

AU Small Finance Bank Limited

EXPORT AND IMPORT POLICY (EXIM POLICY)

Export and Import of Goods & Services
(effective 01st October 2026)
Executive Version

AU Small Finance Bank Ltd

Table of Contents

Particulars	Page No.
1. BACKGROUND	3
2. APPLICABILITY AND SCOPE	3
3. REGULATORY FRAMEWORK	3
4. DEFINITIONS	4
5. EXPORT OF GOODS AND SERVICES	5
6. IMPORT OF GOODS AND SERVICES	15
7. COMMON PROVISIONS APPLICABLE TO EXPORTS AND IMPORTS	20
8. CURRENT ACCOUNT TRANSACTIONS	23
9. PROCESS FOR SUBMISSION OF TRANSACTION REQUESTS	23
10. TIMELINE FOR DISPOSAL OF REQUESTS	23
11. SCHEDULE OF CHARGES	24
12. CUSTOMER GRIEVANCES	24
13. LEI (LEGAL ENTITY IDENTIFIER) REQUIREMENT	24
14. DUE DILIGENCE, KYC/AML AND SANCTIONS SCREENING	25
15. DOCUMENTATION AND RECORD RETENTION	25
16. TRAINING AND AWARENESS	25
17. POLICY REVIEW AND AMENDMENT	25
18. MANAGEMENT MONITORING MECHANISM	25
19. DELEGATION OF POWER	25
20. DOCUMENTATION & FORMATS	26

1. Background

The Export and Import Policy (“EXIM Policy”) of the Bank is framed pursuant to the Foreign Exchange Management (Export and Import of Goods and Services) Regulations 2026 notified by Reserve Bank of India(RBI) vide Notification No. FEMA 23(R)/2026-RB dated January 13, 2026, which shall come into effect from October 1, 2026 and will supersede the FEMA (Export of Goods & Services) Regulations, 2015, RBI Master Direction – Import of Goods and Services 12th January 2026, Master Direction – Export of Goods and Services date 17th July 2026 and related circulars.

The new framework is a shift in approach by RBI from prescriptive regime to principle-based approach, granting Authorized Dealer Banks with greater decision making authority.

2. Applicability and Scope

The EXIM Policy of the Bank sets out the internal framework, standard operating procedures, documents, timelines, schedule of charges and delegation of authority within which AU Small Finance Bank (“the Bank”), acting as an Authorized Dealer Category-I bank will handle transactions under the Foreign Exchange Management Act, 1999 (“FEMA”).

The Policy aims to promote ease of doing business, ensure bonafide of transactions, timely realization/repatriation, accurate regulatory reporting, and customer-centric service while maintaining regulatory compliance.

This Policy shall serve as the governing framework for all existing and new products, processes, thresholds and shall supersede any corresponding provisions prescribed under earlier product and process notes.

The Bank shall disclose the EXIM Policy and the salient features of the relevant SOPs and customer service framework on its website, as amended from time to time, to facilitate customer awareness and transparency.

3. Regulatory Framework

This Policy is anchored on, and must be read together with, the following:

- Foreign Exchange Management Act, 1999
- Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 – FEMA 23(R)/2026-RB dated January 13, 2026
- Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023
- RBI Master Directions on Reporting under FEMA (EDPMS/IDPMS/FETERS), as amended from time to time
- Prevention of Money Laundering Act 2002 and the Bank’s KYC/AML Policy, to the extent trade transactions intersect with customer due diligence
- Foreign Exchange Management (Guarantees) Regulations, 2026, wherever the transaction involves issuance, amendment, invocation, honouring, or settlement of guarantees
- Foreign Exchange Management (Borrowing and Lending) Regulations, 2018
- Prevailing Foreign Trade Policy and as amended by DGFT
- Notification No. FEMA 23(R)/(1)/2026-RB September 22, 2026, Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026.

Where any provision of this Policy is inconsistent with the 2026 Regulations or subsequent RBI clarifications, the RBI instructions shall prevail, and this Policy shall be read as amended accordingly pending formal update.

4. Definitions

For the purpose of this Policy, unless the context otherwise requires, the following terms shall have the meanings assigned below. Terms not specifically defined herein shall have the meanings assigned to them under FEMA, rules, regulations, directions, circulars or instructions issued thereunder, as amended from time to time.

- **“Act”** means the Foreign Exchange Management Act, 1999. (42 of 1999)
- **“Authorized Dealer”** means a person authorized as an authorized dealer under sub- section (1) of Section 10 of the Act
- **“Bank” / “AUSFB”** means AU Small Finance Bank Limited, acting in its capacity as an Authorized Dealer Category-I Bank
- **“Project Export”** shall have the same meaning as defined in the Foreign Trade Policy
- **“Export Declaration Form” or “EDF”** means the form prescribed for declaration of export of goods, services or software, as applicable under the FEMA framework
- **“Software”** means any computer program, database, drawing, design, audio/video signals or any information by whatever name called in or on any medium other than in or on any physical medium
- **“Specified Authority”** means the authority to whom the export declaration is required to be furnished, as under
 - **For goods:** Commissioner of Customs in Domestic Tariff Area and Development Commissioner of Special Economic Zone in SEZ
 - **For software:** Authorized Dealer or Software Technology Parks of India in Domestic Tariff Area and Development Commissioner of Special Economic Zone in SEZ
 - **For services other than software:** Authorized Dealer in Domestic Tariff Area and Development Commissioner of Special Economic Zone in SEZ
- **“SEZ”** means a Special Economic Zone established under the Special Economic Zones Act, 2005
- **“DTA”** means the area within India outside a Special Economic Zone
- **"Shipping Bill"** is a mandatory regulatory document filed by an exporter with customs authorities to get permission to export goods out of a country
- **“EDPMS”** means the RBI-prescribed system for monitoring, reporting, realization, reconciliation and closure of export transactions
- **“IRM”** means the transaction record generated in EDPMS against inward foreign exchange remittances received by an Authorized Dealer Bank
- **"Bill of Entry"** means a customs document filed with the appropriate customs authority evidencing import of goods into India
- **“IDPMS”** means the RBI-prescribed system for monitoring, reporting, reconciliation and closure of import transactions
- **“ORM”** means the transaction record generated in IDPMS against import remittances made by an Authorized Dealer Bank
- **"ACU" (Asian Clearing Union)** means a regional payment arrangement where member central banks settle intra-regional trade transactions on a net basis to economize on foreign exchange reserves
- **“Special Rupee Vostro Account” or “SRVA”** means a rupee-denominated account maintained by an Indian AD Bank on behalf of a correspondent bank of a partner trading country for settlement of eligible international trade transactions in Indian Rupees

5. Export of Goods and Services

5.1 Declaration of Export

(1) An exporter of goods shall furnish to the specified authority, a declaration in the Export Declaration Form (EDF) specifying the amount representing the full export value of goods, at the time of export.

For EDI (Electronic Data Interchange) port exports, the EDF is deemed to be submitted as part of shipping bill. The bank shall accept the same and other related documents, necessary for processing and EDPMS closure.

(2) An exporter of services shall furnish to the specified authority, a declaration in EDF specifying the amount representing the full export value of services, within 30 days from the end of month in which invoice for services has been raised, provided that:

- (a) the exporter of services who has exported services to one or more recipients in a month, may submit a single EDF for all such exports
- (b) the exporter of services other than software, may submit an EDF on or before the date of receipt of payment
- (c) the Bank may, on a request from the exporter citing reasons for delay, extend the period for submission of the EDF after satisfying itself about the reasonableness of the request

(3) In the case of a non-EDI port for export of goods, or where the specified authority for export of services is other than an Authorised Dealer, the duly authenticated EDF, shall be forwarded by the specified authority to the respective Authorised Dealer named on EDF.

(4) For a traveller moving personal effects (which are either accompanied or unaccompanied) from India shall not be treated as exporter for the purpose of these Regulations.

The Bank shall obtain, verify, and monitor export declarations and related documentation for exports undertaken through EDI Ports, Non-EDI Ports, Postal, Courier, Road, Rail, River, Air, Sea, Mid-sea Trans-shipment Arrangements, Bharat Mart Warehousing facilities, Overseas Warehouses, and such other modes as may be permitted under the applicable regulatory framework from time to time. Upon receipt of the duly completed EDF and requisite supporting documents, the Bank shall verify the details and ensure reporting/upload of the EDF in the Export Data Processing and Monitoring System (EDPMS) within five (5) working days from the date of receipt.

Extension for Submission of EDF for services - The Bank may, on request from the exporter citing reasons for delay, permit extension of time for submission of EDF / export documents, subject to satisfaction on the reasonableness of the request and compliance with applicable regulations. The Bank shall record its assessment and communicate a revised due date in writing to the exporter(s), if approved.

Short Shipments and Shut-out Shipments - In cases of short shipment, the Bank shall advise the exporter for filing of the prescribed notice with Customs and submit the certified notice, or pending receipt thereof, provides an undertaking confirming such filing. Where a shipment is completely shut out, the exporter shall notify Customs in the prescribed manner and, upon Customs certification, the original EDF shall be treated as cancelled. If the goods are subsequently shipped, a fresh EDF shall be completed and submitted by the exporter.

Consolidated Cargo Shipments - The Bank may negotiate, purchase and, discount as per credit policy of the Bank or send export documents for collection involving consolidated air or sea cargo, provided the transport documents comply with the documentary credit or contractual terms, applicable trade practices and regulatory requirements.

EDF Exemptions and Regulatory Waivers - The Bank may process export transactions involving exemption, waiver, relaxation from export declaration requirements, or export without realization of foreign exchange as permitted under regulatory framework.

Special Export Transactions - The Bank may handle special export transactions such as promotional exports, trade fair shipments, free-of-cost exports, humanitarian supplies, testing, calibration, repair, maintenance, re-import, re-export, Special Notified Zone transactions and other permissible export arrangements. The Bank shall obtain appropriate documentary evidence to establish the purpose, movement, completion, re-import, re-export, destruction or closure of the transaction, as applicable.

5.2 Time period for realization of exports

The Exporter shall ensure that export proceeds arising from the export of goods, services and other eligible transactions are realized and repatriated in full or reduced value as may be permitted under applicable regulations within the timelines prescribed by RBI from time to time. The applicable timelines for realisation of export proceeds are as under:

Type of Export	Prescribed Realisation Timeline *
Goods, Bharat Mart	Within 9 months from the date of shipment
Services	Within 9 months from the date of invoice
Export through Overseas Warehouse (OW)	Within 9 months from the date of sale of goods from OW
Consignment Exports	Within 9 months from the date of sales of goods
Exports Invoiced and Settled in INR	Within 12 months from the date of shipment
Project Export	As per payment terms of the contract

*The realisation and repatriation period prescribed in this Policy is based on the current regulatory framework. In the event of any change in the applicable regulatory notification effective from **01 October 2026** or thereafter, the revised regulatory timeline shall prevail without requiring a separate amendment to this Policy.

These above timelines shall apply uniformly to all export transactions handled by the Bank, including those undertaken by entities operating in Special Economic Zones (SEZs), Export Oriented Units (EOUs), Software Technology Parks (STPs), Electronic Hardware Technology Parks (EHTPs), Bio-Technology Parks (BTPs), Status Holder Exporters, and other eligible exporters.

Extension of Time for Realization of Export Proceeds – The Bank may permit extension for realisation of export proceeds, based on the exporter’s declaration that “the export proceeds will be realized within the extended period”, if the Bank is satisfied of the reasons cited.

Parameter	Guidelines
Extension period	Up to six months at a time, irrespective of invoice value
Extension beyond one year	Outstanding exports shall not exceed USD 1 million or 10% of average export realization during the preceding three financial years, whichever is higher
Suit filed abroad	Extension may be granted irrespective of the amount involved or outstanding
Reporting and monitoring	Extensions shall be updated in EDPMS and monitored for timely realization

Unrealised Exports

- If the export proceeds of an exporter remain unrealised for a period beyond one year from the due date of realisation or extended period, if any, allowed by an Authorised Dealer, the exporter shall undertake further exports only against receipt of full advance or an irrevocable Letter of Credit.

- Such restrictions shall be limited to transactions between the specific exporter and the specific overseas buyer linked to the unrealized export proceeds
- The restriction shall continue until the related non-compliance is duly regularized

5.3 Reduction in Export Realization

The Bank may, on request from the exporter citing reasons for under-realization or non-realization of full export value, allow reduction in realization of export value, provided the Bank is satisfied of the reasons cited.

Such reduction may arise from commercial disputes, quality claims, pricing adjustments, contractual settlements, cash discounts, prepayment of usance bills, change in buyer or consignee arrangements, non-recovery of full export value or other bona fide circumstances permitted under applicable regulations. The exporter's request for reduction shall be supported by relevant documentary evidence.

Reduction in export realization shall not be permitted where the transaction and / or the exporter is under investigation, involves fraud/misrepresentation/financial crime, is subject to restricted legal proceedings, or is otherwise prohibited under any regulatory provisions.

Write-Off of Export Receivables - The Bank may permit write-off of unrealized export receivables where recovery is not feasible despite reasonable efforts. Write-off may be considered as per the table below subject to verification of recovery efforts, exporter's track record, supporting documents and bona fides of the transaction. Eligible cases may include overdue receivables, undrawn balances, part-realized bills, commercial settlements, disputed claims, export credit insurance-settled receivables and other permissible cases under applicable regulations. Receivables covered under export credit insurance may be written off as per regulatory provisions and insurance settlement terms; however, insurance-settled amounts shall not be treated as export realization in foreign exchange unless specifically permitted.

Particular	Limits
Write-off by exporter (non-status holder exporter)	Up to 5% of preceding year's realized exports
Write-off by Status Holder	Up to 10% of preceding year's realized exports
Write off in cases of payment of claims by ECGC and private insurance companies regulated by Insurance Regulatory and Development Authority (IRDA)	a) Such write-off will not be restricted to the limit of 10% indicated above. b) Surrender of incentives, if any, in such cases will be as provided in the Foreign Trade Policy. c) The claims settled in rupees by ECGC, and private insurance companies regulated by IRDA should not be construed as export realization in foreign exchange
Part Drawings/ Undrawn Balances	a. Exporters have realized at least the value for which the bill was initially drawn (excluding undrawn balances) or 90 per cent of the value declared on EDF form, whichever is more and a period of one year has elapsed from the date of shipment.

For threshold mentioned above, no separate approval is required.

Write-off shall not ordinarily be permitted where the transaction is affected by repatriation restrictions, investigation, enforcement action, regulatory scrutiny/review by competent authorities, civil/criminal/insolvency/arbitration or other judicial proceedings, suspected fraud, willful default, misrepresentation, financial crime or other material compliance concerns, unless specifically permitted under applicable laws/regulatory approvals.

Export Promotion and Incentive Schemes - Where export incentives, benefits or concessions have been availed in respect of export transactions involving reduction in export realization or write-off of unrealized export proceeds, the exporter shall comply with applicable requirements relating to surrender, adjustment or regularization of such benefits, wherever mandated under the Foreign Trade Policy, FEMA/RBI guidelines or any other applicable regulatory framework. The Bank may obtain relevant evidence / declaration of such compliance, before permitting such transactions.

Over-Realisation of Export Proceeds - The Bank may permit realisation or repatriation of export proceeds in excess of the declared export value (over-realisation) where such excess receipt is supported by a written request from the exporter, accompanied by adequate justification and satisfactory documentary evidence.

Note: In case, the excess remittance is considered unreasonably high and is not supported by adequate justification or documentary evidence, the case may be referred to the AML/TBML Compliance function for their examination and comments.

5.4 Advance Against Exports

The Bank may permit receipt of export advances against bona fide exports of goods, software or services, subject to applicable FEMA/RBI guidelines, reporting and monitoring requirements.

Category	Conditions
Exports within Three Years	Shipment shall be completed within three years of receipt of advance. Documents may be routed through any AD bank provided the exporter has intimated the AD through whom advance for exports has been received.
Long-Term Export Advances up to Ten Years	Permitted for exporters with at least three years' satisfactory track record against firm, irrevocable long-term supply contracts. The advances shall be adjusted through future exports and routed through AUSFB subject to prescribed due diligence, end-use, reporting and risk conditions.

Goods Requiring More Than Three Years for Manufacture and Shipment	Shall be permitted where the export agreement provides for shipment beyond three years. Refunds during the preceding three years shall not exceed 10% of advances received. Shipment documents shall be routed through AUSFB.
Note: - • An exporter shall ensure that interest payable, if any, on advance payment received for export shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time. For scenarios like receipt of delayed payment / extension on time for export realisation, the interest payable can be as per the contractual rate agreed between the importer and exporter. • All export advances shall be reported and monitored in EDPMS, and the Bank shall follow up with the respective exporter for - fulfilment of export obligations within the applicable timeline • Advance receipts of USD 100 million or above shall be reported to the appropriate regulatory authority through the prescribed reporting mechanism immediately upon receipt	

Irregular / High-Risk Export Cases - Transactions involving suspected contraventions, doubtful realizations, non-cooperation by exporters, fictitious trade transactions, abnormal delays, fraudulent conduct, or any other material regulatory concern shall be escalated as per the Bank's internal governance and escalation framework. Where required under applicable laws and regulations, such cases may be reported to RBI, Enforcement Directorate (ED), or any other competent authority.

Note: The Bank may process inward remittances received towards export of services even where an Importer Exporter Code (IEC) is not available, provided the underlying transaction is supported by satisfactory documentary evidence and is otherwise permissible under the applicable regulatory framework. No separate approval shall be required for processing such transactions; however, where the I E Code is not available in bank's record bank shall credit the remittance to the account of customer basis Permanent Account Number (PAN) of the exporter IEC shall be obtained and recorded within a reasonable time of 7-10 days of applying the funds.

5.5 Export of goods and services against repayment of State credits

Export transactions undertaken against repayment of State credits shall be handled in accordance with the specific RBI directives, circulars, procedures, and instructions issued from time to time. The Bank may process such transactions subject to applicable bilateral arrangements, settlement mechanisms, operational procedures, reporting requirements, documentation standards. Any exception, clarification, or matter not specifically covered herein shall be dealt with as per prevailing RBI instructions

5.6 Project Exports and Service Exports

Project Exports and Service Exports shall be governed by the applicable regulatory framework under Notification No. FEMA 23(R)/2026-RB dated January 13, 2026.

Project Exports shall include exports of engineering goods on deferred payment terms, turnkey projects, civil construction contracts executed abroad, and other overseas project-related contracts undertaken by Indian entities. The Bank may facilitate, approve, and monitor such transactions in accordance with the applicable regulatory framework and internal product & process note, including tracking of export realization, contractual milestones, reporting requirements, utilization of overseas project funds and foreign currency accounts, maintenance of requisite records / approvals / contracts / filings, and escalation of material delays, cost overruns, disputes, non-realization.

Subject to monitoring by the Bank, a project exporter may deploy temporary cash surplus, generated outside India, from such exports, for investments in short-term instruments (with original or residual maturity of one year or less) including in treasury bills and in deposits with banks, outside India.

5.7 Foreign Currency Accounts (FCA)

The Bank may permit opening, holding and maintenance of foreign currency accounts by persons resident in India in accordance with FEM (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015, RBI directions on deposits / accounts, and other applicable FEMA / RBI instructions, as amended from time to time. Opening and maintenance of such accounts shall be subject to customer eligibility, permitted purpose, prescribed documentation, satisfactory due diligence, KYC/AML/CFT compliance, reporting requirements and the Bank's internal approval framework. Permitted categories of Foreign Currency Accounts (FCAs) are as follows:

Account Type	Purpose / Permitted Use
Temporary FCA abroad for International Exhibition / Trade Fair	The Bank shall , on request , permit eligible participants in international exhibitions or trade fairs to open, hold, and maintain a temporary FCA outside India for depositing foreign exchange realized from sale of goods at such exhibition / trade fair, subject to applicable FEMA/RBI regulations.
FCA for Overseas Office / Branch / Representative Office	The Bank may permit an Indian company, firm, or body corporate to open, hold, and maintain a FCA outside India in the name of its overseas office, branch, or representative office for meeting bona fide business and operational expenses, subject to applicable FEMA/RBI regulations.
SEZ Unit FCA	The Bank may permit a unit located in a Special Economic Zone (SEZ) to open, hold, and maintain a FCA in India for eligible business transactions, subject to applicable FEMA/ RBI regulations for SEZ-related requirements.
Project / Service Exporter FCA	The Bank may permit project / service exporters to open, hold, and maintain FCA in India or outside India for undertaking approved project / service export transactions.
Exporter's Foreign Currency Account outside India / IFSC	The Bank may permit an exporter resident in India to open, hold, and maintain FCA outside India, including in an IFSC, for realization of export proceeds or receipt of export advances. Funds in this account may be utilized by the exporter for paying its imports into India or repatriated into India within a period not exceeding the end of (a) three months in case of accounts maintained with banks in an IFSC; or (b) next month for all other jurisdictions.
Diamond Dollar Account (DDA)	The Bank may permit eligible firms or companies dealing in diamonds, gemstones, jewellery, or permitted precious metal items to open and maintain DDA for eligible trade transactions, subject to prescribed eligibility criteria, account limits, applicable FEMA/RBI regulations.
Exchange Earners' Foreign Currency (EEFC) Account	The Bank may permit eligible persons resident in India to open and maintain an EEFC Account for retaining permitted foreign exchange earnings, subject to applicable credits, debits, utilization, conversion requirements, FEMA / RBI regulations.

Foreign Currency Accounts – Receipt of US Tariff/Duty Refunds	Banks may facilitate appropriate arrangements for exporters requiring foreign currency accounts for receipt of tariff/duty refunds from the United States, subject to the applicable FEMA provisions and RBI directions.
--	--

Mandatory conversion of FCY balances in INR - The aggregate accruals credited to the EEFC Account / DDA during a calendar month shall be converted into Indian Rupees on or before the last day of the succeeding calendar month, after adjusting for permissible utilisation and forward commitments, if any.

5.8 Counter-Trade Arrangements

The Bank may facilitate counter-trade arrangements involving adjustment of the value of goods imported into India against the value of goods exported from India, subject to applicable FEMA provisions, Foreign Trade Policy, RBI directions. Such arrangements shall be based on genuine commercial transactions between the Indian and overseas parties and routed through a USD Escrow Account opened in India, with no fund-based or non-fund-based facility permitted against the Escrow balance.

5.9 Forfeiting of Export Receivables

The Bank may undertake or facilitate forfeiting of export receivables, in accordance with applicable FEMA regulations, RBI directions, EXIM Bank guidelines, and the Bank's internal product and processes. Remittance of commitment fees, service charges, or other charges payable by the exporter, as approved by EXIM Bank or the Bank, may be permitted either in advance in one lump sum or at approved periodic intervals. Such transactions shall be subject to prescribed documentation, due diligence, regulatory compliance, and internal approval requirements.

5.10 Export Factoring on Non-Recourse and Limited / Conditional Recourse Basis

The Bank may undertake or facilitate export factoring of eligible export receivables on a non-recourse or limited / conditional recourse basis, in accordance with applicable FEMA/RBI directions, factoring regulations, and the Bank's internal credit, risk, operational, and compliance policies. Under non-recourse factoring, the credit risk of the overseas buyer may be assumed by the factor without recourse to the exporter, while under limited / conditional recourse factoring, recourse to the exporter shall be restricted to contractually agreed events such as disputes, dilution, non-performance, misrepresentation, breach of terms, or documentation deficiencies. Such transactions shall be supported by genuine export receivables, valid documentation, due diligence, buyer / country risk assessment, monitoring, and applicable regulatory reporting requirements.

5.11 Export Bill Handling

The Bank shall handle export bills under Letter of Credit, collection, non-LC, or direct dispatch arrangements in accordance with applicable FEMA regulations, FEDAI rules, ICC rules as applicable, and the Bank's internal process. Export bills shall be processed, monitored, reported, followed up, and closed in accordance with prescribed documentation, due diligence, sanctions / AML screening, EDPMS requirements, and applicable export realization timelines.

Type of Export Bill / Transaction	Policy Treatment / Key Requirements
Export Bills under Collection	Bank may handle financial and / or commercial documents on behalf of the exporter for obtaining payment, acceptance, or release of documents to the overseas buyer as per

	exporter's instructions. Such bills shall be handled as per Bank's procedures, and, wherever applicable, URC 522.
Export Documents under Letter of Credit (LC)	Export documents under LC shall be handled as per LC terms, FEMA, RBI directions, FEDAI rules, UCP 600, ISBP, and Bank's internal policies. Documents shall be examined for compliance with LC terms.
Direct Dispatch of Export Documents	Direct dispatch of export documents to the overseas buyer, consignee, or agent may be permitted or regularized, KYC/AML compliance, bona fides of the transaction, export realization, EDPMS reporting.
Export of Goods on Lease, Hire or Similar Arrangement	The Bank shall handle export of goods, machinery, equipment, capital goods, or other assets on lease, hire, rental, or similar arrangements in accordance with this policy, applicable FEMA regulations, RBI directions, Foreign Trade Policy, and internal approvals, wherever required. Receipt of lease rentals / hire charges, re-import, modification of terms, extension, non-realization, overseas sale, or any exception shall be handled as per prevailing regulatory instructions, if any
Export on Elongated Credit Terms	The Bank shall facilitate export transactions involving credit periods beyond generally accepted commercial tenor in accordance with applicable FEMA regulations, RBI directions, and regulatory approvals, wherever required. Exporters shall submit such proposals to the Bank, where applicable, along with complete transaction details. Such transactions shall be subject to appropriate assessment of buyer, country, political, transfer, and recovery risks, and suitable risk mitigants such as Export Credit Agency cover, bank guarantee, SBLC, insurance, sovereign support, or other acceptable security may be obtained wherever considered necessary.
Exports for Warehousing Abroad	The Bank shall permit exporters to establish and operate overseas warehouses for storage and subsequent sale of goods abroad, in accordance with applicable FEMA/RBI regulations. The facility may be granted subject to the exporter's satisfactory track record, financial standing, and compliance with prescribed regulatory requirements, including a minimum export turnover of USD 100,000 during the preceding financial year and outstanding export bills not exceeding 5% of the export proceeds realised during the preceding financial year.
Bharat Mart Warehouse Facility	The Bank may permit Indian exporters holding a valid IEC to open or hire warehouse facilities in Bharat Mart, without insisting on prescribed pre-conditions applicable to overseas warehousing arrangements, subject to verification of reasonableness and compliance with applicable RBI directions.
Consignment Exports	The Bank shall handle consignment exports, where goods are shipped to an overseas agent, consignee, warehouse, branch, or representative for subsequent sale in overseas markets, in accordance with applicable FEMA/RBI directions, Foreign Trade Policy, and the Bank's internal policies. Such transactions shall be monitored for sale proceeds, permitted deductions, export realization, EDPMS reporting, and closure requirements.

Export of Goods by SEZ Units	The Bank shall handle export transactions of SEZ units in accordance with applicable FEMA/RBI directions, Foreign Trade Policy, SEZ regulations, and internal policies. Such transactions shall be monitored for realization, documentation, reporting, and foreign exchange compliance, with enhanced scrutiny for related-party transactions, unusual pricing, overseas processing, or complex supply chains.
Deemed Exports	The Bank shall handle eligible Deemed Export transactions, where goods supplied do not leave India and payment is received in INR or freely convertible foreign exchange, in accordance with FTP, HBP, DGFT instructions, FEMA/RBI directions, and internal policies. Such transactions shall be supported by prescribed documentation and monitored for remittance, declarations, approvals, audit trail, and compliance requirements

5.12 Return of Export Documents to Exporters

The Bank shall retain EDF, shipping documents, and other export-related records submitted for negotiation, collection, realization, reporting, and regulatory monitoring, as required for EDPMS, audit, and internal record retention requirements. Return of such documents, where permitted, shall be subject to custody controls.

5.13 Exports to Landlocked Countries

The Bank may permit delivery of one negotiable copy of the Bill of Lading to the Master of the vessel, trade representative, or authorized intermediary for exports to specified landlocked countries, where required due to logistical arrangements, subject to LC terms, and internal controls.

5.14 Shipments Lost in Transit

Where export shipments are lost, damaged beyond recovery, or otherwise not delivered in transit before realization of export proceeds, the Bank shall ensure timely recovery of insurance claims and compliance with applicable regulatory framework. Appropriate action shall be taken to safeguard export proceeds and ensure their realization and repatriation to India.

5.15 Export Claims, Agency Commission and Refund of Export Proceeds

Type of Transaction	Policy Treatment / Key Requirements
Agency Commission on Exports	The Bank may permit payment of agency commission to overseas agents, representatives, distributors, brokers, or intermediaries in relation to export transactions, either by remittance or by deduction from export proceeds, subject to genuineness of the arrangement, supporting documents.
Refund of Export Proceeds	The Bank may permit refund of export proceeds already realized where goods are required to be re-imported or where refund is warranted due to rejection, quality dispute, product defect, contractual issue, auction/destruction overseas, or other genuine commercial reasons, subject to due diligence on exporter track record, bona fides of the transaction, documentary evidence, incentive surrender / non-avilment confirmation wherever applicable, and internal approvals. Bank shall consider refund of export proceeds subject to due diligence, bona fides verification, and obtaining prescribed evidence / safeguards.

Export Claims	The Bank may permit remittance or settlement of export-related claims, including quality claims, shortage claims, discount claims, damage claims, warranty claims, or other genuine commercial claims arising from export transactions, subject to applicable FEMA/RBI directions, satisfactory documentary evidence, genuineness of the claim, -and regulatory reporting requirements.
----------------------	---

5.16 Electronic Bank Realization Certificate (eBRC)

The Bank shall update export realization data in EDPMS on an “as and when realized”. The Bank shall maintain appropriate controls for timely and accurate reporting, discrepancy resolution, record maintenance, and compliance with applicable FEMA/RBI directions, DGFT guidelines, EDPMS operating instructions, and internal operational procedures.

5.17 Advising and Confirmation of Export Letter of Credit

The Bank may advise export Letters of Credit (LCs) and amendments thereto in accordance with latest UCPDC guidelines, and the Bank’s internal procedures, after satisfying itself as to the apparent authenticity of the credit, amendment, or related message. Advising of an LC shall not constitute any undertaking by the Bank to honour, negotiate, or pay under the credit unless the Bank has separately added its confirmation.

The Bank may add confirmation to an export LC upon request or authorization of the issuing bank, subject to assessment of issuing bank risk, country / sovereign / transfer risk, sanctions and compliance risk, LC terms, credit limits, applicable regulatory requirements, and internal approvals. Confirmation shall constitute a definite and independent undertaking of the Bank to honour or negotiate a complying presentation in accordance with the LC terms, UCPDC, and applicable laws.

5.18 Guarantees Issued in Connection with Export Transactions

The Bank may issue guarantees or other trade-related undertakings for bona fide export transactions in accordance with the provisions of FEMA (Guarantees) Regulations, 2026, and the Bank’s internal credit, risk, legal, and compliance policies. Such guarantees shall be issued only for permitted transactions after due assessment of the underlying contract, customer capability, amount, tenor, wording, and associated risks. Any issuance, amendment, extension, invocation, cancellation, or exception shall be handled as per applicable regulatory requirements and reporting obligations.

5.19 Overseas Branches, Offices and Representatives of Indian Entities

The Bank may permit eligible Indian firms, companies or body corporates to establish overseas branches, offices or representative offices and maintain foreign currency accounts abroad for bona fide business purposes, subject to applicable regulatory requirements. Such transactions shall be permitted based on eligibility, purpose, regulatory limits, KYC/AML and sanctions screening, supporting documents, and applicable reporting requirements. Permissible outward remittance limits for are as following:

Particulars	Limit
Initial / Setup Expenses	Up to 15% of the average annual sales/income/turnover of the Indian entity during the preceding two financial years or 25% of the net worth, whichever is higher
Recurring Annual Expenses	Up to 10% of the average annual sales/income/turnover during the preceding two financial years

6. Import of Goods and Services

Remittances for Import Payments - The Bank may effect remittances towards import payments for bona fide trade transactions in accordance with applicable FEMA/RBI regulations and other applicable laws, upon obtaining requisite information and documents from the importer. All import remittances shall be subject to KYC/AML requirements, screening sanctions, and other regulatory compliance measures prescribed by the Bank and regulators from time to time.

6.1 Obligations of Importer / Purchaser of Foreign Exchange

In terms of Sections 10(5) and 10(6) of FEMA, any person acquiring foreign exchange from the Bank for import transactions shall use it only for the declared purpose or any other purpose permitted under FEMA and submit the applicable declarations, information and prescribed evidence of import, including IDPMS, customs or other documents permitted under RBI guidelines.

6.2 Time Period for Settlement of Import Transactions

The Bank may permit settlement of import payments in accordance with the terms of the underlying import contract. Import payments shall be monitored to ensure that the remittance is for a bona fide trade transaction, supported by prescribed documents, and reported/ regularized in IDPMS, wherever applicable.

Import Payment Scenario	Policy Treatment / Key Requirement
Normal Imports	Import remittances shall be undertaken within the payment terms stipulated under the underlying commercial contract between the importer and the overseas supplier and in compliance with the applicable regulatory and internal policy requirements.
Delayed Import Dues	The Bank may permit settlement of delayed import dues arising due to disputes, financial difficulties, or similar bona fide reasons, subject to documentary evidence and internal approval. Interest on delayed payments, usance bills, or overdue interest may be permitted only as per applicable RBI directions.
Deferred Payment Arrangements / Trade Credits	Deferred payment arrangements, including suppliers' credit and buyers' credit, shall be treated as trade credits where the tenor falls within the period prescribed under RBI's ECB/Trade Credit framework, presently up to three years for capital goods and up to one year or operating cycle, whichever is less, for non-capital goods.
Import of Books	Remittances for import of books may be allowed without restriction as to time limit, subject to compliance with RBI instructions on interest, wherever applicable.
Extension of Time	Extension may be granted up to six (6) months at a time, Presently, settlement of import dues beyond 3 years from the date of shipment may be permitted under the delegated authority framework.
Conditions for Extension	Extension shall be considered only where the transaction is not under investigation by ED/CBI/other investigating agencies. For extension beyond one year from the date of

	remittance, the importer's total outstanding shall be within USD 1 million or 10% of average import remittances during the preceding two financial years, whichever is lower.
Regulatory Reference / Sectoral Cases	Cases not covered within delegated limits, cases beyond prescribed thresholds, or cases governed by sector-specific guidelines.
IDPMS Reporting	Extensions granted shall be reported in IDPMS through the prescribed message, and the extended date shall be updated in the relevant field/remarks, as applicable.

An Importer shall ensure that interest payable, if any, on delayed payment for imports shall not exceed the all-in-cost ceiling of trade credit in terms of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time.

For other scenarios like pre-payment of usance bill / receipt of interest for the advance payment made by importer, the interest payable can be as per the contractual rate agreed between the importer and exporter.

6.3 Advance Remittance for Import of Goods

The Bank shall permit advance remittance for import of goods after satisfying itself about the genuineness of the import transaction and need for advance payment. The Bank shall ensure that:

- The remittance is supported by applicable declarations and contract/ purchase order / proforma invoice.
- Advance and subsequent payments are routed through the Bank. Any change in the AD Bank shall be intimated by the importer to both banks
- An SBLC, bank guarantee or other safeguard is obtained as per internally prescribed thresholds, considering relevant transaction and risk parameters. Any waiver shall require approval under the Trade delegation framework.
- No advance remittance is made for import of gold or silver, except where specifically permitted under applicable FEMA/RBI directions
- Where the import does not materialise within the contract or extended period, the importer repatriates the advance made, if any
- Where the advance remains unrepatriated or the IDPMS entry remains outstanding, further advance remittances are allowed only against prescribed safeguards
- Transactions are monitored, followed up, reported and closed/updated in IDPMS, with complete records of documentation, approvals and escalations

6.4 Import of Gold, Silver, Precious Metals and Precious Stones

- The Bank may facilitate imports of gold, silver, platinum, palladium, rhodium, diamonds (rough /cut /polished), precious stones, semi-precious stones and other permitted precious commodities, subject to applicable import policy, regulatory requirements and customer due diligence norms. Any trade credit or usance Letter of Credit facility shall comply with the prescribed tenor and other applicable regulatory conditions
- Imports through designated channels, nominated agencies, qualified entities or recognized exchanges, wherever prescribed, shall be undertaken only in accordance with the applicable regulatory framework.
- The Bank shall permit import of gold under the Qualified Jeweller category only after establishing the customer's eligibility under the prevailing RBI, DGFT and IFSCA framework

6.5 Direct Remittance for Imports

The Bank may process direct import remittances subject to applicable regulatory requirements, transaction genuineness, customer due diligence, KYC/AML and sanctions screening, requisite import documentation and monitoring of Bills of Entry. Appropriate controls shall be applied to mitigate trade-based money laundering, invoicing and other financial crime risks, with exceptions, high-risk transactions and policy deviations escalated under the Bank's Delegation of Powers.

6.6 Import Bills Under Collection

The Bank may handle import bills under collection in accordance with latest URC guidelines published by ICC (International Chamber of Commerce) and Banks internal policies, acting solely as a collecting bank without assuming any payment obligation unless separately committed. Documents shall be released strictly as per collection instructions, including against adequate cash margin or available sanctioned limits.

Delivery Order (DO) / Shipping Guarantee (SG) - The Bank may issue a DO / SG bona fide imports pending receipt of original transport documents, subject to sanctioned facilities, adequate margin/security and applicable internal and regulatory requirements. Margin or security for issuance of DO / SG shall be obtained in accordance with the sanctioned terms, credit approval conditions and internal processes. All outstanding Delivery Orders / Shipping Guarantees shall be monitored until receipt and retirement of original import documents.

Interest on Import Bills - The Bank may permit payment of interest on import transactions in accordance with applicable FEMA/RBI guidelines and the prevailing trade credit framework, subject to documentary evidence, commercial justification, prescribed all-in-cost ceiling and regulatory reporting requirements.

6.7 Imports under Trade Credit

Import transactions qualifying as Trade Credit, including supplier's credit, buyer's credit and other permitted financing arrangements, shall be governed by applicable FEMA/RBI guidelines, the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations, and the Bank's internal process note. Such transactions shall comply with prescribed eligibility, tenor, all-in-cost, end-use and reporting requirements and be monitored through utilisation and repayment.

6.8 Remittances / Guarantees Against Replacement Imports

The Bank may permit remittances or issue guarantees for replacement of goods that are short-supplied, short-landed, damaged, defective or lost in transit, including where replacement goods are dispatched before return or re-export of defective goods, subject to applicable FEMA/RBI guidelines, FTP provisions, sanctioned terms. Where the original documents, licence or authorisation have been utilised, the Bank shall verify the transaction's genuineness, linkage with the original import, shipment validity, insurance settlement and regulatory compliance; obtain applicable margin, collateral, indemnity or security; prevent duplicate payment, financing or document misuse; monitor receipt of replacement goods; obtain import evidence; update or close IDPMS; and maintain an appropriate audit trail.

6.9 Evidence of Import

The Bank shall obtain and verify prescribed evidence of import for all applicable import remittances and undertake creation, matching, settlement and closure of ORM and BoE records in IDPMS in accordance with applicable RBI/IDPMS guidelines.

Import category	Requirements
-----------------	--------------

Physical imports	Bill of Entry details, including BoE number, port code and date, or other permitted import evidence such as Customs Assessment Certificate, Postal Appraisal Form, Courier Bill of Entry, Ex-Bond Bill of Entry or equivalent customs document, whichever applicable
Alternative evidence	CEO/Auditor certificate where remittance is below USD 1 million (or equivalent) and the importer is an eligible listed company with net worth of at least ₹100 crore, PSU, Government of India Departments / Undertakings entity or eligible CAG-audited institution.
Non-physical imports	Chartered Accountant's certificate confirming receipt of software, data, drawings or designs through electronic channels.

The Bank may match single or multiple ORMs with single or multiple BoEs and issue acknowledgement upon settlement, as applicable. Pending evidence and unsettled ORMs shall be followed up, while extensions, adjustments, closures or write-offs shall be permitted only under applicable guidelines, with records and audit trails maintained.

6.10 Import Transactions Not Materialized, BoE / ORM Write-off and IDPMS Closure

- Where an import does not materialise after advance remittance, the importer shall repatriate the unutilised amount or regularise the transaction through permitted adjustment or closure in IDPMS
- The Bank may permit BoE/ORM adjustment, write-off or closure for operational differences, quality issues, short shipment, destruction of goods by competent authorities or other eligible reasons, subject to satisfactory documentation, and internal approvals
- While allowing write-off / closure, the Bank shall ensure that the case is not under investigation, the importer has not come to adverse notice of enforcement agencies
- 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
- Any future advance payment for imports by the importer shall require an unconditional, irrevocable standby Letter of Credit 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

6.11 Import of Equipment by Business Process Outsourcing (BPO) Companies for Overseas Sites

The Bank may permit Indian BPO companies to remit the cost of equipment to be imported and installed at overseas sites for International Call Centres, subject to the following:

- Required approvals from the competent government and other authorities have been obtained
- The transaction is bona fide, commercially justified and supported by the underlying contract
- Payment is made directly to the overseas supplier linked with linked to the overseas ICC or BPO operations
- A certificate from the BPO company's CEO or auditor confirming import and installation of the equipment at the overseas site is obtained
- Applicable KYC/AML, sanctions screening, IDPMS reporting, record-keeping and audit-trail requirements are complied with

6.12 Import Factoring

The Bank may enter into import factoring arrangements with international factoring companies of repute, preferably members of Factors Chain International, subject to applicable FEMA/RBI directions, Foreign Trade Policy and internal credit, risk and compliance frameworks. The Bank shall ensure transaction bona fides, sanctioned exposure, appropriate due diligence, KYC/AML and sanctions compliance, risk monitoring, documentation and audit trail.

6.13 Import of Services

The Bank may process remittances for permissible import of services in accordance with applicable FEMA/RBI directions and internal policies, subject to verification of transaction bona fides, business rationale, contracts/invoices, tax requirements and completion of KYC/AML, sanctions and other due diligence. Import of services include payments for services rendered by overseas entities, including consultancy, technology services, software services, professional services, maintenance contracts, subscription-based services, and other permissible current account transactions. High-value, unusual, related-party or high-risk transactions shall undergo enhanced scrutiny, and exceptions shall be escalated under the Bank's Trade Delegation of Powers and Exception Management Framework.

Given the absence of customs-based import evidence for service transactions, the Bank shall undertake appropriate due diligence and post-remittance monitoring to ensure that services are received in accordance with the underlying contract.

Bank shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents.

6.14 Import Licenses

The Bank may open Letters of Credit and process import remittances for freely importable goods, subject to applicable laws and internal due diligence. For restricted or otherwise regulated goods, the Bank shall obtain and verify the requisite licence, authorisation, permit or approval and ensure compliance with its conditions, applicable FTP/DGFT, Customs and IDPMS requirements. Prohibited imports, expired or discrepant authorisations and deviations from licence conditions shall not be processed unless permitted by the competent regulatory authority.

6.15 Merchanting Trade Transactions (MTT)

Merchanting Trade Transaction (MTT) refers to a transaction involving the purchase of goods by a merchant trader resident in India from an overseas supplier and the subsequent sale of the same goods to an overseas buyer, without the goods entering the Domestic Tariff Area (DTA) of India.

- (1) A person undertaking Merchanting Trade, in accordance with the Foreign Trade Policy, shall ensure that:
 - (a) the period between the outward remittance and inward remittance or vice versa does not exceed six months; Provided that the Bank may, on request citing reasons for delay, allow extension of time, if satisfied of the reasons cited
 - (b) outward remittances are sent only to the overseas seller, and inward remittances are received only from the overseas buyer; Provided that the Bank may, on request from the customer citing reasons, allow receipt from and/ or payment to any third party, if satisfied of the reasons cited
 - (c) the documents evidencing the MTT are provided to the Bank, to establish the genuineness of the transactions
- (2) The Bank shall:
 - (a) 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
 - (b) monitor and follow-up with the person undertaking merchant trading to ensure that both the legs of the transaction are completed within the period and manner as specified in these Regulations

6.16 High Sea Sales (HSS)

High Sea Sale (HSS) refers to a sale of goods by the original importer to another buyer while the goods are still on the high seas, i.e., after shipment from the overseas supplier but before customs clearance for home consumption

in India. The transfer is normally effected through a High Sea Sale Agreement and endorsement of the transport document in favour of the ultimate buyer.

- High Sea Sale transactions shall be undertaken in accordance with the applicable provisions of FEMA, Foreign Trade Policy, Customs regulations
- The Bank shall ensure that the remittance relates to a genuine import transaction and that appropriate documentary evidence supporting the High Sea Sale arrangement is available

7. Common Provisions Applicable to Exports and Imports

7.1. Manner of Receipt and Payment for Export / Import Transactions

The Bank shall ensure that receipts against exports and payments for imports of eligible goods and services are made through permitted banking channels and in accordance with the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023, as amended from time to time. Receipt/payment between a resident and non-resident shall be made through the Bank / Authorized Person, unless otherwise permitted.

Country	Currency
All countries other than ACU*	Receipt/Payment in any freely convertible currency / INR.
Member countries of ACU, other than Nepal and Bhutan	Settlement under the ACU mechanism may be effected through ACU Dollar (ACUD), and ACU Japanese Yen (ACUY) accounts.
Nepal and Bhutan	Receipt/payment shall generally be in Indian Rupees, except where receipt in foreign currency is specifically permitted by the regulator.
Islamic Republic of Iran	Export of eligible goods and services, in any freely convertible currency.
Maldives	INR and MVR (Maldivian Rufiyaa) for bilateral transactions.

Permitted Settlement Methods - Receipts and payments for eligible trade transactions may be made through any settlement mechanism permitted under Regulatory Framework including but not limited to debit/credit to eligible FCNR/NRE/SNRR accounts, credit/debit card receipts, debit/credit to rupee accounts of Foreign Exchange Houses, settlement through Rupee Vostro Accounts/Special Rupee Vostro Accounts (SRVA), and Payment Aggregator - Cross Border (PA-CB) arrangements.

Settlement of Transactions in Currencies Not Having a Direct Exchange Rate - Where the currency of export / import does not have a direct exchange rate with the Indian Rupee, export proceeds may be realized / import payment may be made through a freely convertible vehicle currency in accordance with FEMA, RBI directions and market practices. The Bank shall ensure that the transaction is supported by appropriate documentary evidence and complies with applicable regulatory, operational and due diligence requirements.

Small Value Export/Import - Provided that in the case of export where the shipping bill (for goods) or invoice (for services) is up to ₹10 lakh (or its equivalent in foreign currency), entry in EDPMS may be closed based on a declaration from the exporter to the effect that the payment against the shipping bill / invoice has been realised either in full or otherwise. Alternatively, such declaration may be submitted by an exporter to the Bank on a quarterly basis for bulk closure of entries in EDPMS.

Provided further that 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 has been made either in full or otherwise. Alternatively, such declaration may be submitted by an importer to the Bank on a quarterly basis for bulk closure of entries in IDPMS.

The small-value closure facility up to ₹10 lakh, based on a customer declaration, will apply to all exports and imports, including transactions undertaken through Payment Aggregator – Cross Border (PA-CB).

7.2. Third-Party Receipts and Payments for Export / Import Transactions

- The Bank may permit third-party receipts for exports and third-party payments for imports whereas the party making or receiving payment is different from the actual Buyer / Seller mentioned in the underlying trade documents, subject to applicable FEMA regulations / RBI guidelines and satisfaction regarding the bona fides of the transaction
- Such transactions shall be supported by appropriate documentary evidence establishing the linkage and commercial rationale between the exporter/importer, overseas buyer/supplier and the third party, including contract/invoice terms, payment instructions, customer request/declaration or other acceptable documents
- The Bank shall verify the underlying trade transaction, conduct due diligence on all parties involved, and ensure compliance with KYC/AML, sanctions screening, TBML checks, internal approvals and applicable regulatory requirements
- Third-party receipts/payments shall be reported, updated and closed in EDPMS/IDPMS, as applicable, after satisfying transaction genuineness; unusual structures, high-risk jurisdictions

7.3 Set-off of Export Receivables Against Import Payables

- The Bank may permit set-off under applicable FEMA/RBI requirements after verifying transaction genuineness, compliance third-party payment guidelines
- Set-off may involve the same overseas counterparty or eligible group/associate entities under a centralised settlement arrangement routed through a single AD Category-I Bank
- Export and import transactions shall be reported separately on a gross basis in EDPMS, IDPMS and FETERS using prescribed set-off indicators, with any shortfall or excess duly settled and documented
- Transactions should ordinarily relate to the same financial year; otherwise, adequate justification, supporting documents required

7.4 EDPMS / IDPMS / ORM / IRM Monitoring, Reporting, Reconciliation and Closure

The Bank:

- (a) shall enter details of EDF (of its customers) as received from non-EDI (Electronic Data Interchange) port in EDPMS within five working days of receipt of EDF
- (b) shall enter details of EDF of service (of its customers) in EDPMS within five working days of receipt of EDF from an exporter
- (c) shall enter details of import (of its customers) as received from non-EDI port in IDPMS within five working days of receipt of documents
- (d) shall enter details of import of service, in IDPMS, as declared and submitted by the importer, within five working days of receipt of documents
- (e) shall enter details of inward and outward remittances for all exports, imports and Merchanting Trade Transactions (MTT) in EDPMS and/ or IDPMS
- (f) shall monitor all transactions in EDPMS and IDPMS for closure of outstanding entries and follow-up with an exporter, an importer and person undertaking MTT for submission of documents for the same

Mark-off/closure of entries:

- (g) shall in the case of an export, mark-off the entry in EDPMS after ensuring that the export value has been realised
- (h) shall in the case of an import, mark-off the entry in IDPMS after ensuring that the payment for the import has been made

- (i) may on request by an exporter citing reasons, close the entry relating to export advance transactions in EDPMS, where no export has been made and where refund of such advance is not possible, after having been satisfied of the genuineness of the reasons cited
- (j) may on request by an importer citing reasons, close the entry relating to import advance transactions in IDPMS, where no import has taken place and where repatriation of such advance is not possible, after having been satisfied of the genuineness of the reasons cited
- (k) may on the request of importer, close the entry in IDPMS where import transaction has been settled at reduced value, after having been satisfied of the genuineness of the reasons cited
- (l) shall in the case of an MTT, close or update the respective entry in EDPMS and IDPMS after making the receipt and payment for both legs of the MTT

(2) Bank shall report all foreign trade transactions in Foreign Exchange Transaction Electronic Reporting System (FETERS) in terms of extant guidelines issued by the Reserve Bank from time to time.

Manual Reporting of Shipping Bills and Bills of Entry

Where shipping bill or Bill of Entry data is not available through automated regulatory interfaces, the Bank may undertake manual reporting, updation, reconciliation or closure based on documentary evidence and approvals, as permitted under applicable FEMA/RBI and FEDAI guidelines. Such actions shall be supported by appropriate audit trails and record retention requirements.

Reconciliation and Closure

The Bank shall maintain periodic reconciliation between EDPMS, IDPMS, IRMs, ORMs, SWIFT messages, and applicable regulatory reports to ensure completeness and accuracy of records. Closure, write-off, reduction in value, set-off, extension of realization period, amendment of reporting data and other regulatory actions shall be undertaken only upon receipt of satisfactory supporting documents.

Caution List

Exporters appearing in the Caution List as on 30 September 2026, pursuant to orders issued under the erstwhile regulatory framework, shall continue to remain subject to the conditions, restrictions and directions contained in such orders until the exporter is formally removed from the Caution List or the restrictions are otherwise withdrawn by the competent authority.

Transactions undertaken prior to 01 October 2026

The Bank shall handle transactions related to the export and import of goods and services, as well as merchanting trade, undertaken prior to October 01, 2026, which hitherto required approval of the Reserve Bank of India, under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, Master Direction – Export of Goods and Services (FED Master Direction No. 16/2015-16, dated, January 01, 2016 as updated till July 17, 2026), and Master Direction – Import of Goods and Services (FED Master Direction No. 17/2016-17, dated, January 01, 2016 as updated till January 12, 2026).

Regulatory Communication

The Bank shall

- send all references to the Reserve Bank through PRAVAAH portal
- Inform any doubtful transaction to the Directorate of Enforcement (DoE)

7.5 Verification and Preservation

The Bank shall maintain robust audit, verification, information security and record retention controls to ensure accuracy of trade transaction reporting, integrity of regulatory data, compliance with applicable regulatory requirements and availability of complete audit trails for supervisory, audit and investigative purposes.

**** Product and Process notes**

The detailed product features, operational guidelines, accounting, documentation, monitoring, reporting, compliance, and risk management requirements relating to **Merchanting Trade Transactions (MTT), Project Exports and Service Exports, Import Factoring, Export Factoring and, Forfeiting of Export Receivables** shall be governed by separate product and process note /standard operating procedure (SOP) issued by the Bank from time to time.

8. Current Account Transactions

General Guidelines for Release of Foreign Exchange under Current Account Transactions

The Bank shall permit release of foreign exchange for current account transactions in accordance with Section 5 of FEMA, 1999, the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended, applicable RBI directions, and the Bank's internal policies and procedures.

- **Schedule I - Transactions Prohibited for Release of Foreign Exchange:** The Bank shall not release foreign exchange for transactions specified under Schedule I
- **Schedule II - Transactions Requiring Prior Approval of Government of India:** No foreign exchange shall be released for transactions specified in Schedule II unless prior approval from the concerned Ministry or Department of the Government of India has been obtained. This requirement shall not apply where the remittance is made from balances held in a Resident Foreign Currency (RFC) Account
- **Schedule III - Transactions Requiring RBI Approval Beyond Specified Limits:** The Bank may permit transactions within the limits delegated under Schedule III. Transactions exceeding the prescribed thresholds shall require prior approval of the Reserve Bank of India, unless otherwise exempted

Note: - The provisions of Schedule II & III shall not apply where payments are made through RFC or EEFC balances.

9. Process for Submission of Transaction Requests

- Customers may submit trade transaction requests through any Branch or approved digital channel/platform
- Requests shall include the prescribed forms, supporting documents, declarations and required information
- The Bank shall verify completeness, undertake applicable due diligence and compliance checks, and process complete requests under regulatory requirements, internal guidelines and service standards

10. Timeline for Disposal of Requests

Document submission Timelines

Nature of Transaction	Physical Submission at Branch	Digital Submission
Forex related transactions	3.00 PM	3.30 PM
Non-Forex transactions	4.00 PM	4.00 PM

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

Transaction Handling Timelines – Same day of transaction submission date, subject to receipt of complete and compliant documentation.

11. Schedule of Charge

All transactions covered under this Policy shall be subject to the charges, fees, commissions, interest prescribed under the Bank's approved Schedule of Charges (SOC), as amended by the Bank from time to time, with the latest SOC available on the Bank's website.

Note: - No penal charge or late-submission fee shall be levied solely for delay in adherence to regulatory guidelines.

12. Customer Grievances

Customer grievances relating to export-import transactions shall be handled in accordance with the Bank's Board approved Customer Grievance Redressal Policy and Customer Compensation Policy, as amended from time to time. A formal process for lodging, acknowledging, tracking, escalating, and resolving customer grievances through automated complaint management system, including communication of the final resolution and any compensation payable to the customer, shall be governed by the aforesaid policies. In addition, the Bank shall maintain a dedicated Trade/EXIM Customer Assistance Desk (Concierge Desk) to facilitate customer support, transaction-related queries, documentation guidance and resolution of service requests pertaining to transaction falling under the purview of the EXIM policy of the Bank. The Customer Grievance Redressal Policy and Customer Compensation policy are available on the Bank's website.

13. LEI (Legal Entity Identifier) Requirement

Reserve Bank of India (Unique Identifiers in Financial Markets) Directions, 2026, LEI is applicable to OTC transactions undertaken by entities other than individuals in RBI-regulated financial markets, including foreign exchange instruments. For users / clients undertaking non-derivative foreign exchange transactions, LEI is applicable for transactions involving an amount equivalent to or exceeding **USD one million** or equivalent in other currencies.

LEI should be insisted from non-resident counterparts/overseas entities for each transaction of Rs. 50 crores and above, however the transaction should not be rejected in case of non-availability of LEI.

It is mandatory to update LEI before undertaking any transaction above ₹50 crore for INR transactions and USD one million or equivalent for foreign currencies.

Entities may obtain LEI from any Local Operating Unit accredited by the Global Legal Entity Identifier Foundation (GLEIF). In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL), which is recognized by RBI as an issuer of LEI under the Payment and Settlement Systems Act, 2007.

14. Due Diligence, KYC/AML and Sanctions Screening

- All export/import transactions are subject to the Bank's KYC/AML Policy
- Customer due diligence and onboarding to be carried out as per Trade Customer Profiling process note
- Trade transactions shall be screened against applicable sanctions lists and assessed for indicators of Trade-Based Money Laundering (TBML)

- Denied-entity exporters/importers, or entities under RBI/enforcement action, must be identified and referred to Compliance before any transaction is processed

15. Documentation and Record Retention

All export/import documentation – including EDFs, invoices, Bills of Lading/Airway Bills, Bills of Entry, contracts, LC/BG documentation and correspondence relating to extensions, reductions or write-offs – must be retained in physical and/or digital form for the period prescribed under FEMA, RBI Directions and the Bank's record retention policy, and must be readily retrievable for RBI inspection, statutory audit or law-enforcement requisition.

16. Training and Awareness

The Bank shall conduct periodic training for branch and trade finance staff on the 2026 Regulations, this Policy and the internal SOP, particularly ahead of and following October 1, 2026, effective date, to ensure consistent implementation across the branch network.

17. Policy Review and Amendment

This Policy shall be reviewed at least once every year or earlier if warranted by Regulator, FEMA or based on findings of Internal Audit or Compliance testing. Any regulatory changes that do not directly or indirectly impact the Bank's Credit Policy shall be communicated separately through advisories basis Compliance Team approval and same will be incorporated in the policy at the time of renewal.

Upon approval of this Policy, all existing product notes, operating guidelines, process notes, circulars and Standard Operating Procedures (SOPs) falling within the scope of this Policy shall stand aligned with the provisions of this Policy and may be updated to incorporate revised thresholds, processes, controls and operational requirements, without requiring separate approval.

All thresholds mentioned in the policy shall be read in conjunction with, and shall remain subject to, the updated guidelines, directions, and instructions issued by the RBI from time to time.

18. Management Monitoring Mechanism

The Bank shall maintain an effective management oversight framework to ensure continuous monitoring of trade finance activities, timely identification of regulatory and operational risks, compliance with FEMA and RBI requirements, prompt resolution of exceptions and appropriate escalation of material issues to Senior Management.

19. Delegation of Powers

The Bank shall maintain a Delegation of Powers framework to ensure appropriate approval, oversight and accountability for transactions, exceptions and policy deviations covered under this Policy. All decisions shall be exercised by the designated authority based on the nature, value and risk profile of the transaction.

Any regulatory requirement cannot be overridden / waived off through approval matrix.

Any regulatory provision, operational requirement or implementation aspect for which clarification is pending from the regulator shall continue to be governed by the existing regulatory framework and the Bank's internal guidelines until revised instructions or clarifications are issued by the concerned authority.

20. Documentation and Formats



EXIM Policy(Export
Documentation).docx



EXIM Policy(Import
Documentation).docx



EXIM Policy(Import
Formats).docx



EXIM Policy(Export
Formats).docx



EXIM Policy(Small
Value Remittances Fo

AU Small Finance Bank Ltd