branches shall obtain appropriate legal documentation issued by the competent authorities in the host country evidencing and justifying the group/associate relationship.

B.7. Issue of Guarantees by an Authorised Dealer

For issuance of guarantees, all AD branches may be guided by [Foreign Exchange Management\(Guarantees\) Regulations, 2026](#).

Section III - Operational Guidelines for Imports

C.1. Advance Remittance

C.1.1. Advance Remittance for Import of Goods

Bank may allow advance remittance for import of goods without any ceiling subject to the following conditions:

(a) If the amount of advance remittance exceeds USD 200,000 or its equivalent, an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India, is obtained.

(b) In cases where the importer is unable to obtain bank guarantee from overseas suppliers and the AD Category – I bank is satisfied about the track record and bonafides of the importer, the requirement of the bank guarantee / standby Letter of Credit, may be waived as per bank's existing delegated powers for advance remittances.

(c) In case of advance payment for imports, an importer shall route the advance payment and its subsequent payments, if any, through the same Authorised Dealer. However, an importer may route the transactions through any other Authorised Dealer provided the importer has intimated the change to both the Authorised Dealers

(d) Bank shall obtain credit report on overseas supplier as per Bank's internal guideline.

C.1.2. Advance Remittance for the Import of Services

Bank may allow advance remittance for import of services without any ceiling subject to the following conditions:

(a) Where the amount of advance exceeds USD 500,000 or its equivalent, a guarantee from a bank of international repute situated outside India, or a guarantee from an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of a bank of international repute situated outside India, should be obtained from the overseas beneficiary.

(b) Bank shall follow-up to ensure that the beneficiary of the advance remittance fulfils his obligation under the contract or agreement with the remitter in India, failing which, the amount should be repatriated to India.

(c) Bank shall ensure generation of ORMs and marking off in the IDPMS etc., as per extant IDPMS guidelines.

(d) Bank shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.

C.1.3. Advance remittance for import of gold and silver:

- No Advance remittance shall be permitted for the import of gold and silver.

C.2. Remittances against Replacement Imports

Where goods are short-supplied, damaged, short-landed or lost in transit and the Exchange Control Copy of the import licence has already been utilised to cover the opening of a letter of credit against the original goods which have been lost, the original endorsement to the extent of the value of the lost goods may be cancelled by the respective AD branch and fresh remittance for replacement imports may be permitted, provided, the insurance claim relating to the lost goods has been settled in favour of the importer. It shall be ensured that the consignment being replaced is shipped within the validity period of the license. Banks should ensure that proper remark/indicator is entered for ORM mark off/closure of Bills in IDPMS etc. as per extant IDPMS guidelines.

C.3. 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 Centres (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 allowed based on the branch commercial judgment, the bonafides of the transactions and strictly in terms of the contract.
- (iii) The remittance is made directly to the account of the overseas supplier.
- (iv) Bank shall 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) Bank shall ensure compliance with IDPMS guidelines as applicable.

C.4 Receipt of import documents by the importer directly from overseas suppliers

Import bills and documents should be received from the banker of the supplier by the banker of the importer in India. Branches should not, therefore, make remittances where import bills have been received directly by the importers from the overseas supplier, except in the following cases:

- (i) Where the value of import bill does not exceed USD 300,000.
- (ii) Import bills received by wholly owned Indian subsidiaries of foreign companies from their principals.
- (iii) Import bills received by Status Holder Exporters as defined in the Foreign Trade Policy, 100% Export Oriented Units / Units in Special Economic Zones, Public Sector Undertakings and Limited Companies.
- (iv) Import bills received by all limited companies viz. public limited, deemed public limited and private limited companies.

C.5 Receipt of import documents by the importer directly from overseas suppliers in case of specified sectors

As a sector specific measure, Branches are permitted to allow remittance for imports by non-status holder importers up to USD 300,000 where the importer of rough diamonds, rough, precious and semi-precious stones has received the import bills / documents directly from the overseas supplier and the documentary evidence for import is submitted by the importer at the time of remittance. Status holder importers as defined in the Foreign Trade Policy dealing in the import of rough diamonds, rough precious and semi- precious stones can receive import bills directly from the suppliers without any ceiling. Branches may undertake such transactions subject to the following conditions:

- (i) The import would be subject to the prevailing Foreign Trade Policy.
- (ii) The transactions are based on their commercial judgment, and they are satisfied about the bonafides of the transactions
- (iii) Bank shall do the KYC and due diligence exercise and be fully satisfied about the financial standing / status and track record of the importer customer. Before extending

the facility, Bank shall obtain a report on each individual overseas supplier from the overseas banker or reputed overseas credit rating agency.

C.6. Receipt of import documents by the branches directly from overseas suppliers

(i) At the request of importer clients, Bank may receive bills directly from the overseas supplier as above, provided the Bank is fully satisfied about the financial standing/status and track record of the importer customer.

(ii) Before extending the facility, Bank shall obtain a report on each individual overseas supplier from the overseas banker or a reputed overseas credit agency. However, such credit report on the overseas supplier need not be obtained in cases where the invoice value does not exceed USD 300,000 provided the branch is satisfied about the bonafides of the transaction and track record of the importer constituent.

C.7. Evidence of Import

C.7.1. Physical Imports

(i) In case of all imports, irrespective of the value of foreign exchange remitted / paid for import into India, it is obligatory on the part of the AD branches through which the relative remittance was made, to ensure that the importer submits:-

(a) The importer shall submit BoE number, port code and date for marking evidence of import applicable under IDPMS reporting.

(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, or

(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 applicable under IDPMS reporting.

(ii) In respect of imports on Delivery against acceptance basis, AD branch 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., AD branch may, if satisfied 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.

(iii) AD branches are required to create Outward Remittance Message (ORM) for all such outward remittances irrespective of value and shall perform the subsequent activity viz document submission, outward remittance data, matching with ORM, closing of transactions etc. as per IDPMS guidelines.

C.7.2. Evidence of Import in Lieu of Bill of Entry

(i) AD Branches may accept, in lieu of Exchange Control Copy of 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 actually been imported into India provided: -

(a) The amount of foreign exchange remitted is less than USD 1,000,000 or its equivalent and

(b) The importer is a company listed on a stock exchange in India and whose net worth is not less than Rs.100 crore as on the date of its last audited balance sheet, or, the importer is a public sector company or an undertaking of the Government of India or its departments.

(i) The above facility may also be extended to autonomous bodies, including scientific bodies/academic institutions, such as Indian Institute of Science / Indian Institute of Technology, etc. whose accounts are audited by the Comptroller and Auditor General of India (CAG). Branch may insist on a declaration from the auditor/CEO of such institutions that their accounts are audited by CAG.

(ii) The AD branches shall ensure compliance with IDPMS guidelines as applicable.

C.7.3. Non-physical Imports

(i) 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.

(ii) Importers to keep Customs Authorities informed of the imports made by them under this clause.

(iii) AD branches shall ensure compliance with IDPMS guidelines as applicable.

C.8. Detailed Operational Procedures for IDPMS

The operational guidelines are summarised as below:

- i.Branches are required to create Outward Remittance Message (ORM) for all outward remittance/s for import payments on behalf of their importer customer for which the prescribed documents for evidence of import have not been submitted.

Settlement of ORM with BoE

- ii.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, AD Branch of the importer 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 is not mandatory as the same is available in IDPMS. The procedure is as under:
- iii.Branches 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".
- iv.In case of payment after receipt of BoE, the Branches shall generate ORM for import payments made by its importer customer as per the message format "BOE settlement".
- v.Multiple ORMs can be settled against single BoE and also multiple BoE can be settled against one ORM.
- vi.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.
- vii.The importer needs to preserve the printed 'Importer copy' of BoE as evidence of import and acknowledgement slip for future use

Extension and Write Off

- viii.Bank shall give extension for submission of BoE beyond the prescribed period as per terms of contract, and the same will be reported in IDPMS as per the message "Bill of

Entry Extension" and the date up to which extension is granted will be indicated in "Extension Date" column.

- ix.** Bank may consider closure of BoE/ORM in IDPMS that involves write off to the extent of 5% of invoice value in cases where the amount declared in BoE varies from the actual remittance due to operational reasons and Branch is satisfied with the reason/s submitted by the importer.
- x.** Bank may close the BoE for such import transactions where write off is on account of quality issues; short shipment or destruction of goods by the port / Customs / health authorities in terms of extant guidelines on the matter subject to submission of satisfactory documentation by the importer irrespective of the amount involved. Bank shall settle and close ORM/BoE with appropriate "Adjustment Indicator" in IDPMS.
- xi.** The above operational guidelines for extension and write off are meant to facilitate closure of bills in IDPMS and will be subject to extant guidelines on the matter and not absolve the importer from remitting / receiving the amount in case of change in circumstances.
- xii.** While allowing write off, Bank shall ensure that:
 - a. The case is not the subject matter of any pending civil or criminal suit;
 - b. The importer has not come to the adverse notice of the Enforcement Directorate or the Central Bureau of Investigation or any such other law enforcement agency; and
 - c. There is a system in place under which internal inspectors or auditors of the All Branches (including external auditors appointed by authorised dealers) should carry out random sample check / percentage check of write-off of import bills;
- xiii.** Extension and write off cases not covered by the extant guidelines may be referred to the Central Office for necessary approval.
- xiv.** Bank shall follow up for outward remittance made for import (i.e. unsettled ORM) in terms of extant guidelines and instructions on the subject. In cases where relevant evidence of import data is not available in IDPMS on due dates against the ORM, Bank shall follow up with the importer for submission of documentary evidence of import. Similarly, if BoE data is not settled against ORM within the prescribed period, Bank shall follow up with the importer in terms of extant instructions.

C.9. Verification and Preservation

(i) Internal inspectors and IS auditors (including external auditors appointed by bank) shall carry out verification and IS audit and assurance of the “BOE Settlement” process in IDPMS. Data and process followed by branches for “BOE Settlement” should be preserved in terms of the guidelines under Cyber Security Framework in the bank.

(ii) Internal inspectors or auditors (including external auditors appointed by bank) shall carry out verification of the documents evidencing import other than which are available in IDPMS, e.g. Exchange Control copies of Postal Appraisal Forms, or Customs Assessment Certificates, etc.

(iii) Documents evidencing import into India shall be preserved by bank for a period of one year from the date of their verification. However, in respect of cases which are under investigation by investigating agencies, documents, and/or data, process may be destroyed only after obtaining clearance from the investigating agency concerned.

C.10. Follow-up for Import Evidence

In case an importer does not furnish any documentary evidence of import within 3 months from the date of remittance involving foreign exchange irrespective of value, Bank shall rigorously follow-up for the next 3 months, by using various modes of communications. It should, however, be ensured that at least one communication with the importer in this regard is by issuance of registered letter.

C.11. Import Factoring

(i) The bank may enter into arrangements with international factoring companies of repute, preferably members of Factors Chain International. Such arrangements do not require prior approval from the Reserve Bank of India.

(ii) They will have to ensure 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.

C.12. Merchanting Trade

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

(a) the period between the outward remittance and inward remittance or vice versa does not exceed six months:

Provided that the Bank may, on request citing reasons for delay, allow extension of time, if the Bank is satisfied of the reasons cited.

(b) outward remittances are sent only to the overseas seller and inward remittances are received only from the overseas buyer:

Provided that the Bank may, on request from the customer citing reasons, allow receipt from and/ or payment to any third party, if the Authorised Dealer is satisfied of the reasons cited.

(c) the documents evidencing the MTT are provided to the Bank, to establish the genuineness of the transactions.

(2) Bank shall:

(a) credit or debit the account of its customer for any cross-border transaction related to MTT after having been satisfied with the genuineness of the same and shall, simultaneously close or update the respective entry in EDPMS and/or IDPMS.

(b) monitor and follow-up with the person undertaking merchant trading to ensure that both the legs of the transaction are completed within the period and manner as specified above.

C.13 Reporting

(1) IDPMS (Import Data Processing and Monitoring System)

Bank :

a) shall enter details of import (of its customers) as received from non-EDI port in IDPMS within five working days of receipt of documents.

b) shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.

c) shall enter details of outward remittances for all imports and Merchanting Trade Transactions (MTT) in IDPMS.

d) shall monitor all transactions in IDPMS for closure of outstanding entries and follow-up with an importer and person undertaking MTT for submission of documents for the same.

Mark-off/closure of entries:

e) shall in the case of an import, mark-off the entry in IDPMS after ensuring that the payment for the import has been made.

f) 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.

g) 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.

h) shall in the case of an MTT, close or update the respective entry in IDPMS after making the receipt and payment for both legs of the MTT.

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

C.14 International Trade Invoicing and Settlement in Indian Rupees (INR)

Bank shall comply with the extant guidelines on the broad framework as well as instructions issued by the Reserve Bank in this regard, from time to time.

