DBS Bank India Limited

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Policy on Export, Import of Goods and Services including Merchanting Trade

(Effective 1st October 2026)

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A. Introduction

International trade is regulated by the Directorate General of Foreign Trade (DGFT), Government of India. Banks may handle transactions in conformity with the Foreign Trade Policy and the Directions issued by Reserve Bank of India from time to time.

In exercise of the powers conferred by Section 7, Section 8, sub-section (6) of Section 10 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 (Notification No. FEMA 23(R)/2015-RB dated January 12, 2016), except in respect of things done or omitted to be done before such supersession, RBI has notified the **Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026** which regulates the export and import of goods and services from India along with guidance on Merchanting Trade Transactions.

The Policy is prepared in line with Section 19 of the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026.

B. Definitions

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

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

(c) "Export Declaration Form" (EDF) means the form given at Annexure

(d) "Project Export" shall have the same meaning as defined in the Foreign Trade Policy;

(e) "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;

(f) "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.

(g) Services" include all tradable services covered under General Agreement on Trade in Services (GATS) and earning free foreign exchange.

(h) "Service Provider" means a person providing:

- Supply of a 'service' from India to any other country; (Mode1- Cross border trade)
- Supply of a 'service' from India to service consumer(s)of any other country in India; (Mode 2-Consumption abroad)
- Supply of a 'service' from India through commercial presence in any other country. (Mode 3 - Commercial Presence.)
- Supply of a 'service' from India through the presence of natural persons in any other country (Mode 4- Presence of natural persons.)

C. Purpose

This Policy defines the guidelines to be followed for Export / Import and Merchanting Trade Transaction of Goods and Services from shipment to the final realization and closure of bills. AD Category – I banks may conduct these transactions in conformity with the Foreign Trade Policy in vogue and the Rules framed by the Government of India and the Directions issued by Reserve Bank of India from time to time.

1. Export transaction flow could be broadly categorised as under

a. Export bills for Collections Lodgement (Dispatch / No Dispatch)
b. Export bill Under LC Lodgement – (With Scrutiny / Without Scrutiny - Under Approval)
c. Export Inward Payments - (Collection Bill / LC Bill)
d. Miscellaneous Activities:, extension of SB, Invoice reduction, write off etc.

2. Import transaction flow could be broadly categorised as under

a. Advance Remittance
b. Direct Import Remittance
c. Import LC Bill Lodgement & Payments
d. Import Collection bill Lodgement and Payments

e. Miscellaneous Activities: DO Issuance, extension of BOE, write off etc.

3. Merchanting Trade:

Merchanting trade refers to purchase of goods from overseas supplier and selling the same goods to overseas buyer without goods being touching Indian Port.

4. Export of services & software-

Services shall include Software/IT services , Consulting services, Professional services, Engineering services, Design services, BPO/KPO services, SaaS and cloud related exports, Training services, Transportation, logistics and freight services & All other FEMA service categories

5. Import of services & software-

Software/IT services, Consulting services, Professional services, Engineering services, Design services, BPO/KPO services, SaaS and cloud related exports, Training services, Transportation, logistics and freight services and All other FEMA service categories

D. Service standards

Sr. No.	Products	Cut-off time
1	All Trade Products Imports and exports – Offline	2:30 Pm IST
2	All Trade Products Imports and exports – Online	3.30 Pm IST
3	Service Export Inward and import Remittance (Inward TT and outward TT) – Offline	2:30 PM IST
4	Service Export Inward and import Remittance (Inward TT and outward TT) – Online	3.00 Pm IST

Note: - Requests received before the prescribed cut-off time will be processed on the same business day, provided all submitted documents are complete and free from discrepancies.

E. List of Documents required

Sr. No.	Process	Documents required
1	Export bills for Collections Lodgement (Dispatch / No Dispatch / M Bills)	**M Bill /No Dispatch** • Request letter with Fema Declaration as per standard format along with IRM and IRM utilization details • Commercial Invoice • Transport documents • Shipping bill details **Dispatch** • Request letter with Fema Declaration as per standard format • Bill of Exchange as applicable • Transactional documents including transport documents and any other documents as per agreement/contract • Shipping bill details
2	Export bill Under LC Lodgement - (With Scrutiny / Without Scrutiny - Under Approval)	• Request letter with Fema Declaration as per standard format (with instructions for scrutiny/underapproval)) • Original LC and Amendment as applicable, • Bill of exchange as applicable. • Commercial Invoice • Transport documents • Additional documents if any as per LC terms and conditions • Shipping bill details
3	Export advance receipt	**Goods / Service (including software) -** • Disposal Instructions • FEMA Declaration (can be part of Disposal instructions) Note: Mail communication / intimation letter / e-FIRC copy in case part advance was routed through another AD Bank

4	Export Inward Payments - (Collection Bill / Discounted Bill / Inward for PCFC Liquidation)	•Disposal instruction letter along with bill reference number/Discounted bill reference/Packing credit reference number for liquidation •Inward swift reference number/details.
5	Export to warehouse	Additional requirement over and above export advance / export realisation covered above (i) At lodgement stage: Confirmation from customer that this is an export to warehouse. Customer to provide date of sale once the goods are sold from warehouse. (ii) At realization stage: Final invoice/sale receipt/ confirmation from customer for the sale.
6	Export of Services	• Request letter with Fema Declaration as per standard format. • Invoice along with SAC code mentioned on it. • Underlying agreement / contract (where applicable) • Service completion evidence (where applicable) • Export Declaration form (EDF) (EDF to be provided as per timelines / extended period and in the manner as permitted under Regulation 3 of FEMA 23 R)
7	Export on lease hire basis	Additional requirement over and above export advance / export bill under collection covered above • Document confirming lease arrangement

8	Reduction/Write off for Exports of goods and services	**Shipping bill Upto INR 10 lakh or FCY equivalent** - • Customer request letter in standard format incorporating declaration for receipt of proceeds with details of IRM along with reduction/ write off involved and SB to be closed. **Shipping bill Beyond INR 10 lakh or FCY equivalent -** • Customer request letter with rationale for write-off, such as- i. quality or quantity issue ii. commercial disputes iii. contract cancellation iv. goods lost in transit v. destruction of goods vi. volume or cost discount vii. credit note provided to buyer viii. any other reasons as applicable. **IRM cancellation** • Only applicable for export advances (P0103) • Customer request letter with rationale for non-refund of advance and no shipment
9	Extension of Shipping Bill/EDF	• Customer Request letter with Extension reason and applicable documentary evidence.
10	Remittance of export Commission	• Request letter with payment instructions and FEMA declaration • Form A2 • Form 145/146 (15CA/CB), • Relevant documents / Agreement copy along with export reference number
11	Set-off	**Import and export documents routed through same bank** • Customer request letter • A communication / any other document between the overseas buyer and supplier agreeing to set-off • Documents as required for export/import to

		be taken
12	Refund of export advance	• Customer request letter (with FEMA declarations) with suitable reason for refund • Form A2
13	Third party receipt	• Shipping Bill/EDF/Invoice mentioning details of 3rd party OR • Tri-partite agreement OR • A justification from customer confirming third party involvement
14	GR/EDF Waiver/Approval	In such cases, exporter need to ensure- • EDF form mentioning NIL for export value is submitted to Specified Authority • In case of re-imports, Bill of Entry to be submitted GR waiver / approval from Bank shall not be required.
15	Project Export	As per Point no 32 on Project export.
16	Advance Import Payment	**Documents for Advance import payment:** • Customer request letter (with relevant FEMA declarations) • Purchase Order / copy of agreement / proforma invoice • Expected date of shipments(Can be part of request letter) • 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. • Expected date of Import • Form 145-146 (for services) **Additional document for import of rough diamonds –** • The overseas mining company should have the recommendation of GJEPC. • Copy of Kimberley Process Certificate for the diamonds intended to be imported.

		Documents to be submitted once import materialized: Proof of import viz. • Goods - Bill of entry details • Services- Invoice **Other case specific documents:** • For any repatriation of advance remittance (return of funds from overseas seller to the importer), reason for repatriation to be obtained from customer
17	Direct Imports Payment	**Import of goods:** • Customer Request Letter including FEMA declaration. • Commercial Invoice • Transport Document (Bill of Lading/Air Waybill/Rail Receipt etc.) • Bill of Entry details **Import of Services-** • Customer request letter including FEMA declaration • Invoice • Agreement / contract (where applicable) • Purpose code declaration • Form A2 / equivalent declaration as applicable • Form 145/146 • Any regulatory approval if required **Under LC / collection** • Customer request Letter in the Bank standard format. • Bill of Entry details • Documents as per terms and conditions of LC / collection **Note: Applicability of FEMA 23R:** FEMA 23R shall apply to all "import" defined as

		per FTP. For sale from SEZ to DTA, existing treatment under IDPMS may continue.
19	Third-Party Payment	• Customer Request Letter • Invoice / Purchase Order / Bill of entry mentioning details of 3rd party OR • Tri-partite agreement OR • A justification from customer confirming third party involvement.
20	Import on lease basis	Document confirming lease agreement to be obtained additionally to the documents required for import of goods.
21	Extension of time	**Extension of time are allowed for:** • Extending import due date in IDPMS for advance / import payment made OR • Extending payment date in IDPMS if import already materialized. **Document required for extension:** • Customer request letter / declaration seeking extension of time
22	Delayed import payment	Customer request letter with rationale for the delay.
23	Write-off / reduction for Import of Goods and services	**For BOE closure Upto INR 10 lakh or FCY equivalent -** • Customer declaration in standard format with details of ORM to be taken for reconciliation and closure in IDPMS. **For BOE closure beyond INR 10 lakh or FCY equivalent -** • Customer request letter with rationale for write-off, such as- i. quality or quantity issue ii. commercial disputes iii. contract cancellation iv. goods lost in transit v. destruction of goods vi. volume or cost discount vii. credit note provided to buyer viii. any other reasons as applicable.

		For Imports on free of cost basis, Closure of Bill of Entry can be done basis evidence of same on invoice or bill of entry or pre-agreed contract evidencing a pre-existing arrangement that this is free of cost or CA certificate confirming that these are not outstanding as payable in their last audited balance sheet.
24	Delivery Order issuance	• Customer request letter with debit authority and pre-acceptance. • Invoice and AWB • AWB Should be consigned to DBS • Cargo arrival notice Pre acceptance • LC Number should be mentioned RL, Invoice and AWB
25	High sea sales	• Invoice - Commercial and High Sea sale (as applicable) • Transport documents • Bill of entry details in the name of HSS buyer • High Sea sale agreement
Merchanting Trade Transactions		
27	Advance Import Payment where advance on export is received first.	• Request Letter • Export confirmed purchase order/proforma invoice/Sales contract • Import Purchase order/proforma invoice/sales contract. • MTT declaration • One to One matching Sheet
28	Advance Import Payment where advance under Import leg is initiated first.	• Request Letter • Justification for advance payment • Export confirmed purchase order/proforma invoice/Sales contract • Import Purchase order/proforma invoice/sales contract. • MTT declaration • One to One matching Sheet

29	Post shipment import leg payment/Export leg lodgement	• Request Letter • Export invoice • Import invoice • Transport document • MTT declaration • Any other Document as per the contract agreed terms. • One to One matching Sheet
30	Where the proceeds/payments are delayed (In addition to the above-mentioned documents)	• Customer request explaining reasons for delay • Supporting correspondence with overseas buyer/supplier • Revised shipment/payment schedule
31	MTT Short realisation/write-off	• Client request letter with reason for write off • Documentary evidence supporting such short realization/write off justifying the same • CA certificate duly justifying the short realisation/write-off caused due to genuine commercial trade constraint /by any other global market conditions. • Revised contracts/invoices/ Debit Note/Credit Note.
32	Where MTT is cancelled	• Client request letter with reason for cancellation • Confirmation that neither party has any outstanding claim. • SWIFT confirmation of refund/ Proof of refund/remittance reversal (wherever applicable). • Cancellation of both purchase and sales contracts (If applicable)
33	Change in overseas buyer/supplier (3rd party payment)	• Customer request letter • Tri-partite agreement/Documentary evidence for the same/ any similar agreement. • Modification of earlier purchase/sales contracts (if applicable) • Correspondence with overseas parties, Proof of refund/remittance reversal (if applicable)

34	Amendment in value of contract	• Customer request letter with justification • Amended contracts. • Correspondence with overseas parties, Proof of refund/remittance reversal (if applicable)
35	Extension of time	• Customer request letter stating the delay • Correspondence with the buyer/supplier on terms of extension or acceptance by both buyer/supplier of the revised extended terms. • Copy of revised purchase order/sales contract and delivery/payment schedule (if applicable)
36	Payment of Agency Commission	• Customer request letter with our Import and export reference number • Commission Invoice. • Form 145/146 • Agency Agreement/Details of overseas agent
37	Loss in MTT	• Customer request letter explaining the loss • CA certificate duly justifying the loss caused due to genuine commercial loss and supported by market conditions

Bank reserves the right to call for additional documents depending upon transaction nature, risk profile and regulatory requirements. A detailed documentation for processing of remittances specific to purpose codes would be mentioned in the SOP.

F. Trade Charges

All Applicable fees and charges will be published as part of Schedule of charges available on DBS website. Any Changes to Schedule of Charges can be made with the approval of Head - GTS. Client level deviation can be approved by Head GTS or delegation approved by Head GTS.

https://www.dbs.bank.in/documents/1055266/33374682/ScheduleofTariff01012025.pdf

G. Key regulatory guidelines and circulars

Key Guidelines
Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026
Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023

Foreign Trade Policy 2023
EDPMS & IDPMS Operational Guidelines

The process to be followed by Operations for a particular transaction will be covered by way of a separate SOP prepared in line with this policy

Acronyms	Descriptions
OFAC	Office of Foreign Assets Control –The office of foreign Control of the US Treasury Department (OFAC) administers
EWSS	EWSS checks needs be done in IMEX (Global system) for all parties.
SSW	SSW checks needs be done in IPE (Global system for open account transactions) for all parties.
EDF	Export Declaration Form
EDI	Electronic Data Interchange
EDPMS	Export Data Processing and Monitoring System
IDPMS	Import Data Processing and Monitoring System
FETERS	Foreign Exchange Transaction Electronic Reporting System
ACU	Asian Clearing Union shall have the same meaning assigned to it under Article I of the ACU agreement and the ACU mechanism shall be construed accordingly

H. General Governance

Manner of Receipt and Payment

The receipts and payments for export to or import from the countries given below of eligible goods and services shall be made as under

Nepal and Bhutan	Member countries of ACU, other than Nepal and Bhutan	Countries other than member countries of ACU
• In Indian Rupees • Where the importer in Nepal has been permitted by the Nepal Rashtra	In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country • through ACU mechanism, OR	• In Indian Rupees OR • In any foreign currency.

Bank to make payment in foreign currency, such receipts may be in foreign currency	• as per the directions issued by the Reserve Bank to authorised dealers from time to time.	

Receipts and payments may also be made in a manner as may be provided in the extant Foreign Trade Policy framed by the Central Government.
Bank shall make a credit to the account of an exporter, for receipt of export only after having satisfied itself of the genuineness of the transaction, and shall, simultaneously close or update the respective entry in EDPMS

I. Governance for Exports

1. Declaration of exports

A. Export of Goods

- At the time of export, an exporter of goods must submit a declaration via the Export Declaration Form (EDF), specifying the full export value of the goods.
- For goods exported through an Electronic Data Interchange (EDI) port, the EDF is deemed submitted as part of the shipping bill.
- For exports through non-EDI ports, the duly authenticated EDF must be forwarded by the specified authority to the respective Authorised Dealer accordingly customs authorities shall forward a copy of the duly authenticated EDF to the centralised team of the respective AD bank.
- Note: Individuals transporting personal effects (accompanied or unaccompanied) from India are not classified as exporters for this purpose.

B. Export of Services

- An exporter of services must submit a declaration via the EDF specifying the full export value of services. This must be completed within 30 days from the end of the month in which the invoice for services was raised, subject to the following:

- **Consolidated Filing**: Exporters may submit a single EDF for all service exports made to one or more recipients within a single month.
- **Submission Timing**: For services other than software, the EDF may be submitted on or before the date of payment receipt.
- **Extension Requests**: Upon receiving a request from an exporter citing valid reasons for a delay, the Authorised Dealer may extend the submission period, provided the request is assessed as reasonable.

Where the specified authority for service exports is not an Authorised Dealer, the duly authenticated EDF must be forwarded by the authority to the respective Authorised Dealer

2. Time period for realisation

The amount representing the export value (full or reduced as the case may be) of goods and services shall be realised (including by way of set off) and repatriated by the exporter within:

- 9 months from the date of shipment in case of goods (other than goods exported to a warehouse outside India) and from the date of invoice in case of services; OR
- 9 months from the date of sale of goods from the warehouse in case of goods exported to a warehouse outside India (e.g. Bharat Mart); OR
- as per payment terms of the contract, in case of project exports:

The above timeline of 9 months shall be substituted with 12 months where the export of goods and services is invoiced or/and settled in Indian Rupees (INR).

Extension Request: -Upon receipt of a request from the exporter citing reasons for the delay, an extension of time for realization of export proceeds beyond the stipulated period may be granted based on the merits of the case and subject to fulfilment of the following conditions:

- A written justification is obtained from the exporter detailing the reasons for the delay and specifying the expected date of realization of the export proceeds.
- Relevant supporting documents, wherever applicable, are obtained. and reviewed.
- The export transaction(s) covered under the relevant invoice(s) are not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigating agency.
- Business confirmation/support is obtained on the validity of the delay justification provided by the exporter.
- There are no outstanding regulatory, compliance, or operational deviations pending against the exporter.
- Maximum tenor extension should not exceed 3 years from the shipment date/Invoice date.

Appropriate monitoring and follow-up shall be undertaken with the exporter to ensure realization of export proceeds within the prescribed period, in accordance with the governance framework stipulated in the SOP.

3. Reduction in Export Realization

An Authorised Dealer (AD) Bank may, upon receipt of a request from the exporter citing reasons for under-realization or non-realization of the full export value, permit a reduction in the export realization amount, provided the Bank is satisfied with the reasons and supporting evidence submitted by the exporter.

Such requests may be considered subject to the following conditions:

- A written request and justification are obtained from the exporter explaining the reasons for under-realization or non-realization of the export proceeds.
- Relevant supporting documents evidencing the circumstances leading to the reduction in realization are obtained and reviewed.
- Business confirmation/support is obtained validating the commercial rationale for the reduction in export realization.
- The export transaction is not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigative agency.

- There are no adverse regulatory, compliance, sanctions, AML, or due diligence concerns relating to the exporter or the transaction.
- The reduction is in compliance with applicable FEMA/RBI regulations and these policies.

For export transactions where the value of the Shipping Bill (for goods) or Invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), reduction in export realization, including non-realization of the full export value, may be permitted based on a declaration from the exporter confirming the reasons for such under-realization or non-realization as highlighted above.

4. Unrealised Export Proceeds

Where export proceeds remain unrealised for a period exceeding one year from the due date of realization, or such extended period as may have been approved by the Bank, the exporter shall be permitted to undertake further export transactions with specific overseas buyer only against:

- Full advance payment, or
- An irrevocable Letter of Credit (LC).

The following controls shall apply:

- Trade Operations shall monitor all overdue export bills and identify cases where export proceeds remain unrealised beyond one year from the due date of realization, including any approved extension period.
- Appropriate follow-up shall be undertaken with the exporter to ascertain the reasons for non-realization and the proposed recovery plan.
- Business confirmation/support shall be obtained on the status of recovery efforts and the continued business relationship with the overseas buyer.
- Upon triggering the above condition, the future export transactions may only be processed against full advance payment or an irrevocable Letter of Credit until the outstanding export proceeds are realized or the restrictions are otherwise lifted in accordance with applicable regulations.
- Any exceptions to the above requirement except regulatory restriction, shall be approved in accordance with the Bank's DOA framework and applicable regulatory guidelines.

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

Bank may be guided by the extant guidelines on the broad framework as well as instructions issued by the Reserve Bank in this regard, from time to time.

6. Third Party receipts

Receipt of export proceeds from a third party is permitted provided the third party's name is declared in the EDF.

In cases where the third party's name is not declared in the EDF, the transaction may be processed subject to the following conditions:

- Documentary evidence substantiating the circumstances leading to the third-party payment is obtained, and/or the third party's name is mentioned in the irrevocable order, invoice, or other relevant trade documents.
- Business confirmation/support is obtained validating the commercial rationale for the third-party receipt arrangement.
- There are no adverse regulatory, compliance, or due diligence concerns relating to the exporter or the third-party remitter.

7. Advance Payment for Exports

An exporter receiving advance payment for exports shall route both the advance remittance and the subsequent realization of export proceeds, if any, through the same Authorised Dealer Bank.

The exporter may route the transaction through another AD Bank, provided that the exporter has duly informed both the existing and the new AD Banks of the change. In such cases, the exporter shall submit a proof of intimation to all banks involved.

The following conditions shall also be complied with:

- The advance payment and subsequent export realization shall be appropriately linked and monitored through the designated AD Bank.
- Where a change of AD Bank is requested, documentary evidence supporting the change and proof of intimation to be obtained and retained on record.

- The exporter shall ensure that any interest payable on the advance payment received does 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.

Where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within three years from the date of receipt of advance payment.

In the event of the exporter's inability to make the shipment, partly or fully, within three years from the date of receipt of advance payment, exporter to refund unutilized portion of advance payment.

In cases where the refund is beyond three years, the transaction may be processed subject to the following conditions.

- Documentary evidence substantiating the circumstances leading to the delay refund beyond three years.
- No involvement of delay Interest.
- Business confirmation/support is obtained validating the rationale for delayed refund.

8. Set off of Export Receivables Against Import Payables

The Bank may permit the set-off of export receivables against import payables within the stipulated period for realization of export proceeds, or such extended period as may be approved by the Bank, in the following scenarios:

- The overseas buyer and supplier are the same entity; or
- The overseas buyer and supplier are group or associate companies, provided documentary evidence establishing the relationship between the entities is obtained from the customer.

The set-off arrangement shall be subject to the following conditions:

- The arrangement shall be operationalized and supervised through a single AD Category-I Bank.

- The export and import transactions covered under the arrangement are not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigative agency.
- The import/export transactions have been undertaken in accordance with the prevailing Foreign Trade Policy and applicable regulatory requirements.
- Transactions involving ACU countries shall not be eligible for set-off.
- Set-off of export receivables arising from goods exports shall not be permitted against import payables arising from services, and vice versa.
- The Bank shall ensure that both the export receivables and import payables remain outstanding at the time the set-off is affected.
- In the case of bilateral settlement, the set-off shall relate to the same overseas buyer/supplier and be supported by a verifiable agreement or documented mutual consent.
- In the case of group or associate companies, the arrangement shall be backed by a written and legally enforceable agreement or contract, and the Bank shall ensure strict adherence to the agreed terms.
- The set-off arrangement shall not result in tax evasion or tax avoidance by any of the parties involved.
- Applicable third-party payment guidelines shall be complied with wherever relevant.
- The Bank may obtain an Auditor's Certificate or CA Certificate where considered necessary.
- Business confirmation/support shall be obtained validating the commercial rationale for the proposed set-off arrangement.
- Each import and export transaction shall be reported separately on a gross basis in FETERS, EDPMS, and IDPMS, as applicable.
- Trade Operations/operations shall settle the transaction in EDPMS/IDPMS using the prescribed "set-off indicator" and record the relevant shipping bill, bill of entry, invoice details, and particulars of the entities involved in the remarks field.

9. Small value shipping Bills

For export transactions where the value of the Shipping Bill (for goods) or Invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), the EDPMS entry may be closed based on a declaration from the exporter confirming that the export proceeds have been realized, either in full or otherwise.

Alternatively, the exporter may submit a consolidated declaration to the Authorised Dealer (AD) Bank on a quarterly basis for bulk closure of eligible EDPMS entries.

The Bank may permit closure of outstanding entries in EDPMS based on a declaration from the exporter subject to the following conditions:

- The value of the Shipping Bill or Invoice does not exceed ₹10 lakh (or its equivalent in foreign currency).
- The exporter provides a written declaration as per standard format confirming realization of export proceeds.
- Trade Operations is satisfied with the authenticity and completeness of the declaration.
- There are no outstanding regulatory, compliance, AML, sanctions, or due diligence concerns relating to the transaction.
- Appropriate records and declarations are retained by the Bank for audit and regulatory review purposes.
- Closure of EDPMS entries is undertaken in accordance with the prevailing RBI/FEMA guidelines and the Bank's internal procedures.

10. Export of Goods and Services Against Repayment of State Credits

For export transactions undertaken against repayment of State Credits granted by the erstwhile Soviet Union, the Bank shall process and monitor such transactions in accordance with the instructions, directions, and operational guidelines issued by the Reserve Bank of India (RBI) from time to time under the applicable inter-banking arrangements.

11. Shipments lost in transit

- 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, the AD Category – I banks/Exporter must ensure that insurance claim is made as soon as the loss is known.
- In cases where the claim is payable abroad, the AD Category - banks must arrange to collect the full amount of claim due on the lost shipment, through the medium of their overseas branch/correspondent
- Banks should 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.

12. Write-off/Reduction of Shipping bills for Unrealised Exports

An exporter can approach respective AD bank for self-write off of Shipping bill up to INR 10 lakh or FCY equivalent basis declaration

An exporter who is unable to realize export proceeds despite making all reasonable efforts may approach the AD Category-1 bank to write-off unrealised Shipping bills beyond INR 10 lakh with supporting documents.

Preconditions for Write-off

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 Category – 1 Bank is satisfied with the Bonafide's of the transaction.

d)The exporter submits CA certificate confirming surrender of proportionate export incentives, wherever such incentives have been availed against the export bill.

e)The transaction is not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigative agency.

f) Necessary internal approvals are obtained in accordance with the applicable SOP/DOA requirements.

Cases Not Eligible for Write-off

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.

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.

13. Refund of Export Proceeds

AD Category–I banks through whom the export proceeds were originally realised may consider requests for refund of export proceeds in cases where goods exported from India are subsequently re-imported due to quality-related issues or any other reason. While processing such requests, the AD Category–I bank shall:

- Conduct appropriate due diligence on the exporter's track record.
- Verify the bona fides of the underlying transaction.
- Obtain a certificate from CA confirming that no export incentives have been availed against the relevant export shipment, or that any incentives availed have been surrendered proportionately.
- Not to insist on re-import of the goods where the exported goods have been auctioned or destroyed by the Port, Customs, Health authorities, or any other accredited agency in the importing country, subject to submission of satisfactory documentary evidence.

For all other cases, AD banks shall ensure compliance with the procedures applicable to normal import transactions. Additionally, an undertaking shall be obtained from the exporter confirming that the goods will be re-imported into India within three months from the date of refund of the export proceeds.

14. Grant of Gr Waiver

GR/EDF waiver approval from the AD Bank is no longer prescribed. In cases where no foreign exchange is involved, the exporter should file an EDF with NIL value for goods taken abroad for samples, exhibition, repair purposes etc.

15. Issuance of Electronic Bank Realisation Certificate (eBRC)

AD Category-I banks are required to update the EDPMS with data of export proceeds on "as and when realised basis"

16. Agency commission on exports

(i) AD Category – I banks 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 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.

17. Project Export

Bank may permit receipts/ payments for project exports as per the underlying contract, after satisfying itself of the genuineness of the project.

The Bank shall satisfy itself of the genuineness of the project and may permit receipts/payments as per the underlying contract. The exporter shall provide the project details, contract/Letter of Award, project cost-revenue projections, payment schedule and relevant guarantees/bonds, where applicable.

As per FTP 2023 “Project Exports” refers to export of engineering goods on deferred payment terms and execution of turnkey projects and civil construction contracts abroad collectively. Project Exports would encompass:

Civil construction contracts;

Turnkey Engineering contracts including supply of Capital Goods on deferred payment terms;

Process and Engineering Consultancy Services; and

Project Construction items (excluding Steel and Cement).

Intimation for project export

Customers may approach AD Banks on or before handling the project export transactions with desired information about the project in brief (suggested format enclosed) to be submitted to AD Bank for its information and records.

Bank shall acknowledge the receipt of the information sheet and provide a project export reference number to the customer.

Process flow for Intimation to AD Bank under project export transactions

1. Receive Customer Request Letter (CRL) (Indicative format as per Annexure 1 from customers and extract of contract/project.

2. AD Bank shall accept the application of the customer and record the same by assigning a reference number to the project.

In case AD is not satisfied with the application, they may inform to the customer regarding rejection of their intimation request and unwillingness to handle the transactions for the underlying project at their counters.

3 In case any amendment is required, customer to provide updated details in their request letter / revised Annexure form.

Opening of Short-Term Deposit in foreign currency

Project exporter to provide an intimation to the AD Bank that the cash surplus generated from the project are temporarily deployed in short-term investments (with original or residual maturity of one year or less) including in Treasury bills and in deposits with banks, outside India.

18. Export factoring on recourse and non-recourse basis

Handling of export proceeds under factoring:

Bank can handle inward proceeds pertaining to with or without recourse factoring where the factoring is done by offshore banks / agencies.

The charges / interest for such factoring may be as per commercial arrangement between the exporter and the offshore bank / agency.

Customer may provide copy of factoring agreement / message from remitting bank that these are proceeds under with / without recourse factoring done by offshore bank / agency.

For without recourse factoring - AD Bank can close EDPMS upon receipt of factoring proceeds in line with extant standard process.

For with recourse cases, the EDPMS shall be closed after receiving a confirmation from the exporter that the payment has been made by the overseas buyer.

J. Governance for Imports

1. Import Licences

Except for goods included in the negative list which require licence under the Foreign Trade Policy in force, AD Category - I banks 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 should be called for and adherence to special conditions, if any, attached to such licences should be ensured. After effecting remittances under the licence, AD Category - I banks may preserve the copies of utilised licence as per the banks retention policy. These are verified by the internal auditors.

2. Time period/Extension 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:

The importer shall communicate to the Bank the contractual due date for payment against each Bill of Entry. Where the contractual due date is not available with the Bank, the Bank shall follow up with the importer to ascertain and record the due date in accordance with the underlying contract.

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 bank is satisfied of the reasons cited.

In general contract terms upto 1 year (for import of raw material/ services & software) and 3 years (for capex goods) shall be permissible. Longer tenor contracts can be permitted on exception basis the merits of case.

- Reasonable justification from the client mentioning the reason for delay in making payment/extension of contract due date.
- Business support

- The import transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies
- The above shall be reported in IDPMS as per message "Bill of Entry Extension" and the date up to which extension is granted will be indicated in "Extension Date" column.
- Maximum tenor extension should not be more than 3 years from the contract date.

3. Advance Payment

In case of advance payment for imports, an importer shall route the advance payment and its subsequent payments, if any, through DBIL. The transactions may be routed through any Authorised Dealer other than DBIL provided the importer has intimated the change to both DBIL and the other Authorised Dealer bank.

Where the advance payment has been routed through another Authorised Dealer bank and the balance payments are being routed through DBIL, Client should submit a proof of intimation.

Bank may permit advance remittance for import of Goods and services after satisfying itself of the genuineness of the requirement for advance remittance. For amounts up to USD 5 million the advance payment may be allowed as per below criteria. For any payments beyond the above threshold the payment will require a Bank Guarantee / an unconditional, irrevocable standby Letter of Credit from an international bank of repute situated outside India. In the case of import of services, where the advance remittance exceeds the stipulated threshold, the Bank may also accept a guarantee issued by an AD Category–I bank in India, provided such guarantee is supported by a counter-guarantee from an international bank of repute situated outside India.

For large and Mid cap customers

Advance payment under import leg	
Advance value as per PO/PI	**Criteria**
Less than USD 1,000,000/-	No approval required

USD 1,000,000/- less than USD 5,000,000/-	Approval from IBG RM and GTS RM (SVP and above)
USD 5,000,000/- and above	Original BG/SBLC issued by Beneficiary Bank

For SME customers

Advance payment under import leg	
Advance value as per PO/PI	**Criteria**
Less than USD 500,000/-	No approval required
USD 500,000/- less than USD 1,000,000/-	Approval from IBG RM and GTS RM (VP and above)
USD 1,000,000/- less than USD 5,000,000/-	Approval from IBG RM and GTS RM (SVP and above)
USD 5,000,000/- and above	Original BG/SBLC issued by Beneficiary Bank

Deviation: - Any deviation from the Original BG/SBLC requirement for transaction valued at USD 5,000,000 and above requires business approval at the MD level.

For the import of aircraft, helicopters, and shipping vessels, the bank may permit advance remittances of up to USD 50 million without requiring a bank guarantee or an unconditional, irrevocable standby letter of credit.

4. Import of gold and silver

In accordance with Regulation 11 of the FEMA guidelines, no advance remittance shall be permitted by the Bank for the import of gold or silver, save as otherwise provided under the Act, Rules, Regulations, or Directions. This restriction applies strictly to the financial treatment of remittances and does not govern the physical importation channels, which remain subject to the Foreign Trade Policy (FTP) and relevant DGFT notifications (e.g., imports through nominated agencies, qualified jewellers, or the India International Bullion Exchange).

For the purpose of applying this prohibition, "gold" and "silver" encompass all forms permissible under the FTP framework. To ensure compliance, the Bank shall verify the HS classification declared on import documents (such as the Bill of Entry). For items where the classification is ambiguous—including

semi-manufactured or mixed-metal goods—the Bank shall require the importer to produce formal customs ruling or HS classification advice prior to processing any remittance request. Payments for completed (non-advance) imports shall follow standard operational procedures subject to the terms of the underlying contract.

5. Third Party Payments

Bank may permit third party (payments for import transactions provided that

- The Invoice/PO should contain a narration that the related payment has to be made to the (named) third party or
- The 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 and the importer should comply with the related extant instructions relating to imports including those on advance payment being made for import of goods or
- The client submit a relationship/Justification letter confirming third party involvement

The following controls shall apply:

- Documentary evidence substantiating the circumstances leading to the third-party payment is obtained, and/or the third party's name is mentioned in the irrevocable order, invoice, or other relevant trade documents.
- Trade Operations is satisfied with the bona fides of the transaction based on the underlying documents.
- Business confirmation/support is obtained validating the commercial rationale for the third-party remittance.

6. Small Value Bill of Entries

In the case of import where the Bill of Entry (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in IDPMS may be closed based on a declaration from the importer to the effect that the payment for import (ORM Number) has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the Authorised Dealer on a quarterly basis for bulk closure of entries in IDPMS.

The Bank may permit closure of outstanding entries in IDPMS based on a declaration from the Importer subject to the following conditions:

- The value of the Bill of Entry, or Invoice does not exceed ₹10 lakh (or its equivalent in foreign currency).
- The importer provides a written declaration as per standard format confirming settlement of import payment along with corresponding ORM number.
- Trade Operations is satisfied with the authenticity and completeness of the declaration
- There are no outstanding regulatory, compliance, AML, sanctions, or due diligence concerns relating to the transaction.
- Appropriate records and declarations are retained by the Bank for audit and regulatory review purposes.
- Closure of IDPMS entries is undertaken in accordance with the prevailing RBI/FEMA guidelines and the Bank's internal procedures.

7. Interest on delayed payment/Pre-payment for import

(i) AD Category – I bank may allow payment of interest on usance bills or overdue interest on delayed payments for a period of less than three years from the date of shipment at the rate does 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.

(ii) In case of pre-payment of usance import bills, remittances may be made only after reducing the proportionate interest for the unexpired portion of usance as per the contractual rate agreed between the importer and supplier.

(iii) In case of change in value due to (i) or (ii) above, the respective AD bank should ensure proper remark/indicator is entered for ORM mark off in IDPMS etc. as per extant IDPMS guidelines.

8. Import not materialised

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.

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, any future advance payment for imports by the importer shall require an unconditional, irrevocable SBLC 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.

9. Evidence of Import in Lieu of Bill of Entry

(i) AD Category – I bank may accept, in lieu of Bill of Entry, 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.

(ii) 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). AD Category – I bank may insist on a declaration from the auditor/CEO of such institutions that their accounts are audited by CAG.

(iii) Outward Remittance Message has to be created & BoE has to be downloaded from “BoE Master “in IDPMS (in case of EDI ports). In case of Non-EDI ports duplicate copy/customs certified copy have to be submitted, or BoE waiver obtained from RBI.

10. 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.

11. Write-off/Reduction of Bill of Entry

An importer can approach respective Authorised Dealer (AD) bank to process a self-write-off for a Bill of Entry (BoE) valued up to INR 10 lakh or its foreign currency equivalent, based on a formal declaration.

For BoE amounts exceeding INR 10 lakh, the importer must submit a request to the AD bank supported by a valid rationale, such as:

- Quality or quantity discrepancies
- Commercial disputes
- Contract cancellations
- Goods lost in transit
- Destruction of goods
- Volume or cost discounts
- Credit notes issued to the buyer
- Other applicable justifications.

For goods imported on a free-of-cost basis, the BoE may be closed upon providing supporting evidence, such as invoice notations, BoE details, or correspondence between the buyer and the seller.

Preconditions for Write-off

Documentation: Submission of satisfactory documentary evidence.

Customer Status: The importer must be a regular customer of the bank for at least six months and must be fully compliant with all KYC/AML guidelines. Furthermore, the AD Category-I bank must be satisfied with the bona fide nature of the transaction.

The transaction must not be under investigation by the Directorate of Enforcement (ED), the Central Bureau of Investigation (CBI), or any other investigative agency.

Internal Approval: All necessary internal approvals must be obtained in accordance with the relevant Standard Operating Procedures (SOP) and Delegation of Authority (DOA) requirements.

12. Import Factoring

AD Category-I banks may enter into arrangements with international factoring companies of repute, preferably members of Factors Chain International (FCI).

Such arrangements shall be undertaken in compliance with the extant FEMA regulations governing imports, the Foreign Trade Policy in force, and other applicable guidelines/directions issued by the Reserve Bank of India from time to time.

Disclaimer – The Bank currently does not offer Import Factoring as a product. Accordingly, the above provisions are included solely to establish the overarching regulatory and policy framework and should not be construed as approval or authorisation to undertake Import Factoring transactions.

If and when the Bank decides to offer Import Factoring, such activities will be undertaken in accordance with internal processes and in compliance with the extant FEMA regulations governing imports, the prevailing Foreign Trade Policy, and other applicable guidelines or directions issued by the Reserve Bank of India from time to time.

K. Governance for Merchanting Trade Transactions

For a trade to be classified as merchanting trade, goods acquired shall not enter the Domestic Tariff Area. Both the legs of the transaction should be routed through the Bank.
Considering that in some cases, the goods acquired may require certain specific processing/ value-addition, the state of goods so acquired may be allowed transformation subject to the Bank being satisfied with the documentary evidence and Bonafide's of the transaction.

The MTT shall be undertaken for the goods that are permitted for exports / imports under the prevailing Foreign Trade Policy (FTP) of India as on the date of shipment.
Clients undertaking Merchanting Trade Transactions (MTT), in accordance with the Foreign Trade Policy, shall ensure the following:

- The period between the outward remittance and inward remittance or vice versa does not exceed six months
- Outward remittances are sent only to the overseas seller, and inward remittances are received only from the overseas buyer.

1. Extension Request:

Upon receipt of a request from the Merchant Trader for an extension of the stipulated timeline for remittance or receipt, the Bank may consider granting such extension after satisfying itself as to the genuineness of the request and the underlying transaction. The extension shall be considered on the merits of each case and subject to fulfilment of the following conditions:

- A written justification is obtained from the merchant trader.
- Relevant supporting documents, wherever applicable, are obtained and reviewed.
- The transaction(s) covered under the relevant invoice(s) are not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigating agency.
- Business confirmation/support is obtained on the validity of the justification provided by the merchant trader.
- There are no outstanding regulatory, compliance, or operational deviations pending against the merchant trader.
- Maximum tenor extension should not exceed 2 years from the date of first leg of the transaction.

2. Third Party:

Where a payment is proposed to be made to, or a receipt is proposed to be received from, a third party, the Bank may permit such arrangement after satisfying itself as to the genuineness of the request, the underlying transaction and the rationale for involvement of the third party. Such requests shall be considered on the merits of each case and subject to fulfilment of the following conditions:

- Reasonable justification from the client
- Business support
- No outstanding deviations against the client
- The transaction is not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigative agency.

AD banks may handle the Merchanting Trade Transactions (MTT) subject to the following guidelines:

- 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.
- Monitor and follow-up with the Client undertaking MTT to ensure that both the legs of the transaction are completed within the period and manner as specified in these Regulations.
- Bank shall close or update the respective entry in EDPMS and IDPMS after making the receipt and payment for both legs of the MTT
- AD bank shall satisfy itself with the Bonafide of the transactions. Further, KYC and AML guidelines shall be scrupulously adhered to by the AD bank while handling such transactions.
- Short-term credit either by way of suppliers' credit or buyers' credit may be extended for MTT
- Any receipts for the export leg, prior to the payment for import leg, may be parked either in Exchange Earners Foreign Currency (EEFC) account or in an interest-bearing INR account till the import leg liability arises. No fund/non-fund-based facilities shall be extended against these balances.
- Payment for import leg may also be allowed to be made out of the balances in EEFC account of the merchant trader.
- Merchanting traders may be permitted to make advance payments for the import leg of a transaction upon demand from an overseas supplier as per below table.
- In instances where the inward remittance from the overseas buyer has been received prior to the outward remittance to the overseas supplier, the Authorised Dealer (AD) bank may allow such advance payments without requiring a Bank Guarantee or an unconditional, irrevocable standby Letter of Credit from an international bank of repute.

For Large and Mid-cap customers

Advance payment under import leg	
Advance value as per PO/PI	**Criteria**
Less than USD 1,000,000/-	No approval required

USD 1,000,000/- less than USD 5,000,000/-	Approval from IBG RM and GTS RM (SVP and above)
USD 5,000,000/- and above	Original BG/SBLC issued by Beneficiary Bank

For SME customers

Advance payment under import leg	
Advance value as per PO/PI	**Criteria**
Less than USD 500,000/-	No approval required
USD 500,000/- less than USD 1,000,000/-	Approval from IBG RM and GTS RM (VP and above)
USD 1,000,000/- less than USD 5,000,000/-	Approval from IBG RM and GTS RM (SVP and above)
USD 5,000,000/- and above	Original BG/SBLC issued by Beneficiary Bank

Deviation: - Any deviation from the Original BG/SBLC requirement for transaction valued at USD 5,000,000 and above requires business approval at the MD level.

- Letter of Credit to the supplier for the import leg is permitted against confirmed export order, keeping in view The period between the outward remittance and inward remittance or vice versa does not exceed six months.
- The merchanting traders shall be genuine traders of goods and not mere financial intermediaries. Confirmed orders must be received by them from the overseas buyers. AD banks shall satisfy themselves about the capabilities of the merchanting trader to perform the obligations under the order.

3. Write-off of unrealized amount of export leg:

i. AD bank may write-off the unrealized amount of export leg, without any ceiling, on the request made by the Merchanting trader, in the following circumstances:

a. The MTT buyer has been declared insolvent and a certificate from the official liquidator specifying that there is no possibility of recovery of export proceeds has been produced.

b. The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country and a certificate to that effect has been produced.

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

ii. In addition to above, write-off as at (i) shall be subject to following conditions:

a. AD bank shall satisfy itself with the bonafides of the transactions and ensure that there are no KYC/AML concerns.

b. The transaction shall not be under investigation under FEMA by any of the investigating agency/ies.

c. Business confirmation/support is obtained.

d. The counterparty to the merchant trader is not from a country or jurisdiction in the updated FATF Public Statement on High Risk & Non-Co-operative Jurisdictions on which FATF has called for counter measures.

4. Payment of Agency Commission

Agency commission is not allowed in MTTs. However, AD banks may allow payment of agency commission up to a reasonable extent by way of outward remittance under exceptional circumstances, subject to the following conditions:

a. MTT has been completed in all respects.

b. The payment of agency commission shall not result in the MTT ending into a loss.

c. The Merchanting trader shall make a specific request to the AD bank in this regard.

5. Merchanting trade to Nepal and Bhutan

As Nepal and Bhutan are landlocked countries, there is a facility of transit trade whereby goods are imported from third countries by Nepal and Bhutan through India under the cover of Customs Transit Declarations in terms of the Government of India Treaty of Transit with these two countries. In consultation with Government of India, it is clarified herein that goods consigned to the

importers of Nepal and Bhutan from third countries under merchanting trade from India would qualify as traffic-in-transit, if the goods are otherwise compliant with the provisions of the India-Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit respectively

6. Documentation

- Documents evidencing the MTT are submitted to the Bank (if originals of the below are not available, non-negotiable copies duly authenticated by the bank handling documents may be taken) and the bank shall satisfy itself about the genuineness of the trade.
    - Invoice
    - Packing list
    - Transport documents
    - Insurance documents
- Bank may, if satisfied, rely on online verification of Bill of Lading / Airway Bill on the website of International Maritime Bureau or Airline web check facilities.

L. Detailed Operational Procedures for EDPMS/IDPMS

The Approach Document for E/IDPMS reporting has been uploaded by RBI and is available to banks through their E/IDPMS login portal. AD Banks should follow the Approach Document for the fields to be populated, creation of entries, monitoring and closure of EDPMS/IDPMS entries.

1. Regulatory Reporting and Monitoring Policy: EDPMS, IDPMS, and FETERS

a. EDPMS and IDPMS Reporting and Monitoring

AD bank's must adhere to the following timelines and monitoring standards regarding trade data processing .

Data Entry Requirements

Export Data (EDF): Details of Export Declaration Forms (EDF) received from non-EDI ports and EDF for services must be entered into the Export Data Processing and Monitoring System (EDPMS) within five working days of receipt.

Import Data: Details of imports from non-EDI ports and import of services must be entered into the Import Data Processing and Monitoring System (IDPMS) within five working days of receipt of the relevant documentation.

Remittance Tracking: All inward and outward remittances pertaining to exports, imports, and Merchanting Trade Transactions (MTT) must be accurately captured in the respective EDPMS and/or IDPMS modules.

Transaction Monitoring: All entries must be actively monitored. The Bank shall initiate follow-up procedures with exporters, importers, and persons undertaking MTT to ensure the timely submission of required documentation for outstanding entries.

Mark-off and Closure Procedures

Standard Settlement: Entries in EDPMS for exports shall be marked off upon ensuring the realization of export value. Entries in IDPMS for imports shall be marked off upon ensuring payment for the import has been made.

MTT Closure: For Merchanting Trade Transactions, the respective entries in both EDPMS and IDPMS must be closed or updated upon successful completion of receipt and payment for both legs of the transaction.

Exception Handling: The Bank may close IRM/ORM in EDPMS/IDPMS respectively for advance transactions (where the underlying export/import did not take place and refund/repatriation is not possible) or for imports settled at a reduced value subject to the following conditions, provided

- The exporter/importer submits a formal request with reasonable justification
- The Bank is satisfied with the genuineness of the reasons cited
- Business support
- No outstanding deviations against the client
- The transaction is not under investigation by the Directorate of Enforcement (ED), Central Bureau of Investigation (CBI), or any other investigative agency.

2. FETERS Reporting

In addition to the requirements above, the Bank shall report all foreign trade transactions in the Foreign Exchange Transaction Electronic Reporting System (FETERS) in strict compliance with the extant guidelines issued by the Reserve Bank of India from time to time.

M. Delegation of Authority

Deviations from this policy that are not explicitly covered should be escalated to Trade/Cash Product for guidance on the applicability of the Delegation of Authority (DOA). Such deviations must always comply with local and statutory regulations.

Any change in the regulatory requirement by RBI shall be made effective from the date of the Circular or the effective date stipulated by RBI, whichever is earlier, and any future modifications or amendments to this policy shall be carried out and approved in the subsequent IMC meeting.

Non-substantive amendments [1] made during interim reviews shall be approved by Head of GTS or Head of T&O, or their delegates, without requiring resubmission to the IMC head

[1] Non-substantive amendments refer to amendments that do not lower the risk management standards (such as typographical error, sentence reconstruction to achieve better clarity, re-naming of committees, business/ support units, referenced documents, consequential amendments arising from other approved policies, tightening of policy requirements and accepted internal / external audit recommendations effecting the changes)

N. Escalation matrix and grievance redressal mechanism

Bank has a complaint management and grievance redressal mechanism process which is managed by the client experience team.

For further details on the process of lodging a formal complaint, please be guided by the link provided below. The escalation process is also present in detail in the link provided below:

https://www.dbs.bank.in/in/treasures/common/redressal-of-complaints-and-grievances.page

O. Caution listed Exporter

Exporters who are included in the Reserve Bank of India's Caution List as on 30 September 2026, pursuant to Regulation 16 of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, shall continue to be governed by the conditions stipulated in the respective caution-listing order until their name is formally removed from the Caution List.

Handling of Export Documents

The Bank shall notify a caution-listed exporter of its caution-list status and provide details of the outstanding export bills/shipping bills that have resulted in such classification.

The Bank may accept shipping documents submitted by a caution-listed exporter for negotiation, purchase, discounting, collection, or any other export-related handling only where any of the following conditions are satisfied:

The exporter provides satisfactory evidence of receipt of advance payment covering the full value of the proposed export transaction; or

The exporter submits an irrevocable Letter of Credit (LC) in its favour covering the full value of the proposed export transaction; or

In the case of usance export bills:

- The Letter of Credit covers the full export value;
- The Letter of Credit expressly permits usance drawings; and
- The bill maturity falls within the applicable export realization period prescribed under FEMA regulations.

Except in the circumstances specified above, the Bank shall not handle shipping documents of caution-listed exporters.

The Bank shall not issue guarantees, standby letters of credit, or similar credit support instruments on behalf of exporters whose names appear on the RBI Caution List.

P. Reporting to Directorate of Enforcement (DoE):

Where the Bank identifies or has reasonable grounds to consider a transaction as doubtful or warranting further examination, the Bank may report or refer such transaction to the Directorate of Enforcement (DoE) ,as considered necessary and in accordance with applicable regulatory requirements and the Bank's internal policies and procedures.

Q. Purposes codes for export and import of goods and services for regulatory reporting.

1. Export of Goods

CODE	DESCRIPTION
P1505	Deemed export
P0102	Realisation of export bills (in respect of goods) sent on collection (full invoice value) other than Nepal and Bhutan
P0103	advance receipts against export contracts
P0109	Export realization on account of exports to Nepal and Bhutan

2. Import of Goods

CODE	DESCRIPTION
S0101	Advance payment against imports made to countries other than Nepal and Bhutan
S0102	Payment towards imports- settlement of invoice other than Nepal and Bhutan
S0103	Imports by diplomatic missions other than Nepal and Bhutan
S0109	Payments made for Imports from Nepal and Bhutan, if any
S1505	Deemed Import

3.Export of Services

CODE	DESCRIPTION
P0807	Off site Software Exports
P1602	Receipts of maintenance and repair services rendered for aircrafts, Space shuttles, Rockets, military aircrafts, etc.
P1103	Radio and television production, distribution and transmission services
P1104	Entertainment services
P1105	Museums, library and archival services
P1106	Recreation and sporting activity services

P1107	Educational services (e.g. fees received for correspondence courses offered to non-resident by Indian institutions)
P1108	Health Service (Receipts on account of services provided by Indian hospitals, doctors, nurses, paramedical and similar services etc. rendered remotely or onsite)
P1109	Other Personal, Cultural & Recreational services
P1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Airlines companies
P1004	Legal services
P1005	Accounting, auditing, bookkeeping services
P1006	Business and management consultancy and public relations services
P1007	Advertising, trade fair service
P1008	Research & Development services

P1009	Architectural services
P1010	Agricultural services like protection against insects & disease, increasing of harvest yields, forestry services.
P1011	Inward remittance for maintenance of offices in India
P1013	Environmental Services
P1014	Engineering Services
P1015	Tax consulting services
P1016	Market research and public opinion polling service
P1017	Publishing and printing services
P1018	Mining services like onâ€“site processing services analysis of ores etc.
P1019	Commission agent services
P1020	Wholesale and retailing trade services.
P1021	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Shipping companies
P1022	Other Technical Services including scientific/space services.
P1099	Other services not included elsewhere
P0902	Receipts for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films), patents, copyrights, trademarks, industrial processes, franchises etc.
P0802	Software consultancy/implementation (other than those covered in SOFTEX form)

P0803	Data base, data processing charges
P0804	Repair and maintenance of computer and software
P0805	News agency services
P0806	Other information services- Subscription to newspapers, periodicals, etc.
P0807	Off-site Software Exports
P0808	Telecommunication services including electronic mail services and voice mail services
P0809	Satellite services including space shuttle and rockets, etc.
P0702	Investment banking â€“ brokerage, under writing commission etc.
P0703	Auxiliary services â€“ charges on operation & regulatory
P0602	Freight insurance â€“ relating to import & export of goods
P0603	Other general insurance premium including reinsurance premium; and term life insurance premium
P0605	Auxiliary services including commission on insurance
P0607	Insurance claim Settlement of non-life insurance; and life insurance (only term insurance)
P0608	Life insurance claim settlements (excluding term insurance) received by residents in India
P0609	Standardised guarantee services
P0610	Premium for pension funds
P0502	Receipts on account of construction works carried out abroad by Indian Companies
P0202	Receipts on account of operating expenses of Foreign shipping companies operating in India
P0205	Receipts on account of operational leasing (with crew) â€“ Shipping companies
P0207	Receipts of surplus freight/passenger fare by Indian Airlines companies operating abroad.
P0208	Receipt on account of operating expenses of Foreign Airlines companies operating in India
P0211	Receipt on account of operational leasing (with crew) â€“ Airlines companies
P0214	Receipts on account of other transportation services (stevedoring, demurrage, port handling charges etc).(Shipping Companies)
P0215	Receipts on account of other transportation services (stevedoring, demurrage, port handling charges etc).(Airlines companies)

P0216	Receipts of freight fare -Shipping companies operating abroad
P0217	Receipts of passenger fare by Indian Shipping companies operating abroad
P0218	Other receipts by Shipping companies
P0221	Other receipts by Airlines companies
P0222	Receipts on account of freights under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and Others)
P0223	Receipts on account of passenger fare under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and Others)
P0224	Postal & Courier services by Air
P0226	Postal & Courier services by others
P0302	Business travel
P0304	Travel for medical treatment including TCs purchased by hospitals
P0305	Travel for education including TCs purchased by educational institutions
P0308	Foreign Currencies/TCs surrendered by returning Indian tourists.
P1601	Receipts on account of maintenance and repair services rendered for Vessels, Ships, Boats, Warships, etc.
P0220	Receipts of passenger fare â€“Airlines
P1101	Audio-visual and related services like Motion picture and video tape production, distribution and projection services.
P0219	Receipts of freight fare by Indian Airlines companies operating abroad
P1002	Trade related services â€“ commission on exports / imports
P0901	Franchises services
P0801	Hardware consultancy/implementation
P0701	Financial intermediation except investment banking â€“ Bank charges, collection charges, LC charges, etc.
P0601	Life Insurance premium except term insurance
P0501	Receipts on account of services relating to cost of construction of projects in India
P0201	Receipts of surplus freight/passenger fare by Indian shipping companies operating abroad
P0301	Purchases towards travel (Includes purchases of foreign TCs, currency notes etc over the counter, by hotels, etc. as well as

	amount received by TT/SWIFT transfers or debit to Non-Resident account).
P0225	Postal & Courier services by Sea
P0306	Other travel receipts
P1701	Receipts on account of processing of goods Page

4. Import of Services

CODE	DESCRIPTION
S0208	Operating expenses of Indian Airlines companies operating abroad
S0209	Freight on imports for Airlines companies
S0210	Freight on exports â€“ Airlines companies
S0211	Operational leasing / Rental of Vessels (with crew) â€“ Airline companies
S0212	Booking of passages abroad â€“ Airlines companies
S0214	Payments on account of stevedoring, demurrage, port handling charges etc.(Shipping companies)
S0215	Payments on account of stevedoring, demurrage, port handling charges, etc.(Airlines companies)
S0207	Payments for surplus freight/passenger fare by foreign Airlines companies operating in India
S0216	Payments for Passenger - Shipping companies
S0217	Other payments by Shipping companies
S0218	Payments for Passenger - Airlines companies
S0219	Other Payments by Airlines companies
S0221	Payments on account of passenger fare under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and others)
S0222	Postal & Courier services by Air
S0223	Postal & Courier services by Sea
S0224	Postal & Courier services by others
S0301	Business travel.
S0303	Travel for pilgrimage

S0304	Travel for medical treatment
S0305	Travel for education (including fees, hostel expenses etc.)
S0306	Other travel (including holiday trips and payments for settling international credit cards transactions)
S0501	Construction of projects abroad by Indian companies including import of goods at project site abroad
S0601	Life Insurance premium except term insurance
S0602	Freight insurance â€“ relating to import & export of goods
S0603	Other general insurance premium including reinsurance premium; and term life insurance premium
S1302	Remittance towards personal gifts and donations
S1307	Outflows on account of migrant transfers including personal effects
S1410	Payment of interest by FDI enterprises in India to their Parent company abroad.
S1505	Deemed Imports (exports between SEZ, EPZs and Domestic tariff areas)
S0220	Payments on account of freight under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and others)
S0502	cost of construction etc. of projects executed by foreign companies in India.
S0605	Auxiliary services including commission on insurance
S0607	Insurance claim Settlement of non-life insurance; and life insurance (only term insurance)
S0608	Life Insurance Claim Settlements
S0609	Standardised guarantee services
S0610	Premium for pension funds
S0611	Periodic pension entitlements e.g. monthly quarterly or yearly payments of pension amounts by Indian Pension Fund Companies.
S0612	Invoking of standardised guarantees
S0701	Financial intermediation, except investment banking - Bank charges, collection charges, LC charges etc.
S0702	Investment banking â€“ brokerage, under writing commission etc.
S0703	Auxiliary services â€“ charges on operation & regulatory fees, custodial services, depository services etc.
S0801	Hardware consultancy/implementation
S0802	Software consultancy / implementation
S0803	Data base, data processing charges
S0804	Repair and maintenance of computer and software

S0805	News agency services
S0806	Other information services- Subscription to newspapers, periodicals
S0807	Off-site software imports
S0808	Telecommunication services including electronic mail services and voice mail services
S0809	Satellite services including space shuttle and rockets etc.
S0901	Franchises services
S0902	Payment for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films), patents, copyrights, trademarks and industrial processes etc.
S1002	Trade related services â€“ commission on exports / imports
S1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Airlines companies
S1004	Legal services
S1005	Accounting, auditing, book-keeping services
S1006	Business and management consultancy and public relations services
S1007	Advertising, trade fair service
S1008	Research & Development services
S1009	Architectural services
S1010	Agricultural services like protection against insects & disease, increasing of harvest yields, forestry services.
S1011	Payments for maintenance of offices abroad
S1013	Environmental Services
S1014	Engineering Services
S1015	Tax consulting services
S1016	Market research and public opinion polling service
S1017	Publishing and printing services
S1018	Mining services like onâ€“site processing services analysis of ores etc.
S1020	Commission agent services
S1021	Wholesale and retailing trade services.
S1022	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Shipping companies
S1023	Other Technical Services including scientific/space services.
S1099	Other services not included elsewhere
S1101	Audio-visual and related services like Motion picture and video tape production, distribution and projection services.
S1103	Radio and television production, distribution and transmission services

S1104	Entertainment services
S1105	Museums, library and archival services
S1106	Recreation and sporting activities services
S1107	Education (e.g. fees for correspondence courses abroad)
S1108	Health Service (payment towards services received from hospitals, doctors,nurses, paramedical and similar services etc. rendered remotely or on-site)
S1109	Other Personal, Cultural & Recreational services
S1201	Maintenance of Indian embassies abroad
S1202	Remittances by foreign embassies in India
S1301	Remittance for family maintenance and savings
S1303	Remittance towards donations to religious and charitable institutions abroad
S1304	Remittance towards grants and donations to other governments and charitable institutions established by the governments.
S1305	Contributions/donations by the Government to international institutions
S1306	Remittance towards payment / refund of taxes.
S1401	Compensation of employees
S1402	Remittance towards interest on Non-Resident deposits (FCNR(B)/NR(E)RA, etc.)
S1403	Remittance towards interest on loans from Non-Residents (ST/MT/LT loans) e.g. External Commercial Borrowings, Trade Credits, etc.
S1405	Remittance towards interest payment by ADs on their own account (to VOSTRO a/c holders or the OD on NOSTRO a/c.)
S1408	Remittance of profit by FDI enterprises in India (by branches of foreign companies including bank branches)
S1409	Remittance of dividends by FDI enterprises in India (other than branches) on equity and investment fund shares
S1411	Remittance of interest income on account of Portfolio Investment in India
S1412	Remittance of dividends on account of Portfolio Investment in India on equity and investment fund shares
S1501	Refunds / rebates / reduction in invoice value on account of exports
S1502	Reversal of wrong entries, refunds of amount remitted for non exports
S1503	Payments by residents for international bidding

S1504	Notional sales when export bills negotiated/ purchased/ discounted are dishonored/ crystallised/ cancelled and reversed from suspense account
S1601	Payments on account of maintenance and repair services rendered for Vessels, ships, boats, warships, etc.
S1602	Payments on account of maintenance and repair services rendered for aircrafts, space shuttles, rockets, military aircrafts, helicopters, etc.
S1701	Payments for processing of goods
S0001	Indian Portfolio investment abroad â€“ in equity shares
S0002	Indian Portfolio investment abroad â€“ in debt instruments
S0003	Indian Direct investment abroad (in branches & wholly owned subsidiaries) in equity Shares
S0004	Indian Direct investment abroad (in subsidiaries and associates) in debt instruments
S0005	Indian investment abroad â€“ in real estate
S0006	Repatriation of Foreign Direct Investment made by overseas Investors in India â€“ in equity shares
S0007	Repatriation of Foreign Direct Investment in made by overseas Investors India â€“ in debt instruments
S0008	Repatriation of Foreign Direct Investment made by overseas Investors in India â€“ in real estate
S0009	Repatriation of Foreign Portfolio Investment made by overseas Investors in India â€“ in equity shares
S0010	Repatriation of Foreign Portfolio Investment made by overseas Investors in India â€“ in debt instruments
S0011	Loans extended to Non-Residents
S0012	Repayment of long & medium term loans with original maturity above one year received from Non-Residents
S0013	Repayment of short term loans with original maturity up to one year received from Non-Residents
S0014	Repatriation of Non-Resident Deposits (FCNR(B)/NR(E)RA etc)
S0015	Repayment of loans & overdrafts taken by ADs on their own account.
S0016	Sale of a foreign currency against another foreign currency
S0017	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., land acquired by government, use of natural resources) â€“ Government
S0019	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., use of natural resources) â€“ NonGovernment

S0020	Payments made on account of margin payments, premium payment and settlement amount etc. under Financial derivative transactions.
S0021	Payments made on account of sale of share under Employee stock option
S0022	Investment in Indian Depositories Receipts (IDRs)
S0023	Opening of foreign currency account abroad with a bank
S0024	External Assistance extended by India. e.g. Loans and advances extended by India to Foreign governments under various agreements
S0025	Repayments made on account of External Assistance received by India.
S0026	Capital transfers (Guarantees payments, Investment Grand given by the government/international organisation, exceptionally large Non life insurance claims) â€“ Government
S0027	Capital transfers (Guarantees payments, Investment Grand given by the Nongovernment, exceptionally large Non-life insurance claims) â€“ NonGovernment
S0099	Other capital payments not included elsewhere
S0101	Advance payment against imports made to countries other than Nepal and Bhutan
S0102	Payment towards imports- settlement of invoice other than Nepal and Bhutan
S0103	Imports by diplomatic missions other than Nepal and Bhutan
S0104	Intermediary trade/transit trade, i.e., third country export passing through India
S0108	Goods acquired under merchanting / Payment against import leg of merchanting trade*
S0109	Payments made for Imports from Nepal and Bhutan, if any
S0201	Payments for surplus freight/passenger fare by foreign shipping companies operating in India
S0202	Payment for operating expenses of Indian shipping companies operating abroad
S0203	Freight on imports â€“ Shipping companies
S0204	Freight on exports â€“ Shipping companies
S0205	Operational leasing/Rental of Vessels (with crew) â€“Shipping companies
S0206	Booking of passages abroad “Shipping companies

5. Merchanting Trade Transactions

The purpose codes from Export of Services and Import of Services will be used/referred to for MTT IRM and MTT ORM transactions in the MTT.

R. Service Purposes not covered by this circular –

The purpose codes listed below are excluded from the scope of this policy. Transactions pertaining to these purpose codes shall continue to be handled in accordance with the processes and guidelines prescribed in the existing SOPs for Inward and Outward Remittances.

List of purpose codes which do not fall under Import of services and need not be reported in IDPMS.

Purpose Code	Description
S0001	Indian Portfolio investment abroad - in equity shares
S0002	Indian Portfolio investment abroad - in debt instruments
S0003	Indian Direct investment abroad (in branches & wholly owned subsidiaries) in equity Shares
S0004	Indian Direct investment abroad (in subsidiaries and associates) in debt instruments
S0005	Indian investment abroad - in real estate
S0006	Repatriation of Foreign Direct Investment made by overseas Investors in India - in equity shares
S0007	Repatriation of Foreign Direct Investment in made by overseas Investors India - in debt instruments
S0008	Repatriation of Foreign Direct Investment made by overseas Investors in India - in real estate
S0009	Repatriation of Foreign Portfolio Investment made by overseas Investors in India - in equity shares
S0010	Repatriation of Foreign Portfolio Investment made by overseas Investors in India - in debt instruments
S0011	Loans extended to Non-Residents
S0012	Repayment of long & medium term loans with original maturity above one year received from Non-Residents
S0013	Repayment of short term loans with original maturity up to one year received from Non-Residents
S0014	Repatriation of Non-Resident Deposits (FCNR(B) / NR(E)RA etc)
S0015	Repayment of loans & overdrafts taken by ADs on their own account.

S0016	Sale of a foreign currency against another foreign currency
S0017	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., land acquired by government, use of natural resources) - Government
S0019	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., use of natural resources) - non-government
S0020	Payments made on account of margin payments, premium payment and settlement amount etc. under Financial derivative transactions.
S0021	Payments made on account of sale of share under Employee stock option
S0022	Investment in Indian Depositories Receipts (IDRs)
S0023	Remittances made under Liberalised Remittance Scheme (LRS) for Individuals
S0024	External Assistance extended by India. e.g. Loans and advances extended by India to Foreign governments under various agreements
S0025	Repayments made on account of External Assistance received by India.
S0026	Capital transfers (Guarantees payments, Investment Grand given by the government / international organisation, exceptionally large Non-life insurance claims) - Government
S0027	Capital transfers (Guarantees payments, Investment Grand given by the Non-government, exceptionally large Non-life insurance claims) - Non-Government
S1301	Remittance for family maintenance and savings
S1302	Remittance towards personal gifts and donations
S1303	Remittance towards donations to religious and charitable institutions abroad
S1304	Remittance towards grants and donations to other governments and charitable institutions established by the governments.
S1305	Contributions / donations by the Government to international institutions
S1306	Remittance towards payment / refund of taxes
S1307	Outflows on account of migrant transfers including personal effects
S1401	Compensation of employees

S1402	Remittance towards interest on Non-Resident deposits (FCNR(B) / NR(E)RA, etc.)
S1403	Remittance towards interest on loans from Non-Residents (ST / MT / LT loans) e.g. External Commercial Borrowings, Trade Credits, etc.
S1405	Remittance towards interest payment by ADs on their own account (to VOSTRO a/c holders or the OD on NOSTRO a/c.)
S1408	Remittance of profit by FDI enterprises in India (by branches of foreign companies including bank branches)
S1409	Remittance of dividends by FDI enterprises in India (other than branches) on equity and investment fund shares
S1410	Payment of interest by FDI enterprises in India to their Parent company abroad
S1411	Remittance of interest income on account of Portfolio Investment in India
S1412	Remittance of dividends on account of Portfolio Investment in India on equity and investment fund shares
S1501	Refunds / rebates / reduction in invoice value on account of exports
S1502	Reversal of wrong entries, refunds of amount remitted for non-exports
S1503	Payments by residents for international bidding
S1504	Notional sales when export bills negotiated / purchased / discounted are dishonored / crystallised / cancelled and reversed from suspense account
S0301	Business travel.
S0303	Travel for pilgrimage
S0304	Travel for medical treatment
S0305	Travel for education (including fees, hostel expenses etc.)
S0306	Other travel (including holiday trips and payments for settling international credit cards transactions)
S0501	Construction of projects abroad by Indian companies including import of goods at project site abroad
S0601	Life Insurance premium except term insurance
S0603	Other general insurance premium including reinsurance premium; and term life insurance premium
S0605	Auxiliary services including commission on insurance
S0607	Insurance claim Settlement of non-life insurance; and life insurance (only term insurance)

S0608	Life Insurance Claim Settlements
S0609	Standardised guarantee services
S0610	Premium for pension funds
S0611	Periodic pension entitlements e.g. monthly quarterly or yearly payments of pension amounts by Indian Pension Fund Company
S0612	Invoking of standardised guarantees
S0214	Payments on account of stevedoring, demurrage, port handling charges etc.(Shipping companies)
S0215	Payments on account of stevedoring, demurrage, port handling charges, etc.(Airlines companies)
S0901	Franchises services
S0902	Payment for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films), patents, copyrights, trademarks and industrial processes etc.
S1011	Payments for maintenance of offices abroad
S1099	Other services not included elsewhere
S1107	Education (e.g. fees for correspondence courses abroad)
S1201	Maintenance of Indian embassies abroad
S1202	Remittances by foreign embassies in India
S0099	Other capital payments not included elsewhere
S0092	Sales to Other ADs in India

S. Annexure 1 : 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 Discharge:
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.*

T. Annexure 2: Format of customer request letter for intimation regarding undertaking project export contracts

(On letter head of exporter)
To
The Branch Manager,
XYZ Bank
<<Name of 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 subsupplier/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 completed).	other than the overseas buyer, Annexure 2 may be
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	

projects 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.

(Signature of Authorized Official)

Place: ..... Name: _____

Date: ..... Designation: _____

U. 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/jointerseas buyer bidders and ov	

a) Value	
b) Payment terms	
c) Security	

V. Annexure 4 - Format of customer declaration for intimation regarding short term deposit

(On letter head of exporter)
To
The Branch Manager,
XYZ Bank
<<Name of 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.

(Signature of Authorized Official)

Place: ..... Name: _____

Date: ..... Designation: _____

W. Annexure 5 Format for Self-Declaration for Closure of Shipping Bills Up to ₹10 Lakh or FCY Equivalent

Declaration for Closure of Shipping Bill

To,

Date – _____

Manager
DBS Bank India Limited
_____Branch

Subject: Declaration for Closure of Small Value SB (up to INR 10 Lakh).

With reference to RBI notification RBI/2025-26/89 A.P. (DIR Series) Circular No. 12 dated October 1, 2025, we hereby submit the details of the shipping bill and corresponding
IRM/e-FIRC details, and request you to close the entries in EDPMS under our IEC code_____

We have not availed any packing credit/financing against this order from any other bank.

We authorise you to debit our account no_____ with your_____ branch for all the charges.

We confirm that all information provided is accurate and complies with applicable laws and regulations.

In case of any discrepancies or non-compliance with the details submitted, we agree to indemnify and hold the bank harmless from any liabilities or losses arising there from.

We confirm that we are not under investigation or involved in any court cases related to these transactions.

Please find all the necessary details as per the format below for the closure of SB against IRM or invoice reduction under Small-Value Shipping Bill Closure.

Shipping Bill/Softex number and Date				
SB/Softex currency and Amount				
Other bank AD Code (If DBS not AD)				
Invoice no.				
Invoice Currency and Amount				
Buyer name, Address and Country				
Port of Loading				
Port of Discharge				
Goods Description (HS Code)				
Shipment date				
IRM/EFIRC number				
IRM/EFIRC amount to be utilised				
Notify Party				
Consignee Name and Address				
Transport document No. (BL or AWB No.)				
Vessel name if case of Sea shipment				
Carrier / Shipping Line/Airline				
Agent Name				
#Reduction in Value if Any, mention CCY and AMT				

#Declaration/Reason for reduction: _____

FEMA declaration – Cum – Undertaking

I / We hereby declare that the above transaction does not involve and is not designed for the purpose of any contravention or evasion of the provisions of the FEMA 1999 or of any rule, regulation, notification, direction or order made there under. I/we hereby undertake that goods exported are not banned under

EXIM policy. I / We also hereby agree and undertake to give such information/ documents as will reasonably satisfy you about this transaction in terms of the above declaration. I/ We also undertake that if I/ We refuse to comply with any such requirements or make only unsatisfactory compliance therewith, the bank shall refuse in writing to undertake the transaction and shall if it has reason to believe that any contravention /evasion is contemplated by me /us report the matter to Reserve Bank Of India. *I / We further declare that the undersigned has/have the authority to give this declaration and undertaking on behalf of the firm/company.

I/we also declare that the transaction does not have linkage with any Specially Designated Nationals and Blocked Persons (SDN)/countries listed under OFAC in any manner. If the transaction involves linkage with any Specially Designated Nationals and Blocked Persons (SDN)/countries listed under OFAC in any manner, I/we undertake not to hold DBS bank India LTD responsible for any of its action or inaction in respect of the OFAC-linked transactions.

Yours faithfully,

Authorized Signatory Date

_____

Company Stamp / Seal Place

_____

X. Annexure 6 Format for Self-Declaration for Closure of Bill of Entry Up to ₹10 Lakh or FCY Equivalent

Format of Declaration by the Importer for the closure of small value BOE

Date: _____

To
The Manager
DBS Bank India Ltd
[Branch Name]

Subject: Declaration for Closure of Small-Value Bills of Entry in IDPMS (Value up to INR 10 Lakh per Bill)

Dear Sir / Madam,

We refer to the circulars issued by the Reserve Bank of India, namely RBI/2025-26/89 A.P. (DIR Series) Circular No. 12 dated October 01, 2025 and RBI Circular No. Co.FED.TRD.S-2192/05.31.042/2025-26 dated January 14, 2026.

In terms of the above circulars, we request you to close the Bill(s) of Entry in IDPMS as the said Bill of Entry has been realized partially.

Bill of Entry No	Bill of Entry date	AD code	IE code	Invoice No.	Invoice Currency	Invoice Amount	Outward Remittance number (ORM)	ORM date	ORM Currency	ORM value to be closed angst the invoice	Amount to Write-Off in BOE	Reason for Write Off

We hereby confirm and declare that:

a. The transaction is genuine, and the amount mentioned above is paid in full against the above-mentioned Bill(s) of Entry.

b. We confirm that we have submitted the closure request post reconciliation of our records and for further changes will be declared to customs before clearance for correct tagging on IDPMS

c. We confirm that no remittance has been made against this Bill of Entry through any other Authorized dealer and there is no ORM pending in IDPMS with any Bank in India for the said Bill(s) of Entry for which closure is being requested.

d. We confirm that all applicable taxes and duties have been paid and that in case of dispute with customs on taxes and duties, the bank shall not be held responsible

e. The referred case is not the subject matter of any pending civil or criminal proceedings, and the Company, including any of its directors, has not come to the adverse notice of the Enforcement Directorate, Central Bureau of Investigation, or any other law-enforcement agency.

f. The information furnished above is true and correct to the best of our knowledge and belief and shall submit supporting documents if called by regulatory authorities.

FEMA declaration – Cum – Undertaking

I / We hereby declare that the above transaction does not involve and is not designed for the purpose of any contravention or evasion of the provisions of the FEMA 1999 or of any rule, regulation, notification, direction or order made there under. I/we hereby undertake that goods exported are not banned under EXIM policy. I / We also hereby agree and undertake to give such information/ documents as will reasonably satisfy you about this transaction in terms of the above declaration. I/ We also undertake that if I/ We refuse to comply with any such requirements or make only unsatisfactory compliance therewith, the bank shall refuse in writing to undertake the transaction and shall if it has reason to believe that any contravention /evasion is contemplated by me /us report the matter to Reserve Bank Of India. *I / We further declare that the undersigned has/have the authority to give this declaration and undertaking on behalf of the firm/company.

I/we also declare that the transaction does not have linkage with any Specially Designated Nationals and Blocked Persons (SDN)/countries listed under OFAC in

any manner. If the transaction involves linkage with any Specially Designated Nationals and Blocked Persons (SDN)/countries listed under OFAC in any manner, I/we undertake not to hold DBS bank India LTD responsible for any of its action or inaction in respect of the OFAC-linked transactions.

Thanking you.

Yours faithfully,

For [Company Name]

Authorized Signatory
Name:
Designation:
Signature:
Company Seal