

STANDARD OPERATING PROCEDURE (SOP) ON HANDLING EXPORT AND IMPORT TRANSACTIONS

INTERNATIONAL BANKING DEPARTMENT
HEAD OFFICE

STANDARD OPERATING PROCEDURE (SOP)

PREFACE

This **Standard Operating Procedure (SOP)** has been framed specifically for implementation of the **Policy on Export and Import of Goods and Services (2026–28)**, approved by the Board of Directors pursuant to the revised regulatory framework governing Export-Import transactions. The operational framework for implementing the **Policy on Export and Import of Goods and Services (2026–28)**, in respect of the transactions and related obligations covered therein and set out the delegated power for handling such transactions.

The **Policy on Export and Import of Goods and Services (2026–28)** provides the governing framework for the Bank's Export-Import business, including the applicable principles, risk parameters, delegation of powers and responsibilities. The RBI instructions dated **13 January 2026**, read with the subsequent instructions/clarifications dated **16 January 2026**, together with the latest applicable RBI/FEMA and DGFT/EXIM requirements, provide the regulatory context for the Bank's Export-Import framework.

1. Policy and SOP – Integrated Framework

The Policy and SOP-Export Import are to be read together:

- The Policy on Export and Import of Goods and Services (2026–28) provides the governing framework, including principles, permissible activities, risk parameters, delegation of powers and broad responsibilities.
- The SOP provides the corresponding operational processes, procedures, controls and documentation requirements for implementation of the Policy.

2. Scope and Coverage of the SOP

The SOP is an operational reference for Branches handling Export-Import transactions on behalf of resident importer/exporter constituents and covers **Export, Import and Merchanting Trade Transactions (MTT)**.

The SOP is structured into the following seven sections:

1. Document Submission and Process Workflow
2. Handling Export Transactions
3. Handling Import Transactions
4. Handling MTT Transactions
5. Credit Report of Counterparty
6. Indicative List of Documents for respective nature of Export/Import and MTT Transactions
7. Follow-Up of Overdue Bills/IRM/ORM and Submission of Shipping Bill/Bill of Entry

The SOP accordingly covers the principal operational requirements relating to lodgement and realisation of Export/Import Bills; advance receipts against exports and advance payments against imports; extension of prescribed periods; adjustment of export proceeds, including under-realisation, over-realisation and non-realisation; non-realisation of Import Bills; transactions where Export-Import does not materialise; MTT; credit opinion reports on overseas counterparties; and indicative documentation requirements, as applicable.

3. Business Orientation

Export-Import and foreign exchange business represents an important opportunity for UCO Bank to deepen its relationships with exporters, importers and other international trade customers. The framework is intended to support responsive customer service and business development within a sound risk and regulatory framework. Delegation of powers closer to operating units enables decisions to be taken with greater proximity to the customer while retaining appropriate safeguards for the Bank.

4. Documentation and Audit Trail

Wherever follow-up, satisfaction or similar requirements are prescribed or defined in SOP, the same shall be undertaken and appropriately documented in accordance with the specific requirement. Where the manner or extent is not specifically prescribed, the documentation shall be commensurate with the nature, complexity, risk and materiality of the transaction, sufficient to evidence the basis of the action or decision and provide an appropriate audit trail for subsequent review, wherever required.

5. Reference to Various Guidelines

The SOP shall be read in conjunction with applicable RBI/FEMA, DGFT/EXIM, FEDAI and other statutory, regulatory and trade-practice requirements, including applicable CBIC/Customs, ICEGATE, SEZ, IFSCA and recognised ICC rules **international trade practices**, including **UCPDC/UCP 600, URC, ISP/ISBP and Incoterms**.

This SOP does not reproduce all operational guidelines. Matters not specifically covered herein shall continue to be governed by the Bank's extant circulars, instructions and Manuals of Instructions, along with the latest applicable regulatory guidelines and practices. Relevant guidelines relating to documentary credits, collections, export bills, export credit, shipping guarantees and other trade-finance operations shall be referred to, as applicable

6. Relationship with Policy

This SOP shall serve as the operational reference for implementation of the Policy on Export and Import of Goods and Services (2026-28) and shall be applied within the scope and authority of that Policy, read with the applicable regulatory and existing operational framework. Matters not specifically covered in this SOP shall continue to be guided by the relevant provisions of the Bank's existing Policy Documents, Circulars and Manuals of Instructions, wherever applicable, with the latest applicable regulatory guidelines, instructions and practices being referred to for such matters.



1. DOCUMENT SUBMISSION AND PROCESSING WORKFLOW

This Section sets out how documents/requests relating to export-import transactions flow from the customer to the base branch onward to tagged B' Cat branch for processing, and the respective roles of each functionary in the chain.

1.1 Modes of Submission of Documents by the Customer

Customers (exporter/importers) have to submit the documents/requests required for processing of export-import transactions to the Bank by way of submission of hard (physical) copies at Branch counter, either at the B' Cat Branch where the account is maintained, or at a "C" category (non-B' Cat) Branch where the account is maintained, for onward transmission to the linked B' Cat Branch for processing.

1.2 Role of a C' Category Branch on Receipt of Hard Copies (Where Customer is Its Account Holder)

-On tender of documents by the customer, Branch will verify the identity of the customer/authorised signatory and carry out preliminary check of completeness of the documents against the checklist applicable to the nature of request (Customer Request Letter, Invoice, Packing List, Purchase Order/ Proforma Invoice, Bill of Entry, Shipping Bill, etc.)

- Since C' category Branch is not authorised to handle foreign exchange/FEMA business, it shall not Process the forex transaction itself. Its role is to comply with Bank's prescribed KYC/AML guidelines, ensure due diligence as applicable to the transaction, verify IE Code, satisfy itself regarding the conduct of the account, ensure legitimate source of funds, ensure that the goods being procured/exported are consistent with the customer's line of business, and conduct Enhanced Due Diligence (EDD) wherever applicable.

-Ensure uploading all relevant documents pertaining to transaction in EDMS for submission to linked B cat branch for transactions to be done within the TAT as defined in the approved Export – Import Policy.

-After uploading the all relevant documents in EDMS , C- cat branch shall forward the physical documents (along with a covering/forwarding letter, to the B' Cat Branch to which the Branch's forex transactions are mapped, on the same working day or, in any case, not later than the next working day, retaining an office copy for the Branch's own record.

-Advise the customer (through email/telephonically) about B' Cat Branch to which the request has been forwarded, and the indicative turnaround time as per the approved Export – Import Policy.

- Maintain a register of documents received and forwarded, for audit trail and MIS purposes and it should verify by the Branch head or any other employee/officer to which office order has been issued by Branch head.

C' Category Branch shall not process or approve (except AGM headed C- cat branch which is linked to SC-III/IV B-cat branch) the forex/FEMA transaction; final transaction-level scrutiny and processing shall be undertaken by the mapped B' Category Branch.

1.3 Role of the B' Cat Branch on Receipt of Hard Copies

-On receipt of documents through EDMS, or tendered directly by the customer, B- cat branch shall verify completeness, consistency and prima facie authenticity of the documents against



the checklist applicable to the specific transaction type (export-import collection, advance remittance, extension request, etc.)

-Undertake KYC/AML and due diligence as applicable to the transaction — verification of IE Code, account conduct, source of funds, sanctions/FATF screening, and, where applicable, obtaining/verifying the Credit Opinion Report on the overseas counterparty and Enhanced Due Diligence (EDD), in accordance with the Bank's Credit Opinion Report guidelines etc.

1.4 Role of the Forex Officer at B' Cat Branch

-On receipt of a case examine the documents the Forex Officer shall examine the transaction for compliance with FEMA 1999, the applicable FEMA Regulations, RBI Directions/circulars issued thereunder, the Foreign Trade Policy and the Bank's approved Export-Import Policy and this SOP consistency with the underlying contract/ Proforma Invoice/ Invoice/ applicable underlying transaction documents and regulatory reporting requirements.

-Identify discrepancies or deficiencies, if any, and raise a query/deficiency memo to the C Cat Branch or customer, for clarification or additional documents, before the case proceeds further.

-Verify applicability and adequacy of ancillary requirements specific to the nature of the request — Credit Opinion Report (such as D & B) / Guarantee/SBLC, IE Code, sector-specific approvals (e.g., DGCA/MoCA for aviation, GJEPC recommendation for rough diamonds), and the delegation-of-powers threshold applicable.

-Forex officer should check OFAC and other applicable sanctions; HS Code/FTP related compliance.

-Once submitted documents are found in order, forex officer should take rates from Treasury Mumbai in consultation with branch/customer as per extant approved process.

-Record the scrutiny findings and recommendation in the comment's column before submitting to the Maker for further processing.

1.5 Role of the Maker at B' Cat Branch

-Input the transaction details in Finacle based on the scrutinised documents and the Forex Officer's recommendation.

-Generate/populate the relevant IDPMS/EDPMS messages (ORM, BoE Settlement, Bill of Entry Extension, etc.), as applicable to the transaction.

-Ensure the data entered (amount, currency, beneficiary details, value date, purpose code, etc.) matches the underlying documents in all respects before submission for verification.

-Route the prepared transaction to the Checker for Independent verification and release maintaining segregation of duties (maker-checker) at all times; the Maker shall not self-verify transaction processed by them.

Forex Officer and Maker at Branch can be same field functionary. The Forex Officer/ Maker shall not act as Checker for the same transaction.

1.6 Role of the Checker at B' Cat Branch

-Authorised the transactions as per approval of competent authority as per the Bank's delegations of power.





-Independently verify the transaction entered by the Maker against the Underlying documents and the Forex Officer's recommendation, checking accuracy of beneficiary details, amount, currency, value date and regulatory reporting fields.

-The Checker shall also ensure that approval is from the competent authority within the applicable Delegation of Powers and that relevant IDPMS/EDPMS reporting/update is correctly captured.

-Verify the transaction in the system

-Ensure the maker-checker principle is strictly maintained

- In case of Import Transactions involving remittance, subsequent to verification of transaction, the B' Cat Branch to ensure uploading all relevant documents pertaining to transaction in EDMS for final authorization at SWIFT Cell, Treasury Mumbai. B' Cat Branches to ensure uploading documents with cut-off time specified in Bank's SWIFT Policy.

1.7 Interpretation of SOP

The International Department shall be authorised to provide clarification, within the scope of the approved Export-Import Policy, on matters requiring Head Office-level consideration. FCC Branches may seek such clarification directly, whereas B-Category Branches shall route queries through the Zonal Office before escalation to the International Department.



2. HANDLING EXPORT TRANSACTIONS

2.1 General Guidelines for Handling Export Transactions: The following general guidelines are to be meticulously observed by B' Cat Branches:

- i. The exporter must submit duly filled application form and EDF (Export Declaration Form) duly signed by authorized signatory along with all the necessary documents to B' Cat Branches within stipulated timeline. In case of non-submission within specified timeline, guidelines pertaining to EDF extension to be followed as per Export-Import policy of the Bank.
- ii. The B' Cat Branch to ensure that originals of the application form and supporting documents are submitted for their record.
- iii. Where the Shipping Bill (goods) or Invoice (Services) value does not exceed Rs. 10 lakh (or FCY equivalent), the EDPMS entry may be closed on the basis of an exporter declaration (bill-wise or consolidated quarterly).
- iv. Branches may handle such export transaction subject to:
 - a) The B' Cat Branch is satisfied about the bonafides of the transaction.
 - b) The exporter possesses a valid 10-digit Import Export Code (IEC) and its validity has been verified through DGFT/ ICEGATE portal. In case of service export/import, GST no is to be entered in the GSTN menu.
 - c) The customer's line of Business is consistent with the underlying export transaction.
 - d) All documents should be in line with the RBI/ FEMA/ UCPDC/URC and Bank's policy and other requirements as specified by the bank relevant to the product.
 - e) The exporter's account with AD Bank is fully compliant with RBI's extant KYC/ AML guidelines.
 - f) The branch shall ensure compliance with applicable UN, OFAC, and other sanctions requirements relating to exporter, importer, vessel, shipment route, discharge port, and associated parties etc. The same may be checked from their respective website.

2.2 Export of Goods through EDI Port

EDF will be deemed to be submitted as part of the shipping bill for goods exported through an Electronic Data Interchange (EDI) port. The declared particulars of Shipping bill will flow electronically from the customs EDI system into EDPMS.

2.3 Export of Goods through Non-EDI Port

At a non-EDI port, the specified authority (Customs, or the SEZ) will forward the duly authenticated EDF to the named AD in it, after the exporter files it physically along with the shipping bill. On receipt, the B' Cat Branches must enter it into EDPMS within 5 working days.

Where the authenticated EDF is not received in time from specified authority, then AD shall request the exporter (through email/written letter), to obtain a duplicate/certified copy from Customs. Upon receipt of this copy, the AD must promptly enter the details into EDPMS.

2.4 Export of Goods through Post

i. Exporter will submit EDF/P.P. Form, commercial invoice and Postal receipt to B' Cat Branch. B' Cat Branch will verify the details and destination countersign EDF/P.P Form, retaining a duplicate copy and return the original to the exporter.

AD shall countersign EDF after ensuring that the parcel has been addressed to their branch or correspondent in the country of import and return the original copy to the exporter, who shall then submit the EDF to the post office with the parcel.

ii. Exporter will present the original P.P form and the parcel to the postal authorities at FPO

iii) The FPO retains the original countersigned P.P, Form to send it directly to RBI or AD bank to confirm goods have left the country,

iv) The post office gives postal receipt to the exporter

v) Exporter will submit postal receipt, copy of invoice and transport documents to AD Bank within prescribed time. The duplicate copy of EDF shall be retained by the AD Bank to whom the exporter shall submit relevant documents together with an extra copy of invoice for negotiation/collection, within the prescribed period of 30 days.

vi) AD bank will forward export documents to overseas buyer bank.

vii) The concerned overseas branch or correspondent shall be instructed to deliver the parcel to consignee against payment or acceptance of relative bill.

viii) AD bank will receive the payment and regularise the bill

AD may however, countersign EDF covering parcels addressed direct to the consignees, provided:

a. An irrevocable letter of credit for the full value of export has been opened in favour of the exporter and has been advised through the AD concerned.

or

b. The full value of the shipment has been received in advance by the exporter through an AD.

or

c. The AD is satisfied, on the basis of the standing and track record of the exporter and the arrangements made for realization of the export proceeds. In such cases, particulars of advance payment /letter of credit /AD's certification of standing, etc., of the exporter should be furnished on the form under proper authentication

(ix) Any alteration in the name and address of consignee on the EDF form should also be authenticated by AD under its stamp and signature.

2.5 Exports to Neighbouring Countries By Road, Rail or River

The following procedure should be adopted by exporters for filing original copies of EDF where exports are made to neighbouring countries by road, rail or river transport:

(i) In case of exports by barges/country craft/road transport, the form should be presented by exporter or his agent at the Customs station at the border through which the vessel or vehicle has to pass before crossing over to the foreign territory. For this purpose, exporter may arrange

either to give the form to the person in charge of the vessel or vehicle or forward it to his agent at the border for submission to Customs.

(i) As regards exports by rail, Customs staff has been posted at certain designated railway stations for attending to Customs formalities. They will collect the EDF for goods loaded at these stations so that the goods may move straight on to the foreign country without further formalities at the border. The list of designated railway stations can be obtained from the Railways. For goods loaded at stations other than the designated stations, exporters must arrange to present EDF to the Customs Officer at the Border Land Customs Station where Customs formalities are completed.

2.6 Land Locked Countries

B' Cat Branches may deliver one negotiable copy of the Bill of Lading to the Master of the carrying vessel or trade representative for exports to certain landlocked countries if the shipment is covered by an irrevocable letter of credit and the documents conform strictly to the terms of the Letter of Credit which, inter alia, provides for such delivery.

2.7 Export of Software

For software exports, AD or Software Technology Parks of India (STPI) in DTA, and Development Commissioner of Special Economic Zone (SEZ) in SEZ are specified authority. Where the exporter routes the EDF through AD, the mandatory requirement is the submission of software/IT / ITeS export invoice containing relevant SAC code and service description. Additional documents such as underlying contracts/agreement/work order, delivery/acceptance confirmation, completion certificate, or data transfer/STPI-SEZ certification shall be taken conditionally based on the risk assessment of the transaction and exporter profile and exporter profile.

2.8 Export of Services

For export of services, specified authority is B' Cat Branch. Exporter has to furnish the EDF within 30 days from the end of the invoice month (a single consolidated EDF may cover all exports to multiple recipients that month), service exporters are also permitted to file on or before the date of receipt of payment. B' Cat Branch shall enter details of EDF of service (of its customers) in EDPMS within five working days of receipt of EDF from an exporter.

2.9 Extension of Time for Realisation

1. B' Cat Branch may, on receipt of a request from the exporter citing reasons for delay, allow extension of the applicable period for realisation of export proceeds, subject to satisfaction regarding the reasons, compliance with the conditions in the Export-Import Policy and the applicable delegation of power subject to the following conditions:

- The B' Cat Branch is satisfied with the reason for the delay in the realisation of export proceeds and that the exporter has not been able to realise export proceeds for reasons beyond his control.
- The exporter has a satisfactory track record of regulatory compliance.
- The exporter submits a declaration that the export proceeds will be realized during the extended period.
- The export transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies.

e) The exporters account with the B' Cat Branch is fully compliant with the extant KYC/ AML/ TBML guidelines.

2. Branch should ensure that the decision on extensions is properly documented and kept in the file and reflected in EDPMS.

3. In cases where the exporter has filed suits abroad against the buyer, extension may be granted irrespective of the amount involved / outstanding

4. If the export proceeds of an exporter remain unrealised on a particular buyer for a period beyond one year from the due date of realisation or extended period, if any, allowed by an AD, the exporter shall undertake further exports to such particular buyer only against receipt of full advance or an irrevocable Letter of Credit.

2.10 Third Party Receipts

Third-party receipt of export proceeds may be permitted only where permissible under the applicable FEMA Regulations/RBI Directions and the Bank's Export-Import Policy. The branch shall establish the bona fides and commercial rationale, identify the third party, complete sanctions/AML/TBML screening and retain documentary evidence linking the third party to the underlying export transaction subject to the following conditions:

a) B' Cat Branch should be satisfied with the bona-fides of the transaction and export documents, such as, Invoice/ FIRC/ Irrevocable order backed by a tripartite agreement.

b) The Branch shall consider FATF public statements, sanctions advisories, high-risk jurisdiction alerts and Bank's internal AML/CFT framework while processing such transactions.

c) Third party payment should be routed through the banking channel only.

2.11 Advance Against Exports

An advance remittance for the export of goods and services is a payment received from an overseas buyer before delivery. B' Cat Branch before crediting an advance receipt to the exporter's account, satisfy itself that:

a) A firm export order or contract with the overseas buyer having the details of the goods or services, the value, the expected shipment or delivery date, and the terms of payment including advance.

b) As the case may be, 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.

c) B' Cat Branches shall ensure that an exporter shall, in case of advance receipt for export, route the advance amount and realisation of export proceeds, if any, through the same AD. Wherever the exporter proposes to route the subsequent realisation through another AD, the Branch shall:

(i) obtain a written intimation from the exporter, addressed to the Bank and to the other Authorised Dealer, clearly identifying the advance receipt, the underlying contract, and the other Authorised Dealer through whom the realisation is proposed to be routed;

(ii) Confirm that the intimation has been acknowledged by the other Authorised Dealer.

(iii) record the change in TRRACCS and reflect the change in the EDPMS.

d) All the inward remittances including inward remittances received for export of goods/Software/Services shall be reported into EDPMS along with the latest shipment/delivery period.

e) Based on specific request of the exporter, E-FIRC¹ (Electronic Foreign Inward Remittance certificate) can be issued against the remittance received against export of Goods and Software (wherein SEZ/STPI is specified authority) by duly reporting the same into EDPMS

f) Adequate follow-up with exporters shall be undertaken to ensure completion of export obligations within the stipulated time frame.

2.12 Long Term Exports

B' Cat Branches can also allow exporters to receive long term export advance to be utilized for execution of long term supply contracts for export of goods subject to the conditions as under:

a) The exporter shall have a minimum 3 years export track record and satisfactory dealings with the Bank. The Branch shall place on record a profile of the exporter covering the preceding three financial years export performance, export realisations, and any instances of refund, non-performance or regulatory flag

b) The export contract shall be vetted by the Branch, in consultation with the Law Department at ZO (if required), to confirm that it is a firm irrevocable supply order or Contract, specifying the nature, quantity and Pricing of the goods or services, the delivery or milestone schedule and the consequences of non-performance or cancellation. The Pricing shall be consistent with prevailing market or industry benchmarks.

c) The Branch shall be satisfied that the exporter has the capacity, systems and processes in place to execute the contract over the declared period, Where the exporter is availing credit facilities with the Bank, the assessment of the Credit Vertical on the exporter's execution capacity may be relied upon.

d) Enhanced KYC on the overseas buyer shall be undertaken, including the buyer's standing, the nature of the buyer's business, and the commercial rationale for the long-dated advance.

e) The contract shall preferably provide for Progress or milestone payments directly from the overseas buyer aligned with the delivery or service schedule. Where milestone-based drawdowns are not envisaged, the commercial rationale for accepting a lump-sum advance shall be documented and approved by the competent authority.

f) Enhanced AML/ CFT, sanctions Screening and TBML controls shall be applied throughout the transaction lifecycle.

g) The exporter is not under adverse notice of the Directorate of Enforcement or any other investigating or regulatory agency.

h) The rate of interest, if any, payable 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 and Bank circular CHO/IW/25/2018-19 dt 29.12.2018 and amended time to time.

i) The documents covering the shipment should be routed through the same AD.

Whenever the exporter proposes to route the subsequent realisation through another AD, the Branch shall obtain a written intimation from the exporter, addressed to the Bank and to the



other Authorised Dealer clearly identifying the advance receipt, the underlying contract, and the other Authorised Dealer through whom the realization is proposed to be routed.

Issuance of BG/Stand by Letter of Credit (SBLC) for export performance may be issued as per Credit Risk Management Policy of the Bank subject to following stipulations:

-BG /SBLC may be issued for a term not exceeding two years at a time and further rollover of not more than two years at a time may be allowed subject to satisfaction with relative export performance as per the contract.

-BG / SBLC should cover only the advance on reducing balance basis.

-BG / SBLC issued from India in favour of overseas buyer should not be discounted by the overseas branch / subsidiary of bank in India.

2.13 Extension of IRM

Where an exporter is unable to fulfill the export obligation within the contracted period, the advance received shall be refunded unless extension of time to fulfil the export obligation has been granted. Extension may be permitted by B' Cat Branch where the shipment of goods does not take place within three years from the date of receipt of advance. Extension in cases, where the shipment of goods does not take place beyond three years from the date of receipt of advance may be permitted as per the delegation conferred in the Export-Import policy, subject to directions issued by RBI from time to time. All extensions shall be reported in EDPMS along with revised shipment date. While granting extension, genuineness of the request shall be ensured. In case transaction is under investigation by any investigating agency, extension request shall be accorded only after obtaining NOC from respective agency.

2.14 Refund of Advance against Export

For refund of export advance, the branch shall obtain the required customer request and supporting evidence, satisfy itself regarding the genuineness of the transaction and ensure that the corresponding IRM/EDPMS entry is appropriately reported, updated or closed in accordance with the extant RBI reporting procedure and the Bank's Policy/delegation of power subject to the conditions as under:

- i) A written application from the exporter, stating the reasons for inability to effect shipment and the amount proposed to be refunded, shall be obtained
- ii) The B' Cat Branch shall ensure cancellation of respective IRM on DGFT portal for refund of advance against export. IRM should be appropriately updated/closed/reported in EDPMS.
- iii) a declaration from the exporter that the advance was not received against an export obligation assumed under any export promotion scheme, or — where the advance was so received — a No Objection Certificate from the DGFT authorities for the refund, shall be obtained
- (iv) the sanctions screening and AML / CFT checks shall be repeated at the point of refund;
- (v) where the advance was credited in full or in part to the exporter's EEFC account, the refund shall be effected by debit to the EEFC account to the extent of the balance held therein, and the shortfall, if any, may be met by purchase of foreign currency from the market
- vi) Interest on the refunded portion, if any, shall be restricted to the all-in-cost ceiling for Trade Credits



vii) Such refund shall be reported in EDPMS

viii) a Chartered Accountant's certificate (UDIN to be duly verified) that the amount proposed to be refunded is outstanding in the books of the exporter and has not been adjusted against any other transaction, shall be obtained.

2.15 Closure of IRM

For closure of export advance, the branch shall obtain the required customer request and supporting evidence, satisfy itself regarding the genuineness of the transaction and ensure that the corresponding IRM/EDPMS entry is appropriately reported, updated or closed in accordance with the extant RBI reporting procedure and the Bank's Policy/delegation.

Advance against export are credited and outstanding in EDPMS as IRM, and the circumstances of transaction make realisation against the advance, or refund of the advance no longer achievable to be closed as per delegation of power as per Export-Import Policy of the Bank.

This closure of IRM shall be reported into EDPMS with appropriate remarks and ensure cancellation of the same on DGFT portal.

Additional documents may be obtained:

1. Document of no dues /no objection from remitter, duly verified through SWIFT message to remitting bank on such adjustment and that no claim will be admissible after such adjustment.
2. In absence of NOC/No dues appropriate record of judicial/regulatory approval (decree) from remitter's country should be obtained in favour of beneficiary/exporter. It should be duly informed by SWIFT to remitting bank before marking adjustment as forfeit of advance remittance.

2.16 Reduction in Export Realisation

B' Cat Branches may approve reduction in invoice of export bills for any reasons if satisfied about the genuineness of the request, as per the delegation of powers conferred under the Export-Import Policy, provided:

- a) It does not relate to export of commodities subject to floor price stipulations,
- b) The exporter is not under adverse Notice of the Directorate of Enforcement or any other investigating or regulatory agency.
- c) The exporter is advised to surrender proportionate export incentives availed of, if any
- d) No AML/TBML concerns or bypassing of guidelines are observed.

This reduction of export realisation shall be reported into Export Data Processing and Monitoring System (EDPMS) with appropriate remarks.

2.17 WRITE-OFF of Unrealised Export Bills

The B' Cat Branch may permit write-off of unrealised export bills where the exporter has not been able to realise the outstanding export dues despite best efforts and the dues are Considered unrecoverable, subject to the applicable delegation of powers conferred under the Export-Import Policy of the Bank, provided:

- a) The relevant amount has remained outstanding for more than one year
- b) Satisfactory documentary evidence is furnished indicating that the exporter had made all efforts to realise the export proceeds. Depending on the circumstances, this may include.
 - * Correspondence with the overseas buyer demanding payment.
 - * Follow-up notices/reminders for settlement of outstanding invoices
 - * Evidence of disputes regarding quality, quantity, specifications or contractual terms.
 - * Documentary evidence of insolvency, bankruptcy or liquidation of the overseas buyer
 - * Legal notices or recovery proceedings initiated against the buyer, wherever appropriate
 - * Settlement/compromise arrangements with the buyer, where applicable.
 - * Evidence of unsuccessful recovery attempts through an overseas agent, factoring agency or insurer, as relevant.
 - * Any other documentary evidence explaining why the export proceeds could not be realised
- c) The exporter is a regular customer of the bank for a period of at least 6 months, is fully compliant with KYC/AML guidelines and AD Bank is satisfied with the bona fides of the transaction
- d) The B' Cat Branch shall ensure that the exporter seeking write-off has submitted documentary evidence towards surrendering of proportionate export incentives if any, availed of in respect of the relative export bill.

This write-off of export bill shall be reported into Export Data Processing and Monitoring System (EDPMS) with appropriate remarks

The following cases, however, would not qualify for the "write-off" facility:

- a. Exports made to countries with externalization problem i.e. where the overseas buyer has deposited 'the value of export in local currency but the amount has not been allowed to be repatriated by the Central Bank/ authorities of the country concerned
- b. In case relevant export transaction/reporting entries are under investigation by agencies like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are Subject matter of civil / criminal suit.

2.18 Export on Elongated Credit Terms

Requests from exporters to export goods on elongated credit terms i.e., selling goods abroad with a payment period longer than the prescribed time limit for realisation may be considered as per the delegation conferred under the Export-Import Policy of the Bank, provided the following measures are taken:

- a) Ensure the underlying export order/contract is genuine.
- b) Obtain copy of export contract, purchase order, or agreement clearly specifying the extended credit period
- c) Confirm that the elongated credit period is a normal commercial practice for the commodity/country involved.
- d) Review of export performance and outstanding overdue export bills.



- e) Ensure the exporter has a satisfactory compliance record under FEMA and RBI guidelines.
- f) Ensure Credit worthiness of Overseas Buyer by obtaining credit reports, financial statements, banker's report, or trade references wherever feasible.
- g) Evaluate political, economic, and transfer risk of the importer's country.
- h) Sanctions, AML/CFT, and adverse media alerts should be checked.
- i) Obtain a declaration from the exporter to follow up and realize proceeds within the approved extended period.

2.19 Export of Goods on LEASE/HIRE

Approval for export of machinery, equipment etc. on lease, hire basis under agreement with the overseas lessee against collection of lease rentals/ hire charges and ultimate re-import, may be accorded as per delegating conferred under the Export-Import Policy with stipulation as under:

- a) Details like lease/ hiring period, lease rentals/hire charges, party who will bear the shipping cost assembling/ dismantling cost, reimport cost, maintenance cost etc. shall be clearly mentioned in the agreement
- b) Export on hire etc. to subsidiary/associate Company shall be permitted on arm's basis only
- c) While granting approvals it shall be ensured that, residual life of the machinery/equipment etc. shall be more than the lease period. Valuer certificate confirming the residual life shall be obtained for such permission.
- d) Transaction shall be monitored and it shall be ensured that lease rentals / hire charges are received as per the agreement/contract.
- e) It shall be ensured that at the end of lease period machinery is imported and EDPMS entry is settled against reimport BoE

2.20 Project Exports

Project Exports shall be dealt with in accordance with the extant Foreign Trade Policy, applicable FEMA/RBI guidelines and the Bank's Export-Import Policy. Project Exports refers to export of engineering goods on deferred Payment terms and Execution of turnkey projects and civil Construction contracts abroad collectively.

Project Exports would encompass:

- Civil construction, contracts;
- Turnkey Engineering contracts including supply of Capital Goods on deferred payment terms;
- Process and Engineering Consultancy Services; and
- Project Construction items (excluding Steel and Cement)

Exporters who have secured orders for undertaking supply contracts on deferred payment terms, those who have secured turnkey/civil Construction contracts abroad or for export of services in the area of management, technical consultancy, etc. where execution of the contracts involves grant of fund-based and/or non-fund based facilities from the Indian banking system or where deferred Payment terms are to be offered shall be





handled/approved by the competent authority in accordance with the Bank's Export-Import Policy and applicable Delegation of Powers.

Customers may approach on or before handling the Project export transactions with desired information about the project in brief to be submitted to B' Cat Branch for information and records. The Branch shall acknowledge receipt of the project information and, where required under the Bank's procedure, allot an internal Project Export Reference Number for monitoring and record purposes. In case any amendment is required, customer to Provide updated details in their request letter / revised form.

In case AD is not satisfied with the application, same to be informed to the customer regarding rejection of their request and unwillingness to handle the transactions for the underlying project at their counters.

Receipts / Payments for project exports as per the underlying contract may be permitted after satisfying itself of the genuineness of the project.

Subject to compliance with the applicable FEMA/RBI framework and the Bank's Export-Import Policy, the project exporter may deploy temporary cash surplus generated outside India in permitted short-term instruments.

The exporter shall mention the Project Export Reference Number in subsequent transactions relating to the project.

Opening, holding and maintaining of Foreign Currency Account with a bank inside/outside India shall be as per Notification No, FEMA 10 (R) /2016-RB on Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations.

Transaction to be handled as per extant guidelines on purpose of transactions

2.21 Agency Commission on Exports

i) B' Cat Branches may allow payment of commission, either by remittance or by deduction from invoice value on application submitted by the exporter. The remittance on agency commission may be allowed subject to the following conditions:

a) The payment of commission shall be supported by the relevant export documentation/reporting and a valid agreement or written understanding with the beneficiary, wherever applicable. Where the commission is not reflected in the relevant export documentation, the Branch shall obtain satisfactory justification from the exporter and supporting evidence of the contractual/ commercial arrangement before permitting the payment.

b) The relative shipment has already been made.

ii) B' Cat Branches may allow payment of commission by Indian exporters, in respect of their exports covered under counter trade arrangement through Escrow Accounts designated in US Dollar, subject to the following conditions:

a) The payment of commission satisfies the conditions as at (a) and (b) stipulated in paragraph (i) above

b) The commission is not payable to Escrow Account holders themselves.

c) The commission should not be allowed by deduction from the invoice value.





(iii) Payment of commission is prohibited on exports made by Indian Partners towards equity participation in an overseas joint venture / wholly owned subsidiary as also exports under Rupee Credit Route except commission up to 10 per cent of invoice value of exports of tea & tobacco as amended from time to time.



3. HANDLING IMPORT TRANSACTIONS

3.1 General Guidelines for Handling Import Transactions:

The following general guidelines are to be meticulously observed by B' Cat Branches:

- Verify the importer's EC (Importer-Exporter Code) as required under FTP, and confirm Permissibility of the import under the extant FTP.
- Confirm applicability of Legal Entity Identifier as per the regulatory threshold and Bank circular CHO/IW/34/2021-22 dt 27.12.2021 and amended time to time.
- Complete KYC / due diligence on the importer-constituent as per RBI's KYC Directions and the Bank's KYC/AML/CFT policy
- Ascertain the underlying contract terms — INCOTERMS, tenor (sight/usance), currency, and expected date of import — from the Purchase Order/ Contract/ Proforma Invoice.
- For collection and LC Bills, verify that documents tally with the terms of the covering collection schedule/LC terms and are otherwise complete.
- Debit the importers account / effect Payment only after being satisfied of the genuineness of the underlying transaction; simultaneously create/update/close the relevant entry in IDPMS.
- Where the Bill of Entry (goods) or invoice (Services) value does not exceed Rs. 10 lakh (or FCY equivalent), the IDPMS entry may be closed on the basis of an importer declaration (bill-wise or consolidated quarterly).

3.2. Import Bills under Documentary Collection

Import bills routed on a collection basis are received by the B' Cat Branch (as collecting bank) from the remitting bank of the overseas exporter, together with a covering collection schedule, and are handled in accordance with URC 522 and the scenarios below.

3.2.1: Sight Collection Bill — Documents against Payment (D/P)

Description: The B' Cat Branch receives: shipping/commercial documents from the overseas remitting bank with instructions to release documents to the importer only against payment (D/P terms).

Processing Steps:

- Verify documents against the covering schedule for completeness (invoice, transport document, packing, list, insurance copy, certificate of origin, etc.) and lodge the bill.
- Advise the importer of receipt of the D/P bill and call for a Customer Request Letter (with FEMA declaration) for retirement of the bill in CBS.
- On the importer's instructions, debit the account and remit proceeds to the remitting bank as per the covering schedule; release documents to the importer only against payment.
- Generate the ORM in IDPMS at the time of remittance.
- Advise the importer to complete customs clearance and obtain the Bill of Entry; capture BoE details in IDPMS for settlement of the ORM.



3.2.2: Usance Collection Bill — Documents against Acceptance (D/A)

Description: The overseas remitting bank forwards a Usance bill with instructions to release documents against the importer's acceptance, payment being due on a future date.

Processing Steps:

- Verify documents against the covering schedule and confirm the tenor/due date of the usance bill and lodge the bill.
- Obtain the importer's acceptance and release documents against such acceptance (on reverse of Bill of Exchange) as per D/A terms.
- Record the acceptance and due date in the IDPMS follow-up register.
- Advise the importer to complete customs clearance and obtain the Bill of Entry; capture BoE details in IDPMS.
- On the due date, obtain a Customer Request Letter, debit the account and remit the accepted bill amount (net of /with usance interest as applicable) to the overseas remitting bank as per the covering schedule.
- Generate the ORM in IDPMS and settle it against the BpE already on record.

Note: Interest on Usance period must not exceed all-in-cost ceiling for Trade Credit under the Foreign Exchange Management (FEM- Borrowing & Lending) Regulations, 2018 and Bank circular CHO/IW/25/2018-19 dt 29.12.2018 and amended time to time. Where the transaction involves deferred payment/financing, the Branch shall separately examine applicability of the extant Trade Credit/ECB/Borrowing and Lending framework and comply with the applicable reporting requirements.

3.3: Collection Bill / Documents Received Directly by the Importer from the Overseas Supplier

Description: Instead of being routed through the B' Cat Branch, the documents (including under collection) are received by the importer directly from the overseas supplier

Processing Steps:

- Remittance should be made against directly-received bills as Per the Bank's delegation specified in Export-Import Policy.
- Credit Opinion Report on the overseas supplier where required in Export-Import Policy
- Obtain the Customer Request Letter, invoice and other documents; process payment following the usual due-diligence and IDPMS steps.

3.4: Discrepancy or Dispute in a Collection Bill

Description: The importer raises a dispute regarding quality, quantity or discrepant documents on a bill received under collection.

Processing Steps:

- Obtain a written request from the importer specifying the reason for the dispute.
- Where the importer seeks to delay payment/acceptance on account of the dispute, process this as a request for extension of time.





-Where the dispute results in non-acceptance/refusal, follow the return/protest procedure under URC 522 and advise the remitting bank promptly, keeping the IDPMS entry open and annotated

- Where the dispute results in reduction/write-off of value, process in accordance with the applicable provision and delegation of power as per Export-Import Policy.

3.5: Non-Payment / Non-Acceptance and Return of a Collection Bill

Description: The importer is unable or unwilling to pay (D/P) or accept (D/A) the bill

Processing Steps:

-Promptly advise the remitting bank of the importer's refusal to pay/accept, as per URC 522 procedure and the covering collection schedule.

-Wait for disposal instructions from the remitting bank/overseas exporter and act strictly as instructed & ensure the outstanding IDPMS entry is retained and reported until regularised.

3.6: Prepayment of a Usance Collection Bill

Description: The importer wishes to pay a usance (D/A) collection bill before its due date

Processing Steps:

-Obtain the importer's prepayment request along with the accepted bill/collection reference

-Obtain the applicable settlement amount, including adjustment of usance interest/charges, if applicable, in accordance with the terms of the bill and Bank procedure, and record the transaction appropriately in IDPMS.

-Compute proportionate interest (if applicable) for the unexpired usance period and reduce the remittance amount accordingly.

-Effect the remittance for the net amount and record the adjustment for ORM mark-off in IDPMS.

3.7. Import Bills under Letter of Credit (LC)

Import bills received under LC by the B' Cat Branch from the negotiating bank of the overseas exporter, together with a covering collection schedule, and are handled in accordance with UCPDC 600 with scenarios as under:

3.7.1: Sight Bill under LC

Description: The B' Cat Branch receives shipping/commercial documents from the overseas bank drawn under LC with instructions to make payment at sight.

Processing Steps:

-Verify documents against the covering schedule for completeness (invoice, transport document, packing, list, insurance copy, certificate of origin, etc, and compliance to LC terms. Then lodge the bill.

-In case of presentation of discrepant documents, intimate the discrepancies via authenticated SWIFT to Negotiating Bank & obtain disposal instructions. Ensure intimating discrepancies within 5 Banking Days of receipt of documents.



If the importer customer of our Bank accepts the discrepant documents, make payment as per Bill covering schedule.

-In case of presentation of LC compliant documents, make payment as per instructions on covering schedule.

-Generate the ORM in IDPMS at the time of remittance.

-Advise the importer to complete customs clearance and obtain the Bill of Entry; capture BoE details in IDPMS for settlement of the ORM.

3.7.2: Usance Bill under LC

Description: The B' Cat Branch receives shipping/commercial documents from the overseas bank drawn under LC with instructions to make payment at a later date as per LC terms, in accordance with UCPDC 600.

Processing Steps:

- Verify documents against the covering schedule for completeness (invoice, transport document, packing, list, insurance copy, certificate of origin, etc, and compliance to LC terms. Then lodge the bill.

In case of presentation of discrepant documents, intimate the discrepancies via authenticated SWIFT to Negotiating Bank & obtain disposal instructions. Ensure intimating discrepancies within 5 Banking Days of receipt of documents.

-Obtain the importer's acceptance and release documents against such acceptance (on reverse of Bill of Exchange) as per D/A terms. Ensure intimating acceptance with amount and due date via authenticated SWIFT to Negotiating Bank.

-Record the acceptance and due date in the IDPMS follow-up register.

-Advise the importer to complete customs clearance and obtain the Bill of Entry; capture BoE details in IDPMS.

-On the due date, debit the account and remit the accepted bill amount (net of /with usance interest as applicable) to the overseas remitting bank as per the covering schedule.

-Generate the ORM in IDPMS and settle it against the BoE already on record

3.8: Small-Value Collection Bills — up to Rs. 10 Lakh (or FCY Equivalent)

Description: The Bill of Entry (goods) or invoice (services) value does not exceed Rs. 10 lakh or its FCY equivalent

Processing Steps:

-Obtain a simple declaration from the importer confirming payment and BoE details.

-Close the IDPMS entry on the strength of the declaration (bill-wise or consolidated quarterly)

-Do not levy penal charges for delays in regulatory compliance for such small-value transactions

3.9: Third-Party Payment under a Collection Bill

Description: The remittance is to be made to a party other than the overseas exporter named in the underlying contract.

Processing Steps:

- Verify a firm irrevocable purchase order/tripartite agreement naming the third party, or a specific narration on the invoice/BoE.
- Ensure the Bill of Entry mentions the shipper's name along with the third-party payment narration
- Screen against the FATF Statement on High-Risk & Non-Cooperative Jurisdictions before remitting
- Where the remittance to the third party (in a third country) is proposed in a currency different from the invoice currency, obtain the importer's written disclosure of the currency mismatch, together with its justification (e.g., the third party's banking arrangements, netting/ back-to-back contractual terms, or other genuine commercial reason), and record the B' Cat Branch's satisfaction with this justification as part of establishing the genuineness of the transaction before remitting.
- Follow guidelines with regards to authority delegated in Export-Import policy

3.10: Reduction in Invoice Value of BoE / Write-Off an outstanding Import Bill

Description: The amount remitted is less than the declared BoE/Invoice value, to the outstanding balance is to be written off

Processing Steps:

- Obtain the importer's written request stating the rationale for reduction/ write-off to the conditions stipulated in I & II below
- Process as per the internal delegation of powers set out Export-Import Policy for the applicable approving authority.
- On approval, settle and close the ORM/BoE in IDPMS with the appropriate Adjustment Indicator.

I. Write off unsettled ORM (Import Advance remittance)

A B' Cat Branches shall follow up with the importer for submission of the prescribed Import documents against Advance remittance made for imports (i.e. Unsettled ORM), within the time period stipulated in the underlying contract or applicable regulatory guidelines.

B. Despite the best efforts and continuous follow up by the importer for importing the goods / services into India has failed and then the Importer approached B' Cat Branches for write off.

C. B' Cat Branches 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 and close the entry in IDPMS after having been satisfied of the genuineness of the reasons cited with evidence thereof.

D. B' Cat Branches shall insist upon receipt of the importers request and after due examination of the reasons and supporting documents like communication with the Supplier, Legal actions

initiated, CA certificate, reporting/follow up with respective Embassy etc, the B' Cat Branch may permit for write-off of Unsettled ORM as Per the internal delegation of powers mentioned in Export Import Policy.

II. Write off Bill of Entry

A. B' Cat Branches can consider closure of BoE ORM in IDPMS that involves write off to the extent as per the internal delegation of power in Export Import Policy. In cases where the amount declared in BoE varies from the actual remittance due to operational reasons and branch is satisfied with the reason/s submitted by the importer.

B. B' Cat Branches may close the BoE for such import transactions where write off is on account of quality issues; short shipment or destruction of goods by the port / Customs / health authorities in terms of extant guidelines on the matter Subject to submission of satisfactory documentation by the importer as per delegated power in Export Import Policy. AD Bank shall settle and close ORM/BoE with appropriate "Adjustment Indicator" in IDPMS.

C. The above operational guidelines for extension and write off are meant to facilitate closure of bills in IDPMS and will be subject to extant guidelines on the matter and not absolve the importer from remitting / receiving the amount in case of change in circumstances.

While allowing write off, Branches must ensure that

a. The case is not the subject matter of any pending civil or criminal suit(a suitable undertaking required).

b. The importer has not come to the adverse notice of the Enforcement Directorate or the Central Bureau of Investigation or any such other law enforcement agency.

c. There is a system in place under which internal inspectors or auditors of the Branches (including external auditors appointed by the bank) should carry out random sample check / percentage check of write-off of import bills.

D. Process as per the internal delegation of powers set out in Export-Import Policy for the applicable approving authority.

3.11 Evidence of Import in Lieu of Bill of Entry

Where permitted under extant RBI instructions, evidence of import other than the prescribed Bill of Entry may be accepted subject to the conditions and documentation prescribed by RBI and the Bank's Export-Import Policy.

3.12: Advance Paid Pending Receipt of Shipping Documents -Import Not Materialised

Where the importer is unable to import within the contract period or the extended period allowed by the Authorised Dealer Bank in writing, the importer shall repatriate the advance payment made, if any.

Where the advance payment is not repatriated within the contract period or the extended period allowed by the Authorised Dealer Bank, or where the related IDPMS entry has not been marked off, any future advance payment for imports by the importer shall require an unconditional and irrevocable SBLC or guarantee from an international bank of repute, or a guarantee of an Authorised Dealer in India backed by a counter-guarantee of an international bank of repute.

The Branch shall verify the status of the earlier advance payment and the corresponding IDPMS entry before permitting any subsequent advance payment for imports by the importer.

3.13 Non Physical Imports:

- (i) Where imports are made in non-physical form, i.e., software or data through internet / datacom channels and drawings and designs through e-mail / fax, a certificate from a Chartered Accountant that the software / data / drawing/ design has been received by the importer, may be obtained prior to effecting payment.
- ii) B' Cat Branch should advise importers to keep Customs Authorities informed of the imports made by them under this clause.
- iii) Details of import of services must be captured in IDPMS within 5 working days of receipt of documents; the ORM must be updated / closed on receipt of evidence of import (CA certificate or any other documentary Proof).

3.14 Advance Remittance for Import

This Section consolidates the Bank's SOP for Advance Remittance for Import (Goods and Services)

3.14.1 Common Guidelines (All Categories of Goods and Services)

a) Eligibility Criteria

- i) The importer should be a customer of the Bank. The importer account should be fully compliant with 'Know Your Customer (KYC)/ Anti Money Laundering (AML) Policy of the Bank.
- ii) The branch should carry out KYC and due diligence exercise for the importer as well as overseas manufacturer/supplier.
- iii) The importer must have business dealings with the Bank for a period of not less than one year, where the importer is not having any credit facility with the Bank. The dealings with Bank all through must be satisfactory
- iv) For customer with credit facilities provided by the Bank, the account should be a standard account (as per CIBIL/CRILC, especially where disbursement is awaited against sanction and credit history is not available).

b) Track record of importer

- i) The importer should have a satisfactory track record with the Bank.
- ii) The importer should not be under any investigation by the RBI, Enforcement Directorate or any other authorities.
- iii) In previous cases of imports by the importer/other group concerns, if any, there should not be any default in submission of Bill of Entry form/Certificate as prescribed in the extant FEMA guidelines.
- iv) In case the importer is an exporter, it should not be on the 'caution list' of ECGC.
- v) The importer should not be on the RBI's 'caution list' of importers and exporters.
- vi) The importer/other group concerns, if any, should not be in the RBI's list of wilful defaulters.
- vii) Credit Information Report (CIR) for the importer, its Directors/Guarantors, if any, should be obtained from CIBIL/CRIF. The sanctioning Authority is required to be satisfied about the credentials and the financial standing of the importer as revealed in the CIR.

viii) The importer should produce a verifiable statement of source of funds for making advance remittance.

c) Track record of Overseas Supplier

i) B' Cat Branch should obtain credit report on the overseas seller and verify that the report is satisfactory and the supplier is in business of trading/manufacturing the items of goods, which are sought to be procured by the Indian importer and has capacity to supply the quantities being imported.

ii) The overseas supplier should not appear on the 'caution list' circulated by the ECGC.

d) Compliance with FEMA/Trade Policy

i) The overseas supplier should have insisted for the advance remittance and suitable agreement in this regard must have been entered into between the importer in India and the overseas supplier. The agreement should contain provision for refund of the amount (together with customary penalties, such as interest etc. if desired), in case any delay or non-delivery of goods being imported.

ii) B' Cat Branch shall acquaint themselves about the trade involved and generally accepted practice for settlements, so as to satisfy itself about the advance remittance insisted by the overseas supplier and the genuineness of the transaction.

iii) The item of import should be permitted to be imported in India either under Open General License or a Specific License already obtained by the importer in India for the purpose and is valid up to the period the import will be concluded (the advance remittance must be endorsed on the license).

iv) The amount of remittance should not in any way breach any stipulations in the relevant OGL/specific license.

v) The importer should give declaration that it will comply with all the regulations under FEMA and Foreign Trade Policy.

vi) B' Cat Branch are required to satisfy themselves about the bona fides of the import transaction undertaken by the customer.

vii) Advance payments should be made strictly as per the terms of the sale contract and should be made strictly to the account of the manufacturer/supplier concerned.

viii) The importer should undertake to ensure that the goods are imported within the time period prescribed by the Reserve Bank of India (i.e. within 6 months and for capital goods within 3 years from the remittance) and will submit the documentary evidence of import to the Bank at the latest within fifteen days from close of the relevant period.

ix) B' Cat Branch are required to follow up with the importer for submission of any documentary evidence regarding the import within 3 months from the date of remittance made. For the next 3 months, branches should vigorously follow up for the same if not submitted, including by issuing registered letters the importer to avoid the default in submission of appropriate documentary evidence within 6 months from the date of remittance.

x) All other provisions of FEMA/Foreign Trade Policy, as applicable, in the subject transaction should be complied with.

xi) B' Cat Branch should ensure that in the event of import of goods not happening within the time limit, as specified in (viii) above, the amount of advance remittance is repatriated into India or utilized for any other purpose for which the release of exchange is permissible under FEMA 1999, rules or regulations made there under.

xii) For second-hand goods, refer to the Import Policy for Second-hand Goods under FTP Chapter 2 before Permitting advance payment.

xiii) In case of suspicious activity and any misuse of funds is Noticed, it must be reported and STR to be filed and transaction to be reported to DoE by Head Office- International Banking Department on recommendation of Branch and respective Zonal Office (ZO recommendation not required in case of FCC Branches)

e) Newly Opened Current Account:

For newly opened current accounts, there will be cooling period of initial 12 months for making advance remittance against imports without SBLC/BG. This cooling period shall not be applicable for our Borrower clients.

3.14.2 Advance Remittance for Import of Goods:

-B' Cat Branches may allow advance remittance for import of goods without value ceiling, subject to obtaining the Guarantee/SBLC requirement and the Common Guidelines.

- B' Cat Branches may allow advance remittance for import of goods up to USD 200000.00 or equivalent subject to its satisfaction and verification of bonafides of the transaction.

-B' Cat Branches to be guided by Export-Import Policy for approving authority in case of unavailability of SBLC/ Guarantee for effecting Advance remittance above USD 200000.00 or equivalent

-Physical import must be completed within the contract period or six months for non-capital goods and 3 years for capital goods, whichever is earlier. The importer must undertake to submit evidence of import within 15 days of the close of the relevant period. For milestone payments, the date of the last remittance made in terms of the contract shall be reckoned for this purpose.

-An ORM must be created for every outward remittance and settled/marked off against the corresponding BoE in IDPMS.

-Where goods are not imported (in full or part) within the contract/ extended period, the unutilized advance must be repatriated or otherwise utilized for a FEMA permissible purpose, failing which future advance payments by that importer to such defaulting counterparty shall mandatorily require a Guarantee/ SBLC.

-No advance remittance is permitted for import of gold or silver except as separately permitted (e.g. the IIFSCA/ IIBX framework for Qualified Jewellers /TRQ Holders)

3.14.3 Advance Remittance for Import of Services

-Details of import of services must be captured in IDPMS within 5 working days of receipt of documents; the ORM must be updated / closed on receipt of evidence of import (CA certificate or any other documentary Proof).

-Payment must be made Strictly as per the underlying Service Agreement/Contract/Proforma Invoice, directly to the overseas Service provider.



-Non-physical Imports of services (software, data, drawings/designs via electronic mode) are governed by the Non-Physical Imports Provisions, including the CA certificate requirement.

The Common Guidelines at Section 3.1 continue to apply

3.15 Extension of Advance ORM

Any extension relating to submission/marketing of evidence of import/BoE shall be processed separately from any extension of the contractual payment/import period and reported in IDPMS in accordance with extant system instructions.

-B' Cat Branches shall follow up with the importer for submission of prescribed import documents against advance remittances (unsettled ORM), within the period stipulated in the underlying contract,

-Where the importer requires an extension for submission of the Bill of Entry, a written request stating reasons and enclosing relevant evidence/supplier correspondence must be submitted

-The B' Cat Branch/respective approving authority as per Export-Import policy, may grant an extension for BoE submission beyond the original/prescribed period, based on the bonafides and commercial judgment of the transaction.

-Every extension of time for BoE submission must be reported in IDPMS under message type Bill of Entry

- Where an importer is unable to import within the contract/extended period after an advance remittance, the advance payment must be repatriated.

3.16 Extension of Time for Settlement of Import Bills

Extension of time for settlement of import dues and extension of time for submission/marketing of evidence of import/BoE are separate matters and shall be processed under the applicable RBI framework and the Bank's Export-Import Policy.

i. Time Period for Making Import Payment

B' Cat Branches shall monitor their IDPMS entries and follow up with the respective importer for making payment for its imports within the period specified in the underlying contract. B' Cat Branches on request from importer citing reasons for delays may process/ recommend for extension of time for making payment as per power delegated in Export-Import Policy subject to being satisfied on importer's submission.

ii. Process for Seeking Extension:

-The importer shall submit a written request to the B' Cat Branch, before or promptly after the contractual date, citing specific reason for delay (quality/ quantity dispute, documentary discrepancy, financing delay etc.) together with a proposed repayment/ revised timeline and the underlying Invoice/ Bill of Entry reference.

-The B' Cat Branch must be satisfied with the bonafides of the transaction and refer to the internal delegation of power set out in Export-Import policy.

-B' Cat Branches/Zonal Head may consider granting extension of time settlement of import dues on the grounds of trade disputes, financial difficulties, litigation, sector specific delays etc.





iii. Conditions to be Satisfied Before Granting Extension

- The transaction is confirmed not to be under investigation by the Directorate of Enforcement, Central Bureau of Investigation (CBI), or any other investigating agency
- There should be no overdue BoEs against the supplier concerned where the extension is sought.
- Where extension is granted, the date up to which it has been allowed must be indicated in Remarks column in the respective transaction.
- The delegation of powers for extension of Import bill is explicitly provided in Export-Import policy and the same has to be strictly adhered to with regards to period allowed for such extensions, interest payment involved (if any) etc.
- Due diligence must ensure extensions are supported by bonafide and justifiable reasons and deliberate/ avoidable extensions are not permitted.

iv. Reporting — Trade Credit / ECB

- Where an import transaction involves deferred payment, suppliers' credit, buyers' credit or any other financing arrangement, the Branch shall examine its applicability under the extant RBI framework governing Trade Credit/ECB, as applicable, and ensure the prescribed reporting, documentation and other compliance requirements.

Any extension or modification of the payment period shall also be examined for its impact on the applicable regulatory classification and reporting requirements.

The Branch shall not treat an extension of the import payment period, by itself, as automatic classification of the transaction as Trade Credit or ECB.

v. Other stipulations:

- B' Cat Branches shall maintain a branch level extension of time register capturing importer name, invoice details, reason for extension, period granted and approving authority.
- Internal audit/ Concurrent audit shall verify sample of extension cases each quarter for compliance with this SOP, Export-Import policy of the Bank and RBI guidelines

4. HANDLING MERCHANTING TRADE TRANSACTIONS (MTT)

A transaction where a person resident in India purchases goods from a seller outside India and sells the same to a buyer outside India without the goods entering the Domestic Tariff Area (DTA) of India, resulting in profit margin to the Indian trader, are called Merchanting Trade Transactions (MTT). In other words, merchanting trade is a set of transactions where Indian trader intermediates and facilitates buying and selling outside our shores, for a profit margin.

Export Leg / Import Leg: The sale of goods to the overseas buyer (export leg) and the purchase of goods from the overseas supplier (import leg) comprise the MTT.

The following clauses set out handling MTT are aligned with Regulation 16 of the FEMA 23 (R) 2026 – RB.

- i. MTT shall be permitted only in respect of goods that are allowed under the prevailing Foreign Trade Policy (FTP) of India as on date of shipment, and the goods shall not enter the Domestic Tariff Area (DTA) of India. Where the goods acquired require certain specific / minor processing or value addition, the transaction may be considered, subject to the B' Cat Branch being satisfied with the genuineness of the activity supporting documentary evidence and bonafides of the transaction.
- ii. The entire Merchanting Trade shall be routed through the same B' Cat Branch. The B' Cat Branch shall satisfy itself regarding the bona fides of the transaction and ensure compliance with applicable FEMA/RBI provisions, KYC/AML requirements and the Bank's applicable compliance controls.
- iii. Customers undertaking MTT shall submit documentary evidence including purchase orders, commercial invoices, packing lists, transport documents, insurance documents, wherever applicable, and any other documents required by the Bank. B' Cat Branch shall verify the documents and satisfy itself regarding the genuineness of the trade. If originals are not available, non-negotiable copies duly authenticated by the bank handling the documents may be accepted. B' Cat Branch may, if satisfied, rely on online verification of the Bill of Lading/Airway Bill through the website of the International Maritime Bureau or airline web-check facilities. The requisite details shall be made available/retrievable at the time of Inspection/Audit/Investigation.
- iv. The B' Cat Branch shall maintain complete records of MTT — customer correspondence, documentary evidence, approvals, transport documents, SWIFT messages and payment trail for audit, inspection investigation and regulatory verification purposes.
- v. B' Cat Branch shall undertake enhanced due diligence in cases as prescribed under the Bank's applicable KYC/AML/TBML framework, including such cases involving newly opened current account holders undertaking MTT as may be specified by the Bank. Periodic review shall be undertaken in accordance with the applicable Bank framework.
- vi. The B' Cat Branch shall ensure the customer is a genuine trader engaged in actual trade activity and not merely acting as a financial intermediary, confirmed orders must have been received from the overseas buyer. The B' Cat Branch shall satisfy itself that the merchanting trader possesses the capability to perform its contractual obligations under the order.
- vii. The merchanting trade shall result in profit, which shall be determined by subtracting import payments and related expenses from export proceeds for the specific MTT.
- viii. The entire MTT shall be completed within an overall period of nine months and there shall not be any outlay of foreign exchange beyond six months. The commencement date of merchanting trade shall be the date of shipment/export leg receipt or import leg payment, whichever is first. The completion date shall be the date of shipment/export leg receipt or import leg payment, whichever is the last. Any request for extension/deviation



shall be dealt with strictly in accordance with the applicable regulatory provisions and the delegation prescribed in the Bank's Export-Import Policy.

- ix. Any receipts for the export leg, prior to payment for the import leg, may be parked either in an EEFC account or in an interest-bearing INR account till the import leg liability arises. Such receipts shall be strictly earmarked/lien-marked for payment of the import leg and the import leg liability, as soon as it arises, shall be extinguished out of these funds without delay. No fund/non-fund based facilities shall be extended against these balances.
- x. In case of discounting of the export leg LC where payment for the import leg is still to be made (even if partially), the proceeds shall be utilized in the manner prescribed above (earmarked for the import leg liability)
- xi. Payment for the import leg may also be made out of the balances in the EEFC account of the merchant trader.
- xii. Merchanting traders may be allowed to make advance payment for the import leg on demand made by the overseas supplier. Where inward remittance from the overseas buyer is not received before the outward remittance to the overseas supplier, B' Cat Branch may handle such transaction based on its commercial judgement, subject to satisfaction regarding the genuineness of the transaction and compliance with the conditions prescribed in the Bank's Export-Import Policy.
- xiii. Any advance payment for an import leg beyond USD 500,000 per transaction shall be made against a Bank Guarantee or an unconditional, irrevocable Standby Letter of Credit from an international bank of repute. B' Cat Branch may fix overall prudential limits for such advance payments by a customer in accordance with the Bank's Export-Import Policy
- xiv. As an internal Bank prudential control, where the customer has an overdue MTT, subsequent advance payment for the import leg shall be permitted only against a Bank Guarantee or an unconditional, irrevocable Standby Letter of Credit from an international bank of repute.
- xv. The B' Cat Branch shall ensure that outward remittances are sent only to the overseas seller and inward remittances are received only from the overseas buyer.
- xvi. Letter of Credit to the supplier for the import leg may be issued against a confirmed export order, keeping in view the foreign exchange outlay of six months and completion of the MTT within nine months and subject to compliance with the applicable instructions issued by the Department of Banking Regulation on Guarantees and Co-acceptances, as amended from time to time.
Short-term credit by way of suppliers' credit or buyers' credit may be extended for MTT to the extent not backed by advance remittance for the export leg, including discounting of the export leg LC by B' Cat Branch, subject to the applicable regulatory framework and the Bank's Credit Risk Management Policy. Letter of Undertaking (LoU)/Letter of Comfort (LoC) shall not be issued for suppliers' /buyers' credit.
- xvii. B' Cat Branch shall ensure one-to-one matching between the import leg and export leg of every MTT and shall monitor timely completion of both legs. The respective entries in EDPMS and/or IDPMS shall be appropriately updated or closed upon completion of the relevant receipt and payment legs.
- xviii. Agency commission is not allowed in MTTs. However, B' Cat Branch may allow payment of agency commission up to a reasonable extent by way of outward remittance under exceptional circumstances, subject to the following conditions:
 - a) the MTT has been completed in all respects;
 - b) the payment of agency commission shall not result in the MTT ending in a loss; and
 - c) the merchanting trader shall make a specific request to B' Cat Branch in this regard supported by documentary evidence to the B' Cat Branch's satisfaction.





- xix. **MTT Loss:** Any loss/deviation arising in an MTT shall be dealt with strictly in accordance with the applicable regulatory provisions and the Bank's Export-Import Policy, including the approval/delegation requirements prescribed therein. B' Cat Branch shall obtain documentary evidence establishing the circumstances leading to the loss/deviation and shall not permit any transaction beyond its delegated authority.
- xx. **MTT involving INR:** MTTs involving one leg in INR and the other leg in foreign currency may be undertaken only where permitted under the extant FEMA/RBI framework governing international trade settlement in INR and in accordance with the Bank's applicable guidelines. B' Cat Branch shall satisfy itself regarding the genuineness and bona fides of the transaction and ensure compliance with applicable documentation, reporting and settlement requirements.
- xxi. **Reporting under FETERS:**

Reporting for MTT under FETERS shall be done on a gross basis, against the codes set out below:

Trade Leg	FETERS Purpose Code	Description
Export	P0108	Goods sold under merchanting / receipt against export leg of merchanting trade
Import	S0108	Goods acquired under merchanting / payment against import leg of merchanting trade

- xxii. B' Cat Branch shall credit or debit the account of its customer for any cross-border transaction related to MTT only after satisfying itself regarding the genuineness of the transaction and shall appropriately update or close the respective entry in EDPMS or IDPMS. The merchanting trader shall furnish documents evidencing both the export and import legs to establish the genuineness of the MTT. B' Cat Branch shall monitor EDPMS/IDPMS entries for timely closure and follow up with the customer for submission of pending documents.
- xxiii. B' Cat Branch shall ensure that the outstanding MTTs of a merchanting trader do not exceed 5% of the trader's annual export earnings. Any deviation from the aforesaid limit shall be dealt with in accordance with the delegation prescribed in the Bank's Export-Import Policy.
- xxiv. In case of newly opened current accounts, advance remittance towards the import leg of MTT shall be subject to the cooling-off period and other conditions prescribed under the Bank's Export-Import Policy for advance remittance against imports.
- xxv. **Write-Off of unrealised Amount of Export Leg:**

B' Cat Branch may write off the unrealised amount of the export leg of an MTT, without any ceiling, on the request of the merchanting trader, in the following circumstances:

- the MTT buyer has been declared insolvent and a certificate from the official liquidator specifying that there is no possibility of recovery of export proceeds has been produced;
- the goods exported have been auctioned or destroyed by the Port/Customs/Health authorities in the importing country and a certificate to that effect has been produced; or



- c) the unrealised amount of the export leg represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar organisation, provided the MTT is in adherence to all other provisions except delays in timelines attributable to the reasons mentioned above.

B' Cat Branch shall satisfy itself regarding the bona fides of the transaction, ensure that there are no KYC/AML concerns, ensure that the transaction is not under investigation under FEMA by any investigating agency and ensure that the counterparty to the merchanting trader is not from a country or jurisdiction covered by the relevant FATF Public Statement calling for counter-measures. Approval shall be as per the delegation prescribed in the Bank's Export-Import Policy."

xxvi. Third-party payments for the export and import legs of the MTT are not allowed.



5. CREDIT OPINION REPORT ON OVERSEAS COUNTERPARTIES

Credit Opinion Report:

A confidential report on the financial standing, business integrity and repute of an overseas counterparty (supplier/buyer/beneficiary), obtained through credit information agency, used by the B' Cat Branch to satisfy itself before extending the relevant trade finance facility. Following guidelines are to be followed:

i) Before extending the advance remittance facility to the importer, for opening of LC, for remittances under Direct Imports (except in case of remittance for import of diamond and jewellery), and for grant of Export Finance, MTT (for both legs), Credit Opinion Report on each individual foreign supplier/buyer must be obtained through a reputed credit information agency, as detailed in Export-Import Policy.

ii) Periodicity: The validity of the report shall be as follows:

-Customer has been dealing with the overseas buyer /supplier for 1 year and above: Once in a year

-Customer has been dealing with the overseas buyer/ supplier for less than 1 year: Once in 6 months

iii) Risk Categorization and Use of the Report: The risk categorization/rating of the overseas entity depends on various factors such as failure score, delinquency score, portfolio comparison, etc., and a combination of these factors results in the allocation of the risk categorization/rating. Branches / Offices shall carefully examine the Status Report and remarks or explanations provided by the before arriving at any conclusion.

In cases involving credit exposure, the appropriate decision from the credit angle shall be taken in consultation with the competent sanctioning authority, irrespective of the risk categorization/ rating assigned to the entity.

Where no credit exposure is involved, such advance payment against import bills, Branches / Offices shall apprise the customer of the risks associated with making payments to entities categorized as non-satisfactory, newly established, or otherwise High risk as per the Status report and shall obtain a confirmation letter from the customer acknowledging awareness and acceptance of the risk associated with the transaction before processing such payments / related transactions.

iv) The Credit Opinion Report, the basis of any waiver and related correspondence/ approval must be retained as per Bank's record retention policy for audit, inspection, investigation and regulatory verification.

6. INDICATIVE LIST OF DOCUMENTS FOR RESPECTIVE NATURE OF TRANSACTION

Indicative (and not exhaustive) list of minimum documents for undertaking Forex Transactions is as under:

1. EXPORT

SI No	Nature of Transaction	Indicative list of Documents
1	Export advance	a. For Goods / service (including software) 1. Disposal Instructions 2. FEMA Declaration 3. Advance Remittance Declaration 4. Performa Invoice/ Contract Copy
2	Export realisation/ Lodgement	A. Documents for export of goods (non-LC) a. Export bill lodgement under collection - Bank Dispatch 1. Customer Request Letter with FEMA declaration 2. Invoice cum Packing list 3. Transport document 4. Shipping bill details b. Export bill lodgement under collection - Direct Dispatch by exporter 1. Customer Request Letter with FEMA declaration 2. Documents as provided by the exporter 3. Shipping bill details c. Export bill regularization against advance payment
3	Export realisation/ Lodgement	A. Documents for export of goods (non-LC) a. Export bill lodgement under collection - Bank Dispatch 1. Customer Request Letter with FEMA declaration 2. Invoice cum Packing list 3. Transport document 4. Shipping bill details b. Export bill lodgement under collection - Direct Dispatch by exporter

		1. Customer Request Letter with FEMA declaration 2. Documents as provided by the exporter 3. Shipping bill details c. Export bill regularization against advance payment 1. Customer Request Letter with FEMA declaration 2. Invoice cum Packing list 3. Transport document 4. Shipping bill details & IRM details B. Exports Under LC 1. Customer request letter with FEMA Declaration 2. Documents required as per LC terms and conditions C. Export of Services 1. Customer request letter with FEMA Declaration 2. Export Declaration form (EDF) (EDF to be provided as per timelines / extended period and in the manner as permitted under Regulation 3 of FEMA 23 R) 3. Invoice D. Other case specific documents: 1. For FCY exports to SEZ: Certificate from remitting bank or SEZ that proceeds were remitted from SEZ FCY a/c 2. Small value Shipping bill (less than INR 10 lakh or FCY equivalent): Declaration confirming export receipt in full or otherwise
4	Export to warehouse	Additional requirement over and above export advance / export realisation covered above (i) At lodgement stage: Confirmation from customer that this is an export to Warehouse. Customer to provide date of sale once the goods are sold from warehouse. (ii) At realization stage: Final invoice/sale receipt/ confirmation from customer for the sale (iii) Additional document for Bharat Mart Warehouse cases: Existing regulations (including

		approval & timelines shall continue).
5	Export on lease hire basis	Additional requirement over and above export advance / export bill under collection covered above 1) Document confirming lease arrangement
6	Extension of time	In case of delay, customer can approach Bank for an extension of time for: a. Extending shipment date in EDPMS for advance proceeds received or b. Extending time period for realisation if export is already done Document required for extension: -Customer request letter / declaration seeking extension of time -Customer correspondence with overseas buyer with reasons for delay in payment realization/ shipment as the case may be along with expected date of realization/ shipment
7	Set-off	1. Customer request letter 2. A communication / any other document between the overseas buyer and supplier agreeing to set-off 3. Complete set of export and import documents as indicated in export & import section separately. 4. FEMA declaration
8	Refund of export advance	1. Customer request letter (with FEMA declarations) with suitable reason for refund 2. Form A2
9	Write-off / reduction in Invoice value	Shipping bill Upto INR 10 lakh or FCY equivalent – 1. Customer request letter incorporating declaration for receipt of proceeds with details of IRM along with reduction/ write off involved and SB to be closed 2.SB Beyond INR 10 lakh or FCY equivalent – a. Customer request letter with rationale for write-off/ invoice reduction, such as- i. quality or quantity issue



		ii. commercial disputes iii. contract cancellation iv. goods lost in transit v. destruction of goods vi. volume or cost discount vii. credit note provided to buyer viii. Any other reasons as applicable. b. CA certificate to ascertain export realization during last CY in case of Write-Off request or during previous 2 FY in case of request for Reduction in Invoice value. IRM closure 1. Only applicable for export advances (P0103) 2. Customer request letter with rationale for non-refund of advance and no shipment to the satisfaction of B' Cat Branch 3. CA certificate indicating write-in of advance by the exporter (if already done) or indicating outstanding in BS of exporter.
10	Third party payments	Third Party Payment realization (Shipment done and bill lodged, payment to be realized against lodged bill)/regularization (advance received, bill to be regularized) can be handled basis: a. Shipping Bill/EDF/Invoice mentioning details of 3rd party b. Tri-partite agreement c. A justification from customer confirming third party involvement
11	GR/EDF Waiver/Approval	1. EDF form mentioning NIL for export value is submitted to Specified Authority 2. CA certificate to ascertain condition of annual limit of 2 pct of export realization during last 3 licensing years subject to Rs. 1.00 crore in case of exporters of Gem & Jewellery sector or 8pct in case of pharma supplies to UN etc. is satisfied 2. In case of re-imports, Bill of Entry to be submitted GR waiver / approval from Bank shall not be required.



2. IMPORT

Sl. No.	Particulars	Indicative List of Minimum Documents
1	Advance payment	Documents for Advance import payment: a) Customer request letter (with relevant FEMA declarations) b) Purchase Order / copy of agreement / proforma invoice c) Any additional document depending on the underlying - e.g. in-principle approval from Ministry of Civil Aviation / Director General of Civil Aviation / other such agency for import of aircraft. d) Expected date of Import e) Form 145-146 (for services) Documents to be submitted once import is materialized: Proof of import viz. A. Goods – a) Invoice b) Transport documents (if applicable) c) Bill of entry details (for goods) B. Services- a) invoice Other case specific documents a) If import is under documentary collection OR under LC - additional documents as per covering schedule / terms of LC (including insurance copy - as per INCO terms) to be obtained. b) For any repatriation of advance remittance (return of funds from overseas seller to the importer), reason for repatriation to be obtained from customer
2	Import remittances	A) Import of goods: 1. Customer Request Letter including FEMA declaration. 2. Commercial Invoice, Packing List, Certificate of Origin etc. 3. Transport Document (Bill of Lading/Air



		Waybill/Rail Receipt etc.) 4. Bill of Entry copy 5. Form A1 B-Services- a) Customer request letter including FEMA declaration b) invoice c) Form 145/146 d) Form A1/A2 C) Under LC / collection 1. Customer Request Letter in the Bank standard format. 2. Bill of Entry details 3. Documents as per terms and conditions of LC / collection 4. Form A1/A2
3	Third-Party Imports	Third Party Payments can be handled on the following basis: a. Customer Request Letter b. Invoice / Purchase Order / Bill of entry mentioning details of 3rd party OR c. Tri-partite agreement OR d. A justification from customer confirming third party involvement.
4	Import on lease basis	For import on lease basis, Document confirming lease agreement to be obtained additionally to the documents required for import of goods.
5	Extension of time	In case of delay, customer can approach Bank for an extension of time for: a) Extending import due date in IDPMS for advance / import payment made OR b) Extending payment date in IDPMS if import is already materialized.

		Document required for extension: -Customer request letter / declaration seeking extension of time along with correspondence with overseas supplier
6	Delayed import payment	-Customer request with rationale for the delay -CA certificate to ascertain pct. Import payment outstanding vis-à-vis average import realization during preceding 3 FY.
7	Write-off / reduction	For BOE closure Upto INR 10 lakh or FCY equivalent - customer declaration with details of ORM to be taken for reconciliation and closure in IDPMS For BOE closure beyond INR 10 lakh or FCY equivalent - Customer request letter with rationale for write-off, such as- i. quality or quantity issue ii. commercial disputes iii. contract cancellation iv. goods lost in transit v. destruction of goods vi. volume or cost discount vii. credit note provided to buyer viii. any other reasons as applicable. For Imports on free of cost (FOC) basis, Closure of Bill of Entry can be done basis evidence of same on invoice / bill of entry / communication between buyer and seller.
8	High Sea Sales	Documents required – a) Invoice - Commercial and High Sea Sale (HSS) (as applicable) b) Transport documents c) Bill of entry details in the name of HSS buyer d) High Sea Sale agreement

3. MERCHANTING TRADE TRANSACTION (MTT)

Sl No	Particulars	Indicative List of Minimum Documents
1	Where advance on export is received first	1. Credit report as per Bank's internal guidelines. 2. Export confirmed purchase order/PI/CI /sales contract 3. Import PO/PI/CI 4. MTT declaration 5. One to One matching Sheet 6.MTT Application Form/Request Letter
2	(1) When advance payment of Import leg is initiated first (2) When shipment takes places first and the export documents are received by B' Cat Branch for lodgement	1. Justification for advance payment 2. Import Application/Request Letter 3. Credit report as per Bank's Internal guidelines. 4. Export confirmed purchase order/PI/CI 5. Import PO/PI/CI 6. One to One matching Sheet In this case, in addition to documents above (excluding 1), the following documents are to be obtained: 1. Commercial Invoice 2. Packing List 3. Bill of lading/Airway Bill/Transport document 4. Any other Document as per the contract agreed terms.
3	Where the customer has credit facilities and L/C issuance is sought for MTT Import leg	1. LC Issuance application 2. Confirmed order/Contract 3. Credit report of all the parties of MTT 4. LC for Export leg with matching payment terms
4	Where the proceeds/payments are delayed	1. Customer request explaining reasons 2. Supporting correspondence with overseas buyer/supplier 3. Revised shipment/payment schedule

5	MTT Short realisation/write-off	1. Customer request letter 2. CA certificate duly justifying the short realisation/write-off caused due to genuine commercial trade constraint /by any other global market conditions. 3. Revised contracts/invoices 4. CA certificate (where applicable as per internal guidelines) 5. Documentary evidence supporting such short realization/ write off justifying the same 6. Debit Note/Credit Note.
6	Where MTT is cancelled	1. Customer request letter 2. Confirmation that neither party has any outstanding claim. 3. SWIFT confirmation of refund (wherever applicable). 4. Correspondence with overseas parties, Proof of refund/remittance reversal (if applicable) 5. Cancellation of both purchase and sales contracts
7	Amendment in value of contract	1. Customer request letter 2. Amended contracts 3. Correspondence with overseas parties, Proof of refund/remittance reversal (if applicable) 4. Correspondence with overseas parties, Proof of refund/remittance reversal (if applicable) 5. Justification to such amendment
8	Extension of time	1. Customer request letter stating the delay 2. Correspondence with the buyer/supplier on terms of extension or acceptance by both buyer/supplier of the revised extended terms. 3. Purchase order/sales contract stating the details of agency commission 4. Copy of revised purchase order/sales contract and delivery/payment schedule
9	Payment of agency Commission	1. Application cum Fema declaration 2. Invoices for payment of commission

		3. Form 145 & Form 146 4. Agency Agreement/Details of overseas agent
10	Loss in MTT	1. Customer request letter explaining the loss 2. CA certificate duly justifying the loss caused due to genuine commercial loss and supported by market conditions.

7. Follow-Up of Overdue Bills/IRM/ORM and Submission of Shipping Bill/Bill of Entry

- i. The B' Category Branch shall monitor export/Import bills and export advances/Import advance outstanding and update in EIDPMS and promptly follow up with the exporter/importers where the applicable realisation/shipment/submission period has expired or is approaching expiry.
- ii. The B' Category Branch shall maintain and monitor the relevant export/import transaction records and EIDPMS status until realisation, permitted adjustment, write-off, refund or other authorised closure, as applicable.
- iii. Branches shall closely monitor overdue export/import bills through EIDPMS and undertake systematic and vigorous follow-up with the concerned exporters/importers for realisation of export/import bills and adjustment of advance inward/outward remittance and submission of Bill of entry. Follow-up shall be through appropriate written communications/reminders and other documented means, with the reasons for non-realisation/non-submission and action taken duly recorded. In cases where the exporter/importer fails to respond, provides an unsatisfactory response, or does not demonstrate satisfactory efforts for realisation, the matter shall be escalated to the Zonal Office.
- iv. Zonal office to closely monitor the progress and seek a Monthly Progress Report for taking suitable steps to reduce any delayed realisation. Monthly Report on pendency to be submitted to Head Office International Banking Department with details and necessary follow up action.
- v. Zonal Head/ FCC Head would be competent authority to recommend to HO International Banking Department for appropriate action, including reporting to the appropriate regulatory/law-enforcement authority, wherever warranted.