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

Policy and Standard Operational Framework for handling transactions involving Export or Import of Goods and Services under the new Regulation FEMA 23 (R)

Background

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, Directorate General of Foreign Trade (DGFT) from time to time and various International Chamber of Commerce (ICC) Rules and other Government / Statutory provisions, as applicable.

This document covers the policy and standard operational framework that the Bank shall follow while handling transactions involving Export and Import of Goods and Services under Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 (FEMA 23 (R)), which shall be applicable with effective from October 1, 2026.

It shall apply to all cases / transactions of or relating to Exports and Import of Goods and Services, including Merchanting Trade Transactions (MTT) as defined under the Foreign Trade Policy (FTP), as may be amended from time to time. Under these Regulations, 'Services' shall also include the 'Software' and hence, references to 'Services' in this document shall also include 'Services and Software'.

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Section A – Export of goods and services

1. General Requirements

a. Exporter Customer must hold a valid and active Importer Exporter Code (IEC) issued by the Directorate General of Foreign Trade (DGFT) for undertaking transactions for export of goods. Exemption to this requirement, including for individual service exporters etc., shall be as per the extant guidelines under the Foreign Trade Policy (FTP).

b. Customer should provide a PAN and a valid Legal Entity Identifier (LEI), wherever required as per RBI and CBDT guidelines.

c. For Export of Goods:
   i. The goods as shall be freely exportable as per the extant Foreign Trade Policy (FTP).
   ii. Export of restricted goods under FTP shall require appropriate and valid Licence.
   iii. Export of prohibited goods is not permitted.

2. Declaration of Exports

- All exporters of goods are required to furnish a declaration in the Export Declaration Form (EDF), as per annexure (I) to the Regulations, to the Specified Authority as defined in the Regulations, specifying the amount representing the full export value of goods, at the time of export.
  - In case of exports through Electronic Data Interchange (EDI) port, this EDF will be deemed to be submitted as part of the shipping bill for goods.
  - In case of exports through non-EDI port, the Specified Authority is required to forward the duly authenticated EDF to the respective Authorized Dealer bank.
- The exporter of services is required to furnish the EDF to the specified authority within 30 days from the end of month in which invoice for services has been raised, provided that:
  - The exporter who has exported services to one or more recipients in a month, may submit a single SDF for all such exports.
  - The EDF can be submitted on or before the date of receipt of payment.
- The Exporter of Services as well as Software (where applicable) can file EDF with our Bank, as an AD Bank / Specified Authority in accordance with these Regulations by submitting following documents:

Export of Services (other than Software)

Sr. No.	Particulars	Details
1	**Documentary Requirements (Indicative Documents / not exhaustive)**	i. The customer's request letter or covering schedule including FEMA Declaration ii. EDF in duplicate iii. Invoice bearing the SAC code or an invoice-wise annexure furnishing the details of invoices raised on a particular

		overseas client/clients including the details of advance remittances received in a month, if any if a combined EDF form is submitted. iv. FIRC/eFIRC where the exporter has already received advance payment/s.

Export of Software

Sr. No.	Particulars	Details
1	**Documentary Requirements (Indicative Documents / not exhaustive)**	i. The customer's request letter or covering schedule ii. FEMA Declaration iii. EDF in duplicate iv. The software/IT/ITeS export invoice with SAC code and description v. Invoice bearing the SAC code or an invoice-wise annexure furnishing the details of invoices raised on a particular overseas client/clients including the details of advance remittances received in a month, if any if a combined EDF form is submitted. vi. FIRC/eFIRC where the exporter has already received advance payment/s.
2	**Additional documents**	In addition to above, AD Bank may insist additional documents based on its own risk assessment such as: i. The underlying master service agreement/contract/work order. ii. Evidence that the export (transmission or provision of the software/service) actually took place, such as a delivery/acceptance confirmation. iii. Completion certificate, or iv. Data-transfer/hosting record, the STPI/SEZ registration certificate, where applicable; or v. A related-party declaration where the overseas recipient is a group/associate entity.

Note: SOFTEX has been now abolished. A software exporter in DTA may file the EDF with STPI as the specified authority or to AD Bank.

3. Advance payment against exports:

The Regulations allows exporters to receive advance payment towards export of goods as well as services with or without interest payment from the overseas buyer. Interest is payable, if any, shall not exceed the all-in-cost ceiling for Trade Credit prescribed under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

Sr. No.	Particulars	Details
1	**Documentary Requirements (Indicative Documents / not exhaustive)**	i. Disposal Instructions along with FEMA Declaration. ii. The underlying export contract or purchase order specifying the advance-payment term. On receipt of the required documents, our TF centre shall scrutinise the underlying export contract or purchase order and terms of the contract particularly, amount, latest date of shipment, delivery schedule, penalty in case of non-performance of contract or contract cancellation and interest payable etc. and if satisfied process the credit as instructed.
2	**Time Period for Exports**	Time period for completion of exports after receipt of an advance shall be as per the terms of the contract agreed between the exporter and its overseas buyer. In general, it is up to 1 year for export of raw materials and 3 years for export of capital goods.
3	**Extension of Time Period for Export**	The exporter is under obligation to export the goods or provide services within time limit as specified in the contract. In case, if the export is not done as per the terms of the contract, exporter can approach the AD Bank for extension along with due justification and following documents:

		i. Request letter seeking extension of time for export specifying reasons for non-execution of the contract ii. Consent letter from the buyer to accept late shipment or delivery of services iii. Revised contract extending date of export or similar communication Request for extension shall be handled basis the rationale and documentary evidence provided by the exporter to the satisfaction of the Bank.
4	**Submission of Export Documents for regularization (Indicative Documents / not exhaustive)**	Exporters are required to submit the documentation as mentioned in para 4.1 below to record or regularize the export transaction and for linking the same with the advance remittance received, including for the reporting in EDPMS portal.
5	**Refund of Export Advance / Marking-off or closure of entries of unutilized portion of advance payment**	i. In the event of exporter's inability to make the shipment, partly or fully or deliver the service within the contracted period, or the extended period (if any), exporter can approach the AD Bank with a request to get the unutilized portion of advance remittance refunded with suitable justification. ii. Where refund of such advance is not possible, the exporter may approach the AD Bank with a request stating the reasons for not refunding the advance payment along with documentary evidence supporting its request. On receipt of such request, AD Bank shall properly analyse and evaluate the request and if satisfied about the genuineness of the request may allow the refund of unutilized portion of advance payment or the closure of the outstanding entry relating to export advance transaction in EDPMS, as the case may be.

4. Export bill lodgement / regularisation (including the handling of export collection bills):

Exporters can approach the Bank, through their branches, for sending their original export documents / bills on collection under the Uniform Rules of Collection (ICC – URC 522) or for handling them under Uniform Customs and Practices for Documentary Credit (ICC - UCPDC 600) or for regularisation purpose and further reporting to EDPMS as per the guidelines given below:

Sr. No.	Particulars	Details
1	**Documentary Requirements (Indicative Documents / not exhaustive)**	i. Customer request letter ii. Commercial invoice iii. Transport document (Bill of Lading for sea-shipment, Airway Bill for air-shipment, Rail receipt for shipment by rail etc. iv. Other related documents, as applicable viz. bills of exchange, certificate of origin, insurance, quality certificate etc. v. Shipping bill (for goods) vi. EDF for services (applicable in case AD Bank is the Specified Authority) On receipt of the required documents, our TF centre shall scrutinise the documents and terms of the contract particularly, amount, latest date of shipment, delivery schedule, penalty in case of non-performance of contract or contract cancellation and interest payable etc. and if satisfied lodge the bill in the CBS and dispatch the documents to the collecting bank / overseas party for collection.
2	**Time period for realization of export bills**	Export bills should be realized within: i. 9 months from the date of shipment (for goods) / invoice date (for services) ii. 9 months from the sale of goods from the warehouse in case of goods sent to a warehouse outside India. iii. Provided further that for exports invoiced and / or settled in INR, the export realization period shall be 12 months from the date of shipment (for goods) / invoice date (for services) / date of sale (export to warehouse outside India)

		iv. For Project Exports – the realization period as per the contracted terms between the parties and approved by the AD Bank.
3	**Extension of time for realization of export proceeds**	i. Appropriate documentary evidence / correspondence or other evidence supporting the reason (buyer dispute, delayed acceptance, financing delay, etc.) for delayed realisation of export. ii. A declaration from the exporter that the export proceeds will be realised during the extended period, iii. Confirmation from the buyer agreeing to settle payment on revised due date. iv. A copy of the shipping bill/EDF/invoice if not submitted earlier. The TF Centre, once satisfied, may allow extension of time for realisation of export proceeds beyond the specified period.

5. Third party receipts:

In general export proceeds are received from the buyer named on commercial invoice. However, sometimes, as an international trade practice in certain line of trade or in certain geography or in certain transactions, the export proceeds are received from an entity other than the buyer named in commercial invoice.

Common cases include MNCs paying from overseas headquarters, buying agents settling for clients, payment aggregators handling marketplace transactions etc.

Regulation 8 of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 permits the AD Banks to accept payment received from the third-party (i.e., other than the actual importing party) provided that the AD Bank is satisfied with the bonafides of the transactions.

If the exporter, having received the export proceeds from a third party, may request the bank to accept the same by submitting following documents:

Sr. No.	Particulars	Details
1	**Documentary Requirements**	i. A written request identifying the third party and its relationship to the actual buyer/ importer. ii. A tripartite agreement or irrevocable order/ invoice indicating payments to

		third party or EDF declaring the third-party remittance etc. iii. Any other documentary evidence for circumstances leading to third party payments, (e.g., an assignment agreement, a group-company confirmation, or a factoring agreement).
2	**Other aspects**	On submission of required documents along with documentary evidence for circumstances leading to third party payments, our TF centre shall ascertain the identity and bonafides of the third-party remitter, the relationship between the remitter and overseas buyer, the reason for third-party payment and if satisfied may authorised to accept the payment from third party provided the payment is received through the banking channel in the manner specified in the Foreign Exchange Management (Manner of Receipt & Payment) Regulations, 2023 and payment is originated from countries that are Financial Action Task Force (FATF) compliant. If warranted bank may obtain KYC/credit report on third party.

6. Set off of export receivable against import payable:

As per Regulation 7 of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, an AD Bank may allow the exporter to set-off of export receivables against import payables rather than receiving the full export payment involving the same overseas buyer or supplier, or their overseas group or associate companies.

The exporter/importer shall submit the following documents within the stipulated period for realisation of export proceeds:

Sr. No.	Particulars	Details
1	**Documentary Requirements**	i. The request letter from the exporter /importer identifying the specific export receivable(s) and import payable(s) to be set-off. ii. A communication / any other document between the overseas buyer/ supplier agreeing to set-off

		iii. The underlying export import invoice(s)/details of EDF/Bill of Entry proposed for set-off. iv. Evidence of the group/associate relationship where applicable. v. Auditors/CA certificate confirming outstanding receivables/payables
2	**Other aspects**	On receipt of a request from importer /exporter along with required documents, our TF Centre shall identify the specific outstanding EDPMS and IDPMS entries which are to be closed/adjusted by set off of export payable against import payable subject to following i. Export receivables and import payables shall be from/to the same overseas buyer or supplier or with their overseas group or associate companies. ii. The request for set off shall be received within the stipulated period for realisation of export proceeds or extended period, if any, iii. The import and export documents routed through same bank. If import and export documents are routed through multiple AD Banks, same can also be set off with suitable communication between the Banks involved and ensuring relevant E/IDPMS reporting. iv. There are no KYC/AML/CFT concerns. v. The invoices are not under investigation by agencies like the Directorate of Enforcement (ED) or Central Bureau of Investigation (CBI) Set-off shall not result in tax evasion/avoidance by any of the entities involved in such arrangement.

7. Reduction in the export realization exceeding INR 10 lakh or (its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services) partially or fully:

An exporter who has not been able to realise the outstanding export dues despite best efforts, may approach the AD Category–I banks, who had handled the relevant shipping documents, with appropriate supporting documentary evidence to reduce the export value (including non-realisation of full export value) by submitting following documents:

Sr. No.	Particulars	Details
1	**Documentary Requirements**	The written request indicating invoice/ shipping bill/ EDF reference with documentary evidence leading to reduction/ under realisation / nonrealisation of export bill such as: i. A debit note or buyer correspondence. ii. Inspection Certificate confirming defective Quality. iii. A destruction/confiscation certificate. iv. A certificate from the official liquidator, indicating that there is no possibility of recovery of export proceeds, if the overseas buyer has been declared insolvent. v. Documentary evidence towards surrendering of proportionate export incentives if any, availed of in respect of the relative export bill. vi. 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.
2	**Other aspects**	On receipt of a written request with necessary documentary evidence citing the specific reason our FT centre shall properly analyze the individual case and reasons for under realization, non-realization of export bill. If satisfied TF Centre may allow reduction in invoice value fully or partially on the basis of merits of individual case subject to following conditions: i. The export transactions covered by the invoices involved are not under investigation by Directorate of Enforcement / Central Bureau of

		Investigation or other investigating agencies, ii. In case of an ongoing enquiry, NOC should be sought from investigating authority. iii. The exporter is not on the exporters' caution list of the Reserve Bank.

8. Reduction in the export realization not exceeding INR 10 lakh or (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services):

An exporter who has not been able to realise the outstanding export dues despite best efforts and where the export value is up to ₹10 lakh (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services), the exporter may request the AD Bank for the reduction of export value (including non-realisation of full export value) by submitting a declaration stating the reasons for such reduction.

On receipt of the declaration from the exporter citing reasons for reduction, the Bank (TF centre) may approve such Reduction/ Under-realisation / Non-realisation of Shipping bill/invoice provided:

i. The original value of per shipping bill (for goods) or invoice (for services), does not exceed ₹10 lakh (or its equivalent in foreign currency)
ii. The export transactions covered by the invoices involved are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies,
iii. In case of an ongoing enquiry, NOC should be sought from investigating authority.
iv. The export of commodities does not relate to floor price stipulations
v. The exporter has surrendered proportionate export incentives availed of, if any.

9. Closure of entries in EDPMS not exceeding INR 10 lakh or (or its equivalent in foreign currency) per shipping bill (for goods) or invoice (for services).

In terms of Regulation 4 of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 if the export where the shipping bill (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in EDPMS may be closed based on a declaration from the exporter to the effect that the payment against the shipping bill / invoice has been realised either in full or otherwise. Alternatively, such declaration may be submitted by an exporter to the AD Bank on a quarterly basis for bulk closure of entries in EDPMS.

On receipt of a declaration as per Annexure II from the exporter confirming that the payment against the shipping bill / invoice has been realised either in full or otherwise the TF Centre may close related shipping bill/EDF.

10. Unrealised exports

If the export proceeds of an exporter remain unrealised for a period beyond one year from the due date of realisation or extended period, allowed by an AD Bank, the exporter shall undertake

further exports with such particular buyer only against receipt of full advance or an irrevocable Letter of Credit. The above condition shall apply only to future export taken place after 1st Oct 2026.

The exporters 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.

11. Permission from AD bank regarding their willingness to handle the project export transactions

On issuing Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 the revised Memorandum of Instructions on Project and Service Exports (PEM) enclosed to A.P. (DIR Series) Circular No. 39 dated January 14, 2016 has been withdrawn. As a result, export of goods or services on deferred payment terms or for execution of a turnkey project or a civil construction contract do not requires prior approval of the approving authority, which was considering the proposal earlier in accordance with the guidelines issued by the Reserve Bank from time to time.

However as advised by FEDAI the project exporter before handling the project export transactions should seek the permission from concerned AD bank regarding their willingness to handle the project export transactions by submitting request letter as an intimation regarding undertaking project export contracts. Such request letter to contain the desired information about the project in brief.

The exporter is also required to submit following documents:

Sr. No.	Particulars	Details
1	**Documentary Requirements**	a) Letter of Award. b) Project cost-revenue projections and payment-terms schedule. c) Bid bond/performance bond/advance-payment guarantee documentation, where applicable.
2	**Other aspects**	On scrutiny if the TF Centre is agreed to handle project export transactions assigned a reference number to the project and may permit receipts/ payments for project exports as per the underlying contract.

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Section B – Import of goods and services

1. Manner of Payment

The payment for import of goods and services between a person resident in India and a person resident outside India shall, be made through an AD Bank Bank or Authorised Person and in the manner as specified in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023, as amended from time to time.

2. Remittances for Import of goods and services (other than Advance Remittance)

AD Category I Banks 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.

Sr. No.	Particulars	Details
1	**Documentary Requirements - For import of goods**	i. An applications containing all requisite details of the transaction, remittance details etc. (in place of earlier A-1 form) ii. FEMA declaration. iii. Details of Bill of Entry number, port code and date, for marking evidence of import in IDPMS. iv. If importers are unable to produce details of Bill of Entry due to genuine reasons such as non- arrival of consignment, delay in delivery/ customs clearance of consignment, etc. a declaration for submission the same is to be obtained. v. Non-negotiable copies of transport document, copy of invoice and other related documents if the documents are received directly by the importer. vi. Registration letter with EPC, if applicable in certain line of trade. vii. Advance Authorization, if applicable.
	Documentary Requirements - For Payment for Import of services / software / data / drawing/design etc. in non-physical form	i. Remittance application form containing all requisite details of the transaction, remittance details etc. ii. FEMA Declaration iii. Form A-2 duly filled and signed

		iv. Copy of commercial invoice & valid service contract agreement duly signed by both parties. v. Certificate from a Chartered Accountant that the service / software / data / drawing/ design etc. in non-physical has been received by the importer vi. Form 145 & 146 with UDIN vii. Customer declaration that they have informed to custom Authorities for this import of service / software / data / drawing / design etc. in non-physical form. viii. The Bank may request additional documents or clarification in case of late payment, short/mismatch in payment, third party payment, discrepant document, AML alerts, nature of payment etc. on case-to-case basis.
2	**Other aspects**	On presentation of all the requisite details and documents the TF Centre shall ensure compliance of KYC and do the due diligence exercise and satisfy about the financial standing / status and track record of the importer customer, line of business, frequency of import, etc. to establish the genuineness of the import.

3. Extension of Time period for making import payment.

The importers of goods and services are under obligation to settle the import payment for its imports within the period specified in the underlying contract, normally within 6 months from date of shipment or invoices. However, in case the importer is unable to make payment within the period specified in the underlying contract, may approach the AD Bank for extension of time for making payment and submit following documents:

Sr. No.	Particulars	Details
1	**Documentary Requirements**	i. A written request to the AD Bank, citing the specific reason for the delay (e.g., a quality dispute, a documentary discrepancy, or a financing delay) ii. The underlying /invoice/Bill of Entry reference.

		iii. Correspondence between importer and overseas supplier / seller iv. Confirmation from the seller having agreed to accept delayed payment. v. Proof of quality dispute if any vi. Evidence of filing court case if any vii. The AD Bank shall then record its satisfaction of the reasons cited and communicates the extended timeline.
2	**Other aspects**	Our TF Centre shall process the request for granting extension of time for settlement of import dues and allow extension of time for making payment, beyond the period specified in the contract, provided: i. The request is genuine, and the reason stated is satisfactory. ii. Interest payable, if any, on delayed payment for imports, maximum up to three years from date of shipment, 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. Extension remains available on a continuing basis, each time subject to the AD's satisfaction of the reasons cited.

4. Closure of the Bill of Entry (for goods) or invoice (for services) for ₹10 lakh (or its equivalent in foreign currency), or less.

In order to facilitate timely closure of Small Value Bill of Entries and to reduce compliance burden on small importers, AD Banks are permitted to close the Bill of Entry (for goods) or invoice (for services) up to ₹10 lakh (or its equivalent in foreign currency), based on a declaration from the importer to the effect that the payment for import has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the AD Bank on a quarterly basis for bulk closure of entries in IDPMS. The Importer shall submit such Declaration on the letterhead of the importer duly signed by the authorised signatory.

Based on a declaration stating that the payment for import has been made either in full or otherwise our TF Centre may allow Closure of the Bill of Entry (for goods) or invoice (for services) for ₹10 lakh (or its equivalent in foreign currency), or less subject to:

i. The transaction is not the subject matter of any pending civil or criminal suit.
ii. 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.

5. Closure of Bill of Entry in IDPMS where import transaction has been settled at reduced value:

In terms of Regulation 18(1)(k), an AD Bank 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. The importer may request to the AD Bank, citing the specific reason for not paying import bill such as quality issues; short shipment or destruction of goods by the port / Customs / health authorities etc**.**

The TF Centre shall then process the request and may allow write-off of BoE and settle & close the ORM/BoE with appropriate "Adjustment Indicator" in IDPMS subject to following conditions:

i. The case is not the subject matter of any pending civil or criminal suit.
ii. 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.

6. Third party payments for import:

In general, an AD Bank makes payment for import of goods and services to the seller whose name is mentioned in the invoice/Bill of Entry as a seller. However, occasionally AD Banks receive the request from the importer to pay the import bill amount to the third party other than the seller. In terms of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 an AD Bank may permit payment of import transactions to third party provided that the AD Bank is satisfied with the bonafides of the transactions. The importer shall submit following documents:

Sr. No.	Particulars	Details
1	**Required Documents**	i. Request letter (in place of earlier A-1 form) or Form A-2 for services ii. FEMA declaration iii. Letter from the importer identifying the third party and its relationship to the actual importer / exporter (group / associate company, factoring / assignment arrangement, insurance subrogation, etc.) iv. Documentary evidence of the relationship or arrangement (e.g., an assignment agreement, a group-company confirmation, factoring agreement)

		v. The underlying import contract or invoice, indicating amount payable to third party. vi. Any other document evidence for circumstances leading to third party payments.
2	**Other aspects**	While permitting import payment to third party the TF Centre shall properly analyze the individual case and reasons for third party payment, trade practice as well as international situation, the Anti-Money Laundering Rules in force. If AD Bank is satisfied with the bonafide of the transactions and ensures that there are no KYC/AML/CFT concerns may allow payment of import to third party.

7. Advance payment for import of goods and Services

In terms of Regulation 10 of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 an AD Bank may permit advance remittance for import after satisfying itself of the genuineness of the requirement for advance remittance up to the thresholds for advance payment, beyond which, the payment may require a standby Letter of Credit or a guarantee.

An importer shall route the advance payment and its subsequent payments, if any, through the same AD Bank. However, an importer may route the transactions through any other AD Bank provided the importer has intimated the change to both the AD Banks.

Sr. No.	Particulars	Details
1	**Required Documents (indicative / not exhaustive)**	i. An applications containing all requisite details of the transaction, remittance details etc. (in place of earlier A-1 form) ii. Request letter from the importer along with documentary evidence such as proforma invoice, sale contract etc indicating demand for advance payment. iii. Undertaking to import the goods / services within the contract period and to submit the documentary evidence of import/details of BoE immediately upon import. iv. FEMA Declaration.

		v. Credit report on overseas supplier if the amount exceeds the limit fixed by the bank. vi. Copy of IEC (Importer Exporter Code) Certificate (One time submission). vii. 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, wherever applicable. viii. Registration letter with EPC if applicable in certain line of trade. ix. Form 145-146 (for services) x. Advance Licence if applicable xi. Any additional document depending on the underlying - e.g. in-principal approval from Ministry of Civil Aviation / Director General of Civil Aviation / other such agency for import of aircraft. xii. Additional document for import of rough diamonds – a. The overseas mining company should have the recommendation of GJEPC. b. Copy of Kimberley Process Certificate for the diamonds intended to be imported.
2	**Other aspects**	On receipt above documents the TF Centre shall allow the transactions based on their commercial judgments and after satisfaction about the bona fide of the transactions subject to following conditions: i. KYC and due diligence exercise would be done by the AD Category-I banks for the Indian importer entity and the overseas manufacturer company as well. ii. Advance payments should be made strictly as per the terms of the sale contract and should be made directly to the account of the seller.

		iii. Goods to be imported should be freely importable as per present FTP 2023 or the importer must hold required Authorisation/Licence. iv. Payments towards advance remittance for imports of specific goods like Rough Diamonds, Aircrafts/Helicopters and other Aviation Related Purchases shall be subject to the specified conditions. v. No remittance shall be permitted for import of conflict diamonds (Kimberly Certification). vi. The importer seeks to make advance remittance for import of rough diamonds from an overseas mining company recommended/identified by GJEPC, the AD Bank may take such recommendation into consideration as part of its due diligence, subject to the applicable FEMA provisions, vii. No advance remittance shall be permitted by an AD Bank for the import of gold or silver. viii. Advance payment for import of gold or silver by Qualified Jewellers as notified by IFSCA shall be subject to the specified conditions. An importer shall route the advance payment and its subsequent payments, if any, through the same AD Bank. However, an importer may route the transactions through any other AD Bank provided the importer has intimated the change to both the AD Banks.

8. Time limit to receive (import) goods or services after making an advance payment:

The time period for completion of import into India shall be as per the contract terms agreed between the importer and exporter depending on nature of commodities or services to be imported. In general contract terms upto 1 year (for import of raw material/ services & software) and upto 3 years (for capital goods) shall be permissible. Longer tenor contracts can be permitted on exception basis the merits of case and comfort of the Bank.

9. Extension for time to receive goods or services:

In case if an advance payment is made and import has not materialized; the importer can approach AD bank for extending due date in IDPMS. Alternatively, customer may directly come to the Bank post the contract terms to submit the import documents with a delay. Bank can handle the delayed import transaction if satisfied by the reasons stated by the importer customer. Where an importer is unable to import goods or services within the contract period, importer may approach Bank for an extension of time for import and seek period extended for import of goods or services and submit following documents:

Sr. No.	Particulars	Details
1	**Required Documents**	i. Request from the importer seeking extension of time for shipment of goods or for providing of services. ii. Correspondence with seller confirming future date of shipment of goods or providing services iii. In cases where the importer has filed suits abroad against the seller, the proof having filed suit. iv. If the advance is secured by advance payment guarantee, such guarantee must be extended for extended period.
2	**Other aspects**	At the request of the importer on receipt of an application along with necessary documents the FT Centre shall properly analyze the individual case and reasons for non-import. After having been satisfied of the genuineness of the reasons the AD may consider granting extension of time for import on merit of individual case within timelines. Necessary noting regarding Extension of time shall be done in IDPMS.

10. Refund and repatriation of advance remittance back to India:

Where an importer is unable to import the goods or services within the contract period, or the extended period, the importer is required to repatriate the advance payment made and produce FIRC/credit advice as applicable.

11. Write-off of ORM created on account of Advance payment for import:

In case if no import has taken place and where the repatriation of such advance is not possible, on a request by an importer, AD Bank may close the entry relating to advance

remittance for goods or services, in IDPMS, after having been satisfied of the genuineness of the reasons cited.

In such cases, importer may approach the AD to close the ORM entry relating to import advance transactions in IDPMS by submitting following documents:

Sr. No.	Particulars	Details
1	**Required Documents**	i. Request from the importer citing reasons to close the entry relating to import advance transactions in IDPMS. ii. Correspondence with seller or any other documents in support of the reason for nonperformance of export by seller.
2	**Other aspects**	On receipt of the request from the importer along with necessary documents the TF Centre shall properly analyze the individual case and reasons for non-import or non-repatriation of funds such as the overseas buyer has been declared insolvent or the overseas supplier is not traceable over a reasonably long period of time etc. The AD after having been satisfied of the genuineness of the reasons cited may authorise the closure of the entry relating to import advance transactions in IDPMS.

12. Further / subsequent advance payment requests by the importer who is unable to import against the advance payments made earlier:

In case, if the import has not taken place or the importer is unable to repatriate or bring back the import advance within the contract period or extended period, if any, or the IDPMS entry has not been marked-off in terms of Regulation 18(1)(j), any future advance payment for imports by the importer to that particular overseas supplier shall be made only against an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute or a guarantee of an AD Bank in India, which is issued against a counter-guarantee of an international bank of repute.

The condition shall be relaxed once the earlier unresolved advance payments are regularised either by importing goods or services or by repatriation of the funds.

13. Closure of Small Value Bill of Entries of value equivalent to Rs.10 lakh per bill or less:

In order to facilitate timely closure of Small Value Bill of Entries of value equivalent to Rs.10 lakh per bill or less entries in IDPMS, and to reduce compliance burden on small importers, as permitted in section 4 (2) of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, the Bill of Entry (for goods) or invoice (for services) is up

to ₹10 lakh (or its equivalent in foreign currency), in IDPMS may be closed based on a declaration from the importer to the effect that the payment for import has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the AD Bank on a quarterly basis for bulk closure of entries in IDPMS.

The TF Centre, on receipt of such declaration and if there are no KYC/AML/CFT concerns; or the invoices under the transaction are not under investigation by Directorate of Enforcement/Central Bureau of Investigation or any other investigative agency may close BoE in IDPMS based on a declaration from the importer.

The declaration referred to above may also be submitted on a quarterly basis by the importer in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of IDPMS entries.

Section C – Merchanting Trade Transactions (MTT)

In terms of paragraph 2.39 Merchanting Trade Merchanting trade involving shipment of goods from one foreign country to another foreign country without touching Indian ports, or shipment of goods within one specific foreign country, involving an Indian intermediary is allowed subject to compliance with RBI guidelines, except for goods in the CITES, or under SCOMET.

Regulation 16 of Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 deals with Merchanting Trade Transaction as under:

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 Authorised Dealer may, on request citing reasons for delay, allow extension of time, if the Authorised Dealer is satisfied with 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 Authorised Dealer may, on request from the customer citing reasons, allow receipt from and/ or payment to any third party, if the Authorised Dealer is satisfied with the reasons cited.
c. The documents evidencing the MTT are provided to the Authorised Dealer, to establish the genuineness of the transactions.

Sr. No.	Particulars	Details
1	**Required Documents (indicative / non-exhaustive)**	i. Request letter from merchant trader. ii. Commercial invoices. iii. Transport document (Bill of Lading for sea-shipment, Airway Bill for air-shipment, Rail receipt for shipment by rail etc. iv. Insurance documents (as applicable)
2	**Time period for MTT**	The period between the outward remittance and inward remittance or vice versa shall not exceed six months.
3	**Extension of time period**	AD Bank may, on request citing reasons for delay, allow extension of time, if the Authorised Dealer is satisfied with the reasons cited.

The documentary requirement may vary based on specific case requirements and internal assessment or regulatory requirements.

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Section D – Delegation of Authority and Timeline for Transaction processing

Transaction documents, complete in all respects, should be submitted by 2.00 p.m. on all FX-working days for the same-day processing. It is to be noted that the processing timelines may differ if additional due diligence or clarifications are required.

Following table shows Process-wise and Level-wise delegation of authority along with a Transaction Processing Timeline. Any transaction above the threshold shall require approval of the Head of Trade Finance or the Head of Treasury.

Process	Level I	Level II	Level III	Transaction processing Timeline
	Assistant Manager	Manager/Sr. Manager	Chief / Divisional Manager	
Export – EDF Certification	EDF value not exceeding USD 50000 or equivalent in other currencies	EDF value exceeding USD 50000 or equivalent in other currencies but not more than USD 200000	EDF value exceeding USD 200000 or equivalent in other currencies but not more than USD 500000	Maximum within 5 business days from the receipt of EDF from the exporter.
Export – Approval for Reduction in export realization	Reduction in invoice value not exceeding USD 25000 or equivalent in other currencies	Reduction in invoice value exceeding USD 25000 or equivalent in other currencies but not more than USD 50000.	Reduction in invoice value exceeding USD 50000 or equivalent in other currencies but not more than USD 200000	Maximum within 7 business days from the receipt of the request.
Export – Approval for third party payment	To allow acceptance of third-party payment in respect of EDF/Invoice for export not exceeding USD 50000 or equivalent in	To allow acceptance of third-party payment in respect of EDF/Invoice for export exceeding USD 50000 or equivalent in	To allow acceptance of third-party payment in respect of EDF/Invoice for export exceeding USD 200000 or equivalent in other currencies	Maximum within 7 business days from the receipt of the request.

	other currencies	other currencies but not more than USD 200000.	but not more than USD 500000	
Export – Approval for extension of time for realization	To allow extension of time for first six months	To allow extension of time for further six months	To allow extension of time for next further six months	Maximum within 5 business days from the receipt of the request.
Export – Approval for set off of export receivables against import payables	To allow set off of export receivable against import payable of EDF/Invoice for export not exceeding USD 50000 or equivalent in other currencies	To allow set off of export receivable against import payable of EDF/Invoice for export exceeding USD 50000 or equivalent in other currencies but not more than USD 200000.	To allow set off of export receivable against import payable of EDF/Invoice for export exceeding USD 200000 or equivalent in other currencies but not more than USD 500000	Maximum within 7 business days from the receipt of the request.
Export – Refund of Export Advance	Refund of Export Advance not exceeding USD 25000 or equivalent in other currencies	Refund of Export Advance exceeding USD 25000 or equivalent in other currencies but not more than USD 50000.	Refund of Export Advance exceeding USD 50000 or equivalent in other currencies but not more than USD 200000	Maximum within 7 business days from the receipt of the request.
Export – Mark off / closure of IRM (non-export of goods)	Mark off / closure of IRM not exceeding USD 25000 or equivalent in other currencies	Mark off / closure of IRM exceeding USD 25000 or equivalent in other currencies but not more than USD 50000.	Mark off / closure of IRM exceeding USD 50000 or equivalent in other currencies but not more than USD 200000	Maximum within 7 business days from the receipt of the request.

Import – Payment of Import Bill including advance against imports. ##	To allow payment for imports not exceeding USD 50000 or equivalent in other currencies	To allow payment for imports for Import value exceeding USD 50000 or equivalent in other currencies but not more than USD 200000.	To allow payment for imports for Import value exceeding USD 200000 or equivalent in other currencies but not more than USD 500000	Maximum within 2 business days from receipt of the request.
Import – Approval for third party payment	To allow to make third-party payment in respect of import value not exceeding USD 50000 or equivalent in other currencies	To allow to make third-party payment in respect of import value for export exceeding USD 50000 or equivalent in other currencies but not more than USD 200000.	To allow to make third-party payment in respect of import value exceeding USD 200000 or equivalent in other currencies but not more than USD 500000	Maximum within 2 business days from receipt of the request.
Import – Extension of time for payment of import	To allow extension of time for payment first six months	To allow extension of time for further six months	To allow extension of time for further six months	Maximum within 5 business days from the receipt of the request.
Import – Mark off / closure of ORM	Mark off / closure of ORM not exceeding USD 25000 or equivalent in other currencies	Mark off / closure of ORM exceeding USD 25000 or equivalent in other currencies but not more than USD 50000.	Mark off / closure of ORM exceeding USD 50000 or equivalent in other currencies but not more than USD 200000	Maximum within 7 business days from the receipt of the request.

Section E – Schedule of Charges

Links to our schedule of charges, forex daily card rates and nostro account details are given below:

- ***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

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Section F – Escalation Matrix and Grievance Redressal Mechanism

Escalation Level	Status of Issue	Escalation to	Contact Details	Timeline for Resolution
Level I	If any issue is unresolved at concerned desk or officer / ABM level	Department Manager	022-41834534/528 41834546/597	Within 3 business days from the date of reporting.
Level II	Urgent / Critical issues or the issues remained unresolved at Level I	Chief Manager / Divisional Manager	022-41834529/ 560	Within 3 business days from the date of reporting.
Level III	Major operational, compliance related issues or the issues remained unresolved at Level II	Department Head	022-41834542	Within 2 business days from the date of reporting or immediately, depending upon severity.
Level IV	Committee of Head of Treasury & Head of Trade Finance			Within 2 weeks from the date of reporting.
Level V	As per Grievance Redressal Mechanism of the Bank as published on the website.			

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Disclaimer

Forex products are offered subject to certain eligibility criteria as per the Bank's Internal Policy and at Bank's discretion. This document provides a general overview of the Bank's approach to processing transactions related to import and export. All requests are subject to Bank's due diligence, transaction-specific evaluation and applicable regulator requirements. Document submission and processing timeline ma vary depending on internal assessment, nature of transaction its complexity and prevailing regulations. KYC, Sanctions screening and regulatory compliance checks are an essential part of every transaction. The content may be updated periodically to reflect regulatory, policy-level and operational changes.