SVC CO-OPERATIVE BANK LTD. (Multi-State Scheduled Bank) ESTD.1906
(Formerly The Shamrao Vithal Co-op Bank Ltd.)

# Framework on Cross Border Remittances

## INTRODUCTION:

SVC Cooperation Bank Ltd., an Authorized Dealer Category – I Bank to deal in Foreign Exchange, offers wide range of Foreign Exchange Products to its Customers and facilitates smooth transaction processing of their Cross Border Transactions.

These transactions are undertaken in accordance with the Foreign Exchange Management Act, 1999 (FEMA), Rules, Regulations, Directions and Guidelines issued by the Reserve Bank of India from time to time and various other Government / Statutory provisions, as applicable.

This document defines the broad framework governing the Cross Border transactions and sets out the key principles related to transaction processing, customer due – diligence, documentation requirements, applicable charges, service timelines and the grievance redressal mechanism to promote transparency and ensure seamless customer experience.

As the Cross Border transactions involve various Risks, the Bank may seek further documentation based on the specific purpose code or the nature of underlying transaction, transaction value, customer risk profile, regulatory requirements etc. Enhanced Due Diligence (EDD) may be conducted for certain categories of remittances, high-value transactions, sensitive jurisdictions, or where otherwise required under applicable regulations and internal policies.

Processing of the remittance shall be subject to satisfactory completion of KYC, AML, sanctions screening, FEMA compliance, and other regulatory checks undertaken by the Bank.

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# Inward Remittances

## 1. Coverage

This section covers the steps involved in processing of inward remittances i.e. receipt of funds from outside India in favor of Resident as well as Non-Resident Individuals and / or Entities for legitimate and Bonafide purposes. They are broadly bifurcated into Current Account and Capital Account transaction based on the nature of the receipt and can be further segregated into Trade, Non-Trade or Personal remittances.

## 2. End-to-End Process

1. Initiation of the remittance by the Remitter through its bank.
2. Clearing or settlement of FCY Funds at the respective jurisdiction (location) and credit to the Nostro Account of SVC Bank (Receipt of Credit)
3. Matching of the Credit with Inward Payment details after due screening and AML checks.
4. Intimation of the Credit to the Customer and its Branch requesting the supporting documents and the disposal instructions.
5. Submission of the requisite & complete documents/declarations by the Customer.
6. Independent validation or checking of the remittance details against the documents submitted by the Customer.
7. Processing of the transaction and credit to the customer through a strict maker-checker concept.
8. SMS to the customer on its registered mobile number immediately upon credit followed by detailed credit advice early next day.
9. Reporting of the transaction to various regulatory authorities on periodic basis and depending on the nature of the transaction.
10. Completion of Trade Related formalities viz. reporting of inward remittance to DGFT for eBRCs to EDPMS portal for IRM etc.

## 3. Processing of Inward Remittance

Whenever a customer gets a wire transfer or TT from outside India, the funds get routed through the overseas correspondent bank account of SVC Bank (Nostro account) of the respective currency. SVC Bank is then required to ensure the related compliance, documents verification, regulatory checks etc. before the final credit is released to the customer account.

- **Step 1 – Receipt of the Remittance**

  When the Bank receives the credit in its Nostro account, it checks the following details received along with the remittance.

  1. Name & address of the person/company sending the money (remitter)
  2. Details of the remitter bank.
  3. Name & address of the beneficiary.
  4. Beneficiary's account details
  5. Date, Currency & Amount
  6. Payment reference
  7. Purpose/reason for sending the money
  8. Other information provided by the remitter bank.

- **Step 2 – Providing Documents / Information**

  After the above-mentioned initial checks and validations, the Bank intimates the credit to the customer and its branch on its registered email and requests for additional information i.e. the underlying documents as per the purpose of the remittance.

  Along with a Declaration under FEMA and the Disposal Instructions, below are some of the standard documents / information that is generally sought from the customers, i.e. the beneficiary of the credits.

| Nature of remittance | Documents/information that may be required |
|---|---|
| **Export proceeds** | Export invoice, shipping bill/Bill of Lading, export reference and other relevant details |
| **Export of services** | Invoice, agreement/work order and service details |
| **Salary** | Employment/salary details |
| **Pension** | Pension statement or supporting document |
| **Gift** | Gift declaration and relationship details, where applicable |
| **Family maintenance** | Relationship and remitter details |
| **Investment income** | Investment/holding statement or income advice |
| **Sale of investment/assets** | documents related to sale and taxes paid, if any. |
| **NRI repatriation** | Source-of-funds documents and applicable tax/repatriation documents |
| **Refund** | Details of the original payment |
| **Business receipt** | Invoice, contract/agreement or another supporting document |

** The Bank may request additional documents based on risk, amount, purpose, remitter, country, account status and applicable law along with FEMA declaration.*

***Tip for exporters***: *Always mention the relevant invoice/shipping bill/bank reference number in the payment instructions given to your overseas buyer. This can substantially reduce the time required for identification and matching export proceeds.*

- **Step 3 – Determination of Applicable Purpose**

  The Bank is required to classify the remittance under the appropriate purpose code / category based on the nature / type of the transaction for further regulatory reporting. Therefore, it is imperative for the customers to provide the accurate purpose of the remittance in their declarations.

**FETERS Purpose code Selection Guide**

| Type of transaction | Purpose Code |
|---|---|
| **Current Account Receipts*** | |
| Goods exported/misc charges | P0101/P0102/P0107 |
| Advance against Exports | P0103 |
| Merchanting Trade | P0108 |
| IT/software | P0802/P0807 |
| Commission | P1002/P1019 |
| Business and Management consultancy | P1006 |
| Advertising, Trade Fair services | P1007 |
| Engineering services | P1014 |
| Tax consulting services | P1015 |
| Family maintenance | P1301 |
| Gift | P1302 |
| Salary | P1401. |
| Non-resident deposits – FCNR(B)/NRE etc. | P0014 |
| Repayment of loans extended to non-residents | P0011 |
| Interest on Loans extended to non-residents | P1403 |
| **Capital Account Receipts*** | |
| FDI equity | P0006 |
| FDI in Indian debt instruments | P0007 |
| FPI in Indian equity | P0009 |
| FPI in Indian debt. | P0010 |
| long/medium and short-term non-resident loans | P0012/P0013 |

**These are common purpose codes for Current and Capital account receipts.*

- **Step 4 – Account credit and Cut-off Timelines**

  For the inward remittance received in foreign currency, the Bank will convert the foreign currency into Indian Rupees at the applicable exchange rate or credit same to customer's FCY (EEFC) account as it is, after deducting applicable charges and taxes. Bank to receive disposal instructions along with complied document within the cut-off timing i.e. by **2:30 p.m**. for the same day processing / credit. Documents /

disposal received after **2:30 p.m.** shall be handled and processed on the next Forex working day. An automated SMS/Email advice is delivered to the customer containing the necessary transaction details.

- ## Processing Timelines

| Transaction Type | Indicative TAT after complete documents/disposal |
|---|---|
| All inward Remittances (before cut off 2.30 pm) | Same working day |

**The actual processing time depends on the completeness of the remittance information, documents required, regulatory checks and the nature of the transaction.*

### Ensure following to process your Remittance Faster

1. For the person sending money from overseas, please ensure that the remitter provides: Your correct bank name/branch + Account number + SWIFT/BIC + Correct purpose of payment
2. For export payments, additionally mention: Invoice Number / Shipping Bill Number / Exporter details / Bank reference number
3. For customers receiving inward remittances, please:
   - Keep your KYC details updated.
   - Provide the correct purpose of the remittance.
   - Keep supporting documents readily available.
   - Respond promptly to the Bank's queries.
   - Ensure that the remitter provides accurate beneficiary information.
   - For export receipts, provide invoice/shipping bill details.

- **Schedule of Charges:**

| Nature of Charges | Amount of Charges *(Excl. applicable GST)* |
|---|---|
| **Commission for Inward Remittance** | Rs.300/- per remittance |
| **FIRC Charges** | 1. Rs.200/- flat per certificate per E-BRC / issued on security paper<br>2. Rs.100/- flat per certificate issued on letter head |

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# Outward Remittances

## 1. Coverage

This section covers the steps involved in processing of onward remittances i.e. payments outside India in favor of Non-Resident / Foreign Individuals and / or Entities for legitimate and Bonafide purposes. They can also be broadly bifurcated into Current Account and Capital Account transaction based on the nature of payment and can be further segregated into Trade, Non-Trade or Personal remittances (LRS). Forex outward remittances can be initiated by resident individuals, entities, NRIs and other eligible customers.

## 2. End-to-End Process

1. The customer submits the remittance request via a branch visit or direct email to the branch/trade finance team for certain transactions.
2. Compliance Officer at TF dept. reviews documents against FEMA, RBI, and internal guidelines, then notifies the customer or branch of any discrepancies.
3. Once documents are complied, officer confirms exchange rate (if applicable) with customer/branch by taking rates from Treasury dealer.
4. By executing a strict maker-checker operational control transaction processed in CBS to generate SWIFT messages.
5. SWIFT authorizer transmitted the message to the correspondent bank subsequent to mandatory AML reviews and compliance screening.
6. Intimation of the debit via email to the customer on its registered email id along with swift copy.
7. Bank is reporting transactions to regulatory authorities periodically or as required by the transaction type via IDPMS, FETERS, or CIMS, etc.

## 3. Documentation

| Purpose under LRS | Basic Documents |
|---|---|
| Education | Admission/offer letter; fee demand/invoice; passport/visa where applicable, Form A-2, FEMA Declaration |
| Medical treatment | Hospital estimate/invoice; medical advice/estimate wherever requested, Form A-2, FEMA Declaration |
| Travel | Passport/visa/ticket/travel declaration as applicable, Form A-2, FEMA Declaration |
| Gift | Gift declaration; relationship/details; beneficiary bank information, Form A-2, FEMA Declaration |
| Maintenance of relative | Declaration; relationship; beneficiary details, Form A-2, FEMA Declaration |
| Overseas securities | Broker/custodian statement; investment documents; Form A-2, FEMA Declaration |

| | |
|---|---|
| Overseas direct investment | Investment documents; valuation; source of funds; prescribed forms, Form A-2, FEMA Declaration |
| Property abroad | Purchase/sale agreement or supporting evidence, Form A-2, FEMA Declaration |
| IFSC financial product/service | Product/service agreement; beneficiary details, Form A-2, FEMA Declaration |
| Other permissible LRS | Purpose-specific supporting evidence, Form A-2, FEMA Declaration |
| *** PAN is the basic document for all transactions under the LRS** | |
| **TRADE Transaction** | **Typical documentation** |
| Import of goods | Invoice; PO/contract, shipping/import details, IEC |
| Import advance | Proforma invoice/contract, supplier bank details |
| Import of services | Invoice; contract/Scope of Work, evidence |
| Royalty/license | License/IP agreement, invoice |
| Software subscription | Invoice/subscription agreement |
| Consultancy | Agreement/SOW, invoice |
| Advertisement | Invoice/order/agreement |
| Commission | Agency agreement, invoice, declaration on Shipping bill (in case of commission on exports) |
| Insurance | Policy/invoice/claim documents |
| Loan/interest | Loan agreement, repayment schedule |
| Dividend/investment income | Investment statement /advice |
| Overseas office expenses | Invoice/expense statement/authority |
| **REMITTANCE FACILITIES FOR NRIs / OCIs** | |
| **Non-resident Income** | **Documents** |
| Rent | Lease/rent statement, tax evidence |
| Dividend | Dividend advice/holding statement |
| Pension | Pension statement/certificate |
| Interest | Interest certificate/statement |
| Salary | Salary/employment evidence |
| Other current income | Underlying evidence |

**Outward remittances are subject to extant RBI/FEMA/DGFT guidelines and Bank can ask for additional documentation accordingly.*

- **Common Purpose Codes for Individuals (LRS Remittances)**

| Current account transactions | | |
|---|---|---|
| **Code** | **Description** | **Example** |
| **S0305** | Travel for education | Sending money to your child's university account in the US for tuition fees. |
| **S0304** | Travel for medical treatment | Paying a hospital abroad for a scheduled surgery. |
| **S1302** | Remittance towards personal gifts and donations | Sending a monetary gift to a relative abroad for their wedding, etc. |
| **S1301** | Remittance for family maintenance and savings | Transferring monthly living expenses to a dependent family member living abroad. |
| **S0306** | Other travel (e.g., for tourism) | Paying for a tour package for a vacation in Europe. |
| **S1102** | Education (e.g. fees for courses abroad) | Paying for an online certification course from a foreign university. |
| **Capital account transactions** | | |
| **Code** | **Description** | **Example** |
| **S0001** | Indian investment abroad – in equity (shares) | Buying shares of a publicly listed company on the New York Stock Exchange. |
| **S0005** | Indian investment abroad – in real estate. | Purchasing a residential property in London. |
| **S0011** | Loans to non-residents | An Indian company extending a loan to its foreign subsidiary. |
| **Common purpose codes for Trade transactions** | | |
| **Code** | **Description** | **Example** |
| **S0101** | Advance payment against imports | Paying a Chinese supplier a 30% advance before goods are shipped to India. |
| **S0102** | Payment towards imports– settlement of invoice | Paying the final balance for a consignment of machinery imported from Japan. |

| | | |
|---|---|---|
| **S0802** | Software implementation/consultancy | Paying a US-based firm for implementing a new CRM software for your company. |
| **S1006** | Business and management consultancy services | Paying a UK-based consulting firm for a market research report. |
| **S0601** | Life insurance premium | A company paying premiums for an insurance policy taken from an overseas insurer. |
| **S1011** | Payments for maintenance of offices abroad | Transferring funds to cover rent and salaries for your company's branch in Dubai. |

- ## Processing Timelines

| Transaction | Indicative TAT after complete documents with sufficient balance |
|---|---|
| All outward Remittances (before cut off 2.00 pm) | Same working day |

***Please note:*** *The actual processing time depends on the completeness of the remittance information, documents required, regulatory checks and the nature of the transaction.*

- **Schedule of Charges**

| **Outward Remittances (TT)** | |
|---|---|
| **Nature of Charges** | **Amount of Charges** *(Excl. applicable GST)* |
| **For Individuals & Corporates** | 0.15% Commission Minimum Rs. 500/- Maximum Rs. 20000/- |
| **SWIFT Charges** | Rs.750/- |
| **Import Bills** | |
| **Nature of Charges** | **Amount of Charges** *(Excl. applicable GST)* |
| **Advance Remittance for Imports per remittance** | 0.15% Commission Minimum Rs.1,000/- Maximum Rs. 20,000/- plus SWIFT charges Rs. 750/- |
| **Import bills for Collection (Lodgment)** | 0.25% commission Minimum Rs.1,000/- |

****Schedule of Charges***. *Schedule Of Service Charges For Forex Transactions (Effective From 1st July, 2024)*

- **Forex daily card rate** - https://www.svc.bank.in/forex-daily-rate-card

- **NOSTRO details** - https://www.svc.bank.in/nostro-account
- **Grievance redressals**

| Escalation Level | Nature / Status of Issue | Escalation To | Contact Channel | Timeline |
|---|---|---|---|---|
| **Level 1** | If Issues unresolved at concerned officer level | Department Manager | 022-41834534/528 41834546/597 | Within 2 working day |
| **Level 2** | Critical issues or unresolved Level 1 issues | Chief Manager | 022-41834529/ 4560 | Within 3 working days |
| **Level 3** | Major operational, compliance, or regulatory concerns | Head - Trade Finance | 022-41834542 | Immediately (Depending on severity) |
| **External** | RBI Integrated Ombudsman mechanism where applicable | | | As per RBI framework |

**Disclaimer**:
Forex products are offered subject to certain eligibility criteria as per the Bank's Internal Policy and at Bank's discretion.