DBS Bank India Ltd.

Policy Document on Framework of Cross-border Remittances

A. Introduction

Cross-border remittances are money transfers sent to or received from outside India. These transactions are subject to the Foreign Exchange Management Act, 1999 (FEMA) and the regulations, directions, and guidelines issued by the Reserve Bank of India from time to time. DBS Bank India Ltd. (DBIL) referred to as "the bank", processes such remittances only in accordance with these applicable laws, ensuring that transactions are permitted, properly documented, and handled in a safe, transparent, and compliant manner.

This policy applies to all inward and outward cross-border remittances and should be read together with FEMA, Reserve Bank of India regulations, and the bank's internal compliance requirements. All remittances are subject to applicable regulatory and documentation checks before processing.

B. Purpose and Scope

This policy focusses on improving transparency in cross-border transactions and establishes the compliance framework governing all inward and outward foreign currency remittances processed through the bank's customer-facing portal viz., branches or online banking channels.

This policy applies to all customer remittance requests originated through the bank's customer facing portal, including individual (resident and non-resident) and corporate customers, and covers:

• Outward remittances by resident individuals under the Liberalised Remittance Scheme (LRS) and current/capital account transactions under FEMA.

• Outward remittances for trade (import payments) and non-trade current and capital account purposes.

• Inward remittances including export proceeds, FDI/FPI inflows, NRI family remittances, and other current/capital account receipts.

- Corporate (non-individual customers) are part of Institutional Banking Group (IBG)
- Individual customers are part of Consumer Banking Group (CBG)

C. Regulatory Framework

Remittances processed by the bank is screened and reported in line with the Foreign Exchange Management Act, 1999 (FEMA), directions issued by the Reserve Bank of India (RBI) as the FEMA regulator, and the Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT) obligations under the Prevention of Money Laundering Act, 2002 (PMLA).

Scope of cross-border remittances in India are governed by the following regulatory guidelines:

1) **Foreign Exchange Management Act, 1999 (FEMA)**
   FEMA is the primary legislation governing all foreign exchange transactions in India. Section 5 permits resident persons to buy or sell foreign exchange for any current account transaction, subject to reasonable restrictions prescribed by the Central Government, while capital account transactions are permitted only to the extent specifically notified.

2) **Foreign Exchange Management (Current Account Transactions) Rules, 2000**
   These Rules classify current account transactions into three schedules that directly determine what the portal may process without escalation (see Section 3 Transaction Matrix):

   • Schedule I — Transactions for which drawal of foreign exchange is prohibited outright.

   • Schedule II — Transactions permitted only with prior approval of the relevant Ministry/Department of the Government of India.

• Schedule III — Transactions permitted up to specified monetary ceilings by the AD bank; amounts beyond the ceiling require prior RBI approval.

3) **Liberalised Remittance Scheme (LRS)**
Under RBI's LRS Master Direction, resident individuals (including minors, through a natural guardian) may remit up to USD 250,000 per financial year (April–March) for permissible current or capital account transactions, or a combination of both. The limit is cumulative across all AD banks and purposes and is tracked on a PAN basis. This limit is not available to corporates, partnership firms, HUFs, or trusts.

4) **Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026**
This consolidated framework governs trade-related inward and outward remittances, prescribes the uniform Export Declaration Form (EDF), and mandates reporting through the Export Data Processing and Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS).

5) **Roles and responsibilities for cross-border remittances**
   - Authorised Dealer (AD) bank certifies FEMA compliance on remittance documentation, conducts due diligence, ensures all regulatory and statutory reporting as required.
   - Remitter/Customer bears ultimate responsibility for the accuracy of declarations and compliance with FEMA rules.

D. Permissible v/s Restricted Transaction Matrix

The table below summarises the FEMA classification for the frequently initiated cross-border remittances as an easier reference. The table does not cover full extent of FEM guidelines.

Category	Permissible for AD	Restricted / Requires approval	Prohibited
Outward — Individual (LRS)	Private travel, education, medical treatment, employment/emigration, maintenance of relatives, business trips, gifts/donations — cumulatively up to USD 250,000 per financial year per PAN	Amounts exceeding USD 250,000/FY require prior RBI approval Education/medical remittances above the limit may be allowed by the AD without RBI approval if supported by the institution's cost estimate/invoice	Remittance for lottery winnings, sweepstakes, or purchase of lottery tickets Margin/margin-call payments to overseas exchanges Purchase of Foreign Currency Convertible Bonds (FCCBs) in the overseas secondary market Trading in foreign exchange abroad
Outward — Current Account (Schedule I/II/III, FEM-CAT Rules 2000)	Residual current account transactions not listed in Schedule I, II or III — AD may process without RBI reference	Schedule II items (e.g., cultural tours, certain foreign print advertisements) — require prior Central Government approval. Schedule III items above prescribed ceilings — require prior RBI approval	Schedule I items: lottery/racing/hobby income remittance, banned publications, dividend remittance subject to balancing requirement, commission on exports under Rupee State Credit Route (beyond permitted

			tea/tobacco threshold), "call-back services" payments
Outward — Trade (Imports)	Payment against genuine import of goods/services supported by invoice, contract, and Bill of Entry, routed through an AD and reported in IDPMS	Advance import remittances not adjusted within the contracted period — repatriation required or future advances need an unconditional LC/bank guarantee Import advances for gold/silver — advance remittance no longer permitted	Import payments to FATF-identified non-cooperative jurisdictions or sanctioned/denied parties Payments to entities on RBI/UN/OFAC watchlists
Outward — Capital Account (Individuals & Corporates)	Overseas investment in equity/debt, acquisition of immovable property abroad, and other permitted capital account transactions within LRS/ODI limits	Capital account remittances beyond specified thresholds require RBI approval Overseas Direct Investment (ODI) beyond automatic route limits requires RBI approval	Capital account remittances, directly or indirectly, to FATF non-cooperative countries/territories. Remittances to individuals/entities flagged by RBI as posing terrorism-financing risk
Inward — Trade (Export proceeds)	Export proceeds against shipping bill/EDF, realised and repatriated within the prescribed period (currently up to 9 months from export date) and reported in EDPMS with e-FIRC/eBRC issuance	Export advances not adjusted within the extended period (up to 3 years) require justification or RBI approval for further extension. Third-party remittances must be declared in the EDF	Acceptance of export proceeds from sanctioned entities or through unauthorised/non-AD channels
Inward — FDI / FPI / Capital	Foreign investment in India via automatic route sectors, reported via FC-GPR/FC-TRS with FIRC and KYC report on the non-resident investor.	Investment in government/approval-route sectors requires prior Government (FIFP) approval before or alongside RBI reporting	Investment from FATF-blacklisted jurisdictions Investment routed to circumvent beneficial-ownership disclosure
Inward — Personal (NRI family maintenance, gifts)	Remittances from NRIs for family maintenance, savings, salary/compensation, personal gifts and donations — no upper ceiling for genuine, documented purposes	Large or unusual personal inflows inconsistent with the customer's declared profile trigger enhanced due diligence (EDD)	Funds traceable to unlawful activity, proceeds of crime, or structured to evade reporting thresholds

E. Documentation checklist and SOP for each remittance category

The bank has a detailed SOP document which provides the operational process of handling cross-border remittances including cut-off service timelines, list of documents for all types of remittances, delegation of authority to process transactions, process flow chart etc. The various types of remittances along with the SOP documents have been attached and mentioned in the table below:

Sr. No.	Name of the SOP Document	SOP Document
1	Capital Account Remittances SOP	Capital account SOP.pdf
2	Inward Remittances SOP	Inward remittance SOP.pdf
3	Outward Remittances SOP	Outward Remittance SOP version 1.pdf
4	Overseas Investments SOP	Overseas Investments SOP.pdf

F. Remittance Processing Timeline

a. (Institutional Clients – Non-Individual)

Sr. No.	Process	Cut-off time	Processing TAT
1	Non-discrepant Outward Remittance instructions received via online banking channel	3:00 pm	Processed on same day
2	Non-discrepant Outward Remittance instructions received via branches	2:30 pm	Processed on same day
3	Non-discrepant Outward Remittance instructions for ODI remittances	3:00 pm	T+3 working days
4	Non-discrepant Outward Remittance instructions for FDI repatriation remittances	3:00 pm	T+2 working days
5	Non-discrepant Outward Remittance instructions for ECB repayments	3:00 pm	T+1 working days
6	Inward Remittance disposals received	3:00 pm	Processed on same day
7	Inward repatriation of ODI investments-Equity or Loan. (subject to declaration and transaction being in order as per FEMA)	3:00 pm	Processed on same day
8	Inward remittance of FDI (subject to FDI Declaration and KYC of overseas remitter being available on hand)	3:00 pm	Processed on same day
9	Inward remittance of ECB drawdown (subject to Drawdown as per schedule disclosed by the customer while applying LRN and on receipt of ECB declaration)	3:00 pm	Processed on same day
Outward Remittance instruction and Inward Remittance disposals submitted post the above-mentioned cut-off time will be considered for processing on the next working day.			

b. (Consumer Banking Clients – Individual)

Online outward remittances - For eligible digital outward remittances, **same-day transfer** may be available where the remittance is initiated **before 11:30 AM IST** and falls within supported corridors.

The processing cut-off time for:

- **outgoing transfers**,
- **NRO-NRE transfers**, and
- **resident-to-NRO transfers**

is **up to 11:30 AM IST**. Transactions submitted before the cut-off and supported by complete documentation are processed within the operating service standard, subject to regulatory / compliance review and beneficiary-bank dependencies.

The inward remittance cut-off is **up to 11:30 AM** for account transfers. Actual availability of funds depends on receipt of complete instructions, validation of incoming payment details, and in some cases the need for disposal instructions or additional customer information.

G. Schedule of Charges for Cross-border Remittances.

The bank publishes its schedule of charges across all the product services offered including cross-border remittances. Any revision to the schedule of charges is implemented after providing sufficient notice period of 30 days to the customers of the bank. The link of the schedule of charges for both consumer banking and institutional banking customers are provided in the below table:

Business Unit	Website link of Schedule of Charges
Institutional Banking (Corporate customers holding accounts with the bank)	https://www.dbs.bank.in/documents/1055266/33374682/ScheduleofTariff01012025.pdf
Consumer Banking (Individual customers holding accounts with the bank)	Compare Savings Account Fees and Charges | DBS Bank
Consumer Banking – Treasures Remittance Services	Remit: Bank Remittance Services Online | DBS Treasures
Foreign Exchange (FX) conversion rate for upto USD 5,000/-*	Forex Rates - Live Foreign Currency Exchange Rates Online

*For foreign exchange (FX) conversion of greater than USD 5,000/- FX conversion rate will be applied as per the customer's grid. For any preferential FX conversion rate, customers are requested to contact their relationship manager.

Customer Fairness:

Bank does not charge the customers for any delays in submission of payment instructions or closure of discrepancies.

All applicable charges recovered by the bank are clearly mentioned in the Schedule of Charges published on the bank's website.

H. Mode of remittance

The bank offers various customer-facing portal viz., branches or online banking channels to send outward remittances and to check the credits of inward remittances received.

For institutional banking customers which require underlying supporting documents, bank offers a electronic mode of outward remittance through the bank's online banking channel along with document attachment capability to submit digital or soft copies of the supporting document thereby making the entire remittance journey paperless end to end.

For remittances involving larger set of underlying documents, the bank offers the option to its customers to submit outward remittance instructions along with the supporting documents at the branches which are further submitted through an internal workflow system to the central operations team for further processing.

Digital (Online) Remittances

- Convenient and paperless process for eligible transactions
- Faster processing with same-day transfers available in select cases, subject to cut-off timings and corridor availability
- Supports transactions from eligible account types (including resident and NRI accounts)
- Suitable for routine transactions and specific permitted purposes

Branch / Assisted Remittances

- Supports a broader range of transactions, including higher-value and complex cases
- Suitable for capital account transactions (e.g., investments, emigration, real estate overseas)
- Requires submission of physical or uploaded documentation
- Assisted by bank representatives at branches

I. Seeking customer feedback

The bank has provision for the customers to submit feedback at regular intervals including an in person visit by the customers to the branch to join and share their feedback in the Quarterly Standing Committee for Customer Service. Such feedback is further streamlined to the relevant internal stakeholders to review and implement as per feasibility in the best possible manner.

J. 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

K. Internal Oversight and Training

Periodic review through internal/concurrent audits – Bank has a monthly concurrent audit process in place, and an Internal audit is conducted every two years for each function. Additionally, there are thematic reviews conducted by the compliance monitoring teams.

Training to staff handling cross-border transactions – Bank has an internal Learning and Development team which oversees the training requirements of all staff. Further bank also has a policy of mandatory trainings for new joinees and annual mandatory training for all employees. Specifically, L&D teams work with internal functions and units of the bank to provide specialised cross-border remittances training through industry experts.

Succession planning for key dealing officials – Internal teams of the bank handling cross border remittance processing are appropriately staffed to handle the volume and act as a back up to ensure continued support and consistent service experience is offered to the customer in case of any contingency situation.

L. Subsequent Revision to the Policy Document

The Policy document is expected to be renewed annually. In case of any non-material change or due to any change on account of revision in regulatory guideline in the interim period prior to the regular annual review, the policy document may be updated with the approval of Unit Heads of policy owning unit(s) and a separate India Managing Committee approval may not be required.