Framework for Cross-Border Transactions

This document outlines the products covered along with the applicable documentation requirements, process flows, customer submission channels, cut-off timelines, transaction turnaround times (TATs) and grievance redressal mechanism governing cross border transactions.

1. Cross-Border Remittances

1.1 Outward Remittances

Outward Remittance refers to a cross-border transfer of funds from India to an overseas beneficiary for a bona fide purpose permitted under the Foreign Exchange Management Act (FEMA) and other applicable RBI regulations.

Documentation requirements

- Customer request and debit authority
- LRS application form and related documentation where applicable.
- Form A2, FEMA declarations and applicable purpose codes.
- Underlying invoices, purchase orders, agreements, contracts or other evidence of the underlying transaction.
- Certificates or forms, including Forms 145/146
- Purpose-specific documents and approvals prescribed under FEMA

Process flow

- Customer initiates request through approved channel prescribed by the Bank
- Bank verifies authorization matrix, purpose, documents, funds, and compliance.
- Applicable forex rate is agreed/booked.
- Payment messages are transmitted and remittance advice is issued.

1.2 Inward Remittances

Inward Remittance refers to the receipt of funds from abroad in India through permitted banking channels in foreign currency or Indian Rupees, as applicable, for a bona fide purpose permitted under FEMA.

Documentation requirements

- Disposal instruction
- FEMA declaration/purpose confirmation
- Copy of Underlying Invoice, contract or underlying evidence where applicable.
- Shipping bill/Softex/export bill linkage, where applicable

Process flow

- Funds are sighted in AU Bank’s Nostro/account.
- Purpose and beneficiary details are verified.
- Required export bill or regulatory linkage is completed where applicable.
- Customer account is credited and advice is generated.

2. Import Trade Transactions

2.1 Import Letter of Credit - Issuance

Import LC is an irrevocable undertaking issued by the Bank on behalf of an importer in favour of an overseas supplier, under which payment is made against presentation of compliant documents in accordance with the terms of the Letter of Credit.

Documentation requirements

- LC application and debit authority
- Purchase order/proforma invoice/contract.
- FEMA/NNL declaration and IEC
- Insurance cover where applicable
- Import license or transaction-specific declaration where applicable.

Process flow

- Request is submitted through approved channel.
- Limit, margin, documents and LC terms are verified.
- Compliance and sanctions screening is completed.
- LC is issued through SWIFT and copy/advice is shared.

2.2 Import LC - Amendment/Cancellation

Amendment changes the terms of an issued LC. Cancellation requires agreement of relevant parties in accordance with applicable LC rules.

Documentation requirements

- Amendment/cancellation request
- Revised underlying document and enhanced insurance, where applicable
- Beneficiary/confirming bank consent for cancellation.

Process flow

- Request and impact on exposure/margin are verified.
- Amendment is issued through SWIFT.
- Cancellation is completed after required consent is received.

2.3 Import LC Bills

Documents presented under LC are recorded, scrutinized, accepted/waived, and settled in accordance with LC terms.

Documentation requirements

- Presenting bank covering schedule
- Invoice, transport document, bill of exchange and documents required by LC.
- Applicant acceptance/waiver for discrepant documents
- Debit authority and funds/margin for payment.

Process flow

- Documents are received and lodged.
- Documents are scrutinized.
- Compliant documents are accepted or discrepant documents referred to applicant.
- Payment is made at sight/maturity as applicable.

2.4 Import Collections

Overseas supplier documents are received through banking channels for delivery against payment or acceptance.

Documentation requirements

- Overseas bank collection schedule
- Invoice, transport document and bill of exchange
- Acceptance letter or debit authority
- Purpose/regulatory documents

Process flow

- Documents received from overseas exporter / bank are lodged and arrival notice is issued.
- Customer accepts or authorizes payment.
- Documents are released and payment transmitted as instructed.

2.5 Advance and Direct Import Payments

Advance payment is made before shipment; direct payment is made after shipment against documents received directly by the importer.

Documentation requirements

- Request, FEMA/NNL declaration.
- Proforma invoice/PO for advance payment; commercial invoice for direct payment
- Transport documents/BoE or undertaking to submit BoE.
- Advance payment declaration and any other document as applicable.

Process flow

- Documents and regulatory eligibility are checked.
- Forex rate and debit funding are confirmed.
- Remittance is transmitted.
- ORM/BoE is subsequently linked or regularized.

2.6 Import Regularization, Extension and Write-off

Post-transaction service includes BoE linkage, extension, write-off and closure in IDPMS.

Documentation requirements

- Customer request and transaction references
- BoE/IDPMS/ORM details
- Correspondence, declarations, and reason-specific certificates
- Cases beyond AD threshold referred to RBI.

Process flow

- Eligibility and documentary evidence are verified.
- ORM/BoE records are matched or adjusted.
- IDPMS record is updated and closure advice is issued.

3. Export Trade Transactions

3.1 Export LC Advising and Amendment

Export LCs received from overseas issuing banks are authenticated and advised; confirmation is subject to eligibility and approval.

Documentation requirements

- Authenticated SWIFT/message
- Customer request for confirmation/cancellation
- Original LC and transaction-specific documents

Process flow

- Message authenticity is verified.
- LC/amendment is advised to beneficiary.
- Confirmation is processed after approvals and pricing acceptance.

3.2 Export Bills - Collection

Export documents are lodged and dispatched to the overseas bank/buyer for collection in accordance with customer instructions.

Documentation requirements

- Request with FEMA declaration
- Commercial invoice/packing list
- Transport document and shipping bill/Softex details
- Bill of exchange, insurance and original LC where applicable

Process flow

- Documents are scrutinized and lodged.
- Cover schedule/advice is generated.
- Documents are dispatched or transmitted.
- On receipt of proceeds, export bill is linked and customer credited.

3.3 Export Bill Negotiation/Discounting

Eligible export bills are financed under sanctioned limits after document scrutiny and applicable approvals.

Documentation requirements

- Export bill collection documents.

- Finance/discounting request.
- Bills of Exchange/ Commercial Invoice and Packing List
- Transport Document (i.e. lorry/ rail receipt/ airway bill/ seaway bill)
- Available sanctioned limit
- Issuing-bank acceptance or other risk mitigant, where applicable

Process flow

- Documents and eligibility are scrutinized.
- Discrepancy/risk approval is obtained if required.
- Rates are accepted and finance is disbursed.

3.4 Export Advance Regularization, Tenor Extension and Write-off

EDPMS servicing includes linking export advances, extending realization periods and permitted write-off/invoice reduction.

Documentation requirements

- Customer request/declaration and export bill reference
- Invoice, shipping bill and transport document
- Buyer correspondence and reason-specific evidence
- CA certificate with active UDIN where applicable

Process flow

- Supporting documents are verified.
- Eligibility under applicable directions is checked.
- EDPMS entry is linked, extended, reduced or closed.

4. Bank Guarantees

4.1 BG/eBG Issuance and Amendment

A bank guarantee secure performance or payment obligations in domestic or international transactions. Electronic BG may be issued through the approved digital platform.

Documentation requirements

- BG application and debit authority
- Approved BG text soft copy
- Tender/LOA/work order/agreement.
- Available limit/margin/collateral

Process flow

- Request is submitted through approved channels.
- Limit, margin, text and underlying are verified.
- Compliance/legal checks are completed.
- Physical BG, SWIFT guarantee or eBG is issued and advice shared.

4.2 BG Cancellation/Closure

BG closure releases contingent liability after satisfactory evidence that the bank's obligation has ended.

Documentation requirements

- Customer request
- Original BG and beneficiary release/no-claim confirmation
- Other evidence required under BG terms

Process flow

- Documents are verified for enforceability and authenticity.
- External confirmation is obtained where necessary.
- BG is marked cancelled/closed and limit is released.

4.3 BG Invocation/Claim

A claim is examined against the guaranteed terms and handled within the validity and claim period.

Documentation requirements

- Original/compliant claim letter
- Documents expressly required by BG text
- Authentication through bank channel, where applicable

Process flow

- Claim is received and timestamped.
- Compliance with BG terms is scrutinized.
- Applicant is informed.
- Payment/rejection is handled in accordance with BG terms and law.

5. AU DigiTrade and Customer Request Channels

AU DigiTrade serves as the Bank's digital platform for submission, tracking and processing of cross border transactions. Customers may submit eligible transactions through Branch channels and AU DigiTrade.

6. Fees and Charges

A comprehensive schedule of standard charges applicable to different cross-border transactions can be found on bank's website:

Link to the standard pricing grid attached herewith:

https://www.au.bank.in/business-banking/trade-schedule-of-charges

7. Escalation Matrix and Grievance Redressal Mechanism

Grievance Redressal: A formal process for lodging and resolving customer grievances, including acknowledgment, tracking, and final resolution communication is available on below Link:

https://www.au.bank.in/notice-board-language/customer-grievance-redressal-policy/English.pdf

8. Cutoff Time for request submission:

Requests submitted before 2:00 PM* will be processed on the same day,

Requests submitted after 2:00 PM* will be processed on the next working day.

**Branches remain closed on state-specific bank holidays and on the 2nd and 4th Saturdays*.

* Subject to submission of compliant document.

9. Internal Oversight and Training

The Bank shall maintain strong oversight, skilled resources and effective control mechanisms to ensure the prudent conduct of cross-border trade, ongoing regulatory compliance and operational resilience.