Cross Border Transaction Framework

Policy Name : **Cross Border Transaction Framework**

Policy Owner : **Trade Finance Department**

Policy Version : **V 1.0**

Approving Authority : **Board/ Committee/ Auditors**

Review Frequency : **Annual or as and when regulatory changes warrant**

Effective Date : **11.09.2026**

Confidentiality : **Internal/ Customer Facing**

Table of Contents

1. Background and Regulatory Context

Vide communication dated April 29, 2026, reference number 138/F-007/2026 Foreign Exchange Dealers Association Of India (FEDAI) has advised member banks to establish a well-documented policy framework for cross border transactions.

2 Objective

- To provide a standardized framework for processing cross border transactions
- To ensure compliance with Reserve Bank of India (RBI), Foreign Exchange Management Act (FEMA), Foreign Exchange Dealers Association of India (FEDAI)
- To provide transparency in cross border transaction documentation, Timelines for processing transactions, applicable charges and define escalation matrix and grievance redressal mechanism.

3 Scope

This framework applies to all customers undertaking cross border transaction through Bank

Under current account and capital account.

Current Account Transactions

i) Outward Remittances

ii) Inward Remittances

iii) Liberalised Remittance Scheme

Capital Account Transactions

(i) Foreign Direct Investment
(ii) Overseas Direct Investment
(iii) External Commercial Borrowings

4 Mandatory Documentation Requirement for each type of transaction

1. Advance Import Remittance

• Request Letter for Advance Payment
• Proforma signed Invoice of the Beneficiary mentioning terms of Payment as "Advance Payment"
• One time report from Branch as per **Annexure I** if it is first remittance from our bank
• If the amount is more than USD 100000/- , Credit Report of the supplier to be obtained.
• Undertaking to submit proof of import within 3 months from the date of remittance
• Copy of IEC (one time)
• FEMA Undertaking
• OGL Declaration
• Insurance Declaration

2. Direct Import Remittances

• Letter from Importer giving the details of Bank account of Beneficiary i.e. Swift code , Name and address of Bank , Name , Address and account no of Beneficiary and authority to debit the account
• Proof of Import i.e. Copy of Bill of Entry
• FEMA Undertaking
• Copy of Invoice
• Copy of Bill of Lading / AWB
• OGL Declaration
• Insurance Declaration or valid Insurance Policy
• Letter from Customer mentioning reason for delay, if there is delay in remittance beyond the Sight /Usance period or date of shipment is more than 6 months.

3 Inward Remittances

• FEMA Undertaking (One time FEMA Undertaking annually, if the beneficiary is receiving remittances regularly)
• Letter/e-mail (e-mail Indemnity to be provided) from the customer mentioning the purpose of remittance.
• Disposal Instructions/ Request letter
• Shipping Bill, Transport Document based on purpose code
• Agreement/ Other supporting documents in case of service export

4 Liberalised Remittance Scheme
(Statutory Cap of USD 250000 per financial year)

***Gift Remittance**

• Request Letter from the customer
• A2 cum LRS
• PAN CARD Of remitter
• SWIFT Template
• PAN & ADDHAR copy of remitter
• Passport copy of the remitter to establish foreign nationality of the remitter in whose name the remittance is to be made

***Education Fee**

• Request Letter from the customer
• A2 cum LRS
• Copy of valid PAN of remitter of student
• SWIFT Template
• Copy of valid Passport of student
• Copy of valid VISA of student
• University / I20 form mentioning Payment schedule (Student ID is mandatory)

***Living Expenses/ Maintenance**

• Request Letter from the customer
• A2 cum LRS
• Copy of valid PAN of remitter
• SWIFT Template
• Copy of valid Passport of Beneficiary
• Copy of valid VISA of Beneficiary
• In case, of remittance routed thru the YES Bank Ltd., then submit the YES Bank Ltd., A2 form.

***Remittances other than LRS**

• Request Letter from the customer
• A2 form
• SWIFT Template
• Copy of valid PAN of Remitter
• Invoice Copy , if applicable
• Form 145 and/ or Form 146 (where ever applicable earlier Form 15CA and Form 15 CB) as per Notification No. G.S.R. 978(E) dated 16th December, 2015 and Sections 393, 395, 397, and 462 of the Income Tax Act, 2025, read along with Rule 220 of the Income Tax Rules, 2026.
• Document based on purpose code

*** Foreign Direct Investment**

• Required documents depending upon the nature of transaction.

***Overseas Direct Investment**

• FORM A2 AND FEMA DECLARATION
• COVERING LETTER FROM INDIAN ENTITY IN REGARDS TO
Back ground and brief details of the transaction.
Prima facie viability of the foreign Entity
Benefits which may accrue to India through such Investment
Details about share holding pattern of the foreign Entity.
• UNDERTAKING FROM INDIAN ENTITY
a. Regarding Reporting of Transactions to AD bank in stipulated time.
b. Declaration regarding not in any caution List /Defaulters List
c. Declaration regarding not in Business of Real Estate/Banking Business/ in the business of Financial service Activity.
d. Declaration regarding Foreign Entity abroad shall be engaged in Bonafide business activity.
e. Declaration regarding the existing entity/firm is not making any direct investment in Foreign Entity located in the countries Identified by Financial Action Task Force (FATF)
• Certificate of Incorporation of foreign Entity.
• Import /Export code in the name of existing business /Firm etc., if any
• Latest Income Tax Returns/Audited Balance Sheet of Existing Business.
• CA CERTIFICATE MENTIONING
a.Capital Investment in Foreign Entity
b. Eligible limit of Net worth

c. Voting Rights/Management Rights /Shareholding Rights of Indian Entity.
• Valuation Certificate for the foreign entity (If applicable) and assets of the overseas concern justifying the acquisition price, where applicable.
• A project /feasibility report.
• NOC from lender if applicable.
• Any additional document to ascertain the bona fides of the transactions

***External Commercial Borrowings**

• Request Letter from the customer.
• Application duly franked and signed by customer
• Branch Note
• Annex to Sanction Letter
• Accepted Sanction Letter

Please note Bank may request any other document from time to time as per internal policy or regulatory requirements changes.

5 Process Flow:

1 **Submission of Payment Instructions-**
Customer submit the payment instructions via registered email or at a branch.

2 Verification-
The branch verifies KYC and customer signature

3 **Processing-**
The central Trade Finance operations team processes the transaction in accordance with applicable regulatory requirements.

6 Applicable Charges:

All charges including swift charges, LC/BG commissions are published on Bank website (Refer Below link)

https://www.nkgsb.bank.in/pdf/forex-service-charges.pdf

7 Turnaround Time (TAT) framework

Outward Remittances	: Same day if the request is submitted before 2 PM on any business day subject to successful due diligence by internal operations team else next working day
Inward Remittance	: Transaction day + 5 days
Capital Account Transactions:	Same day if request is submitted before 2 pm In compliance with bank due diligence including Reporting completion in RBI portal.

8 Escalation Level

Escalation Level	Contact Point	Contact Details
Level 1	Base Branch (Account Maintaining Branch)	Branch contact details are available on Bank website
Level 2	Central Trade Finance Operations	**forex@nkgsb_bank.com**
Level 3	Nodal officer/ Grievance Redressal Unit	**gru@nkgsb_bank.com**

The Bank is committed to addressing customer concerns through structured escalation level mechanism ensuring transparency, accountability and timely resolution while adhering to applicable regulatory requirements and internal governance standards.

9 INTERNAL OVERSIGHT AND TRAINING

The Bank maintains a comprehensive governance and oversight framework for cross border transactions supported by periodic monitoring, internal controls and continuous training of relevant personnel to ensure regulatory compliance and operational excellence.

10 Customer Feedback Mechanism & Grievance Redressal

The Bank is committed to providing a seamless customer experience. Customers may share feedback or raise concerns through Banks designated customer service and grievance redressal channels. All feedback is reviewed and addressed in a timely manner.

11 Disclaimer-

All cross border transactions are subject to applicable laws, regulatory guidelines, Sanction screening and the Bank's internal policies and due diligence requirements. The Bank may request additional information or documentation and reserves right to Accept, reject, defer or suspend any transaction that does not meet applicable regulatory or policy requirements.

12 Annexures

FORM A2

(To be completed by the applicant) AD Code No.________________

FORM A2 Form no.___________________

(For payments other than imports (To be filled by the AD)
and remittances covering intermediary trade)

Currency____Amount____________

Equivalent to Rs. ____________

(To be completed by AD)

Application for Remittance Abroad

I/We____ (Name of applicant remitter)

PAN No.____

(For remittances exceeding USD 25,000 and for all capital account transactions)

Address____

authorize

____

(Name of AD branch)

To debit my Savings Bank/ Current/ RFC/ EEFC A/c. No. ____________________ together with their charges and

* a) Issue a draft : Beneficiary's Name _________________________________ Address _________________________________

* b) Effect the foreign exchange remittance directly –

1) Beneficiary's Name__________________________________

2) Name and address of the bank __________________________________

3) Account No. __________________________________

* c) Issue travelers cheques for __________________________________

* d) Issue foreign currency notes for __________________________________

Amount (specify currency) __________________________________

* *(Strike out whichever is not applicable) for the purpose/s indicated below*

Sr. No.	Whether under LRS (Yes/No)	Purpose Code	Description
		As per the Annex	

(Remitter should put a tick (√) against an appropriate purpose code. In case of doubt/ difficulty, the AD bank should be consulted).

Declaration

(Under FEMA 1999)

1. *# I, ………………..…………(Name), hereby declare that the total amount of foreign exchange purchased from or remitted through, all sources in India during the financial year* including this application *is within the overall limit of the Liberalised Remittance Scheme prescribed by the Reserve Bank of India and certify that the source of funds for making the said remittance belongs to me and the foreign exchange will not be used for prohibited purposes.*

Details of the remittances made/transactions effected under the Liberalised Remittance Scheme in the current financial year (April- March) *..……..*

Sl. No	*Date*	*Amount*	*Name and address of AD branch/FFMC through which the transaction has been effected*

2. *# The total amount of foreign exchange purchased from or remitted through, all sources in India during this calendar year including this application is within USD ________________________ (USD _____________) the annual limit prescribed by Reserve Bank of India for the said purpose.*

3. *# Foreign exchange purchased from you is for the purpose indicated above.*

 # (Strike out whichever is not applicable)

Signature of the applicant

(Name) Date:

* **Certificate by the Authorised Dealer**

This is to certify that the remittance is not being made by/ to ineligible entities and that the remittance is in conformity with the instructions issued by the Reserve Bank from time to time under the Scheme.

Name and designation of the authorised official: Stamp and seal

Signature Date:
Place:

III. NKGSB CO OP BANK LTD.______________________________________ BRANCH

REQUEST LETTER FOR OUTWARD REMITTANCES (A2)

Date : ______________________________________

I . Details of the Applicant (Remitter)

a. Name of the Applicant	
b. Address of the Applicant	
c. Applicant's PAN No (Mandatory)	
c. Applicant's Phone No. / Mobile No	
d. Applicant's Email ID	
e. Applicant's Customer ID (CIF ID)	
f. Occupation of Applicant	

II . Details of the Foreign Exchange to be remitted.

Foreign Currency Code (E.g.USD,GBP,EUR etc)	
Foreign Currency Amount (in Figures)	

IV. Purpose of Remittance:

____

V. I/We authorize you to debit my/our below account together with your charges (mention 15 digit a/c no)

____

*Foreign Bank Charges are borne by ◻ Beneficiary (BEN) ◻ Remitter (REM) *Charges will be to the Account of Remitter (REM), if no option is selected.

Documents Enclosed: (Tick wherever applicable)

A2 cum LRS Form FEMA Declaration

SWIFT Template PAN Card Copy of Remitter

Valid Passport & Visa copy of Beneficiary

I20 / University Papers

Yours Faithfully,

Authorized Signatory.

VI. NKGSB CO OP BANK LTD.__________________________________

_____ BRANCH

Declaration from Branch

I certify that we have verified the Customer's signature as per Bank records and confirm the sufficient balance in customer's operative account for the above transaction.

Sign & Stamp of Branch Officials

____________________Branch

NKGSB CO OP BANK LTD.____________________________ BRANCH

SWIFT TEMPLATE

13 Beneficiary Name

14 Beneficiary Address (Overseas Address)

15 Beneficiary A/c No

16 Beneficiary Bank Details

Bank Name	
Bank Address	
SWIFT Code of Bank	

IBAN no for Remittances made to UK, Europe, Baharain, Saudi Arabia & UAE (If applicable)

BSB Code for Remittances to Australia/New Zealand/Canada (If Applicable)

Any Other Information :

Signature of Remitter

____

This is a confidential document

TO BE TYPED ON YOUR LETTERHEAD

REQUEST LETTER FOR IMPORT REMITTANCE

DATE

The Branch Manager

____

NKGSB CO-OP BANK LTD.

_________________ Branch

We will be importing __________________________(Goods / Services) as part of our Raw Material / Capital Goods requirements. IE Code No. _______________

We hereby request you to remit / issue Demand Draft for the amount as per the details given below :-

Amount to be remitted (In Foreign Currency)
CURRENCY AMOUNT
Remitter's name and address
NAME
ADDRESS

Beneficiary's name and address
NAME
ADDRESS

Beneficiary's bank account no. ACCOUNT NO. OF SUPPLIER OR IBAN

Beneficiary's bank name and address NAME
ADDRESS

Beneficiary's bank's Swift code or sort code or
ABA routing no.

ANY ONE IS REQD
Beneficiary bank's correspondent bank/Intermediary bank
details—name ,address Swift code

NAME

ADDRESS

SWIFT CODE/SORT CODE/ABA

Purpose of remittance (the details to be mentioned in Swift message for beneficiary's information)

Foreign bank charges (Select Any One)
[ ] To our account
[ ] To beneficiary account
[ ] Share
We authorise you to debit our EEFC Account No. / Current Account No. / Cash Credit Account No.________________ for the amount of remittance and account no. ________________ for recovery of your charges.

Reasons for the delayed import payment (applicable if payment is being made beyond 180 days from the date of shipment)

Details of forward contract (in case remittance is under forward contract)

Documents enclosed :-
[ ] Form A1
[ ] Self attested copy of Commercial Invoice
[ ] Transportation Document (Self attested copy of Airway Bill / Bill of Lading / Courier Receipt)
[ ] Triplicate Exchange control copy of the bill of Entry – in original or copy of courier Bill of entry (attested by respective courier company). Value mentioned on the Bill of Entry should exactly match with the value of the remittance. If there is a mismatch, please specify the reason for the same:
____
[ ] Original License (Exchange control copy), If applicable
[ ] If payment is being made after the expiry of 180 days from the date of shipment, please attach a separate sheet explaining the reason for delayed payment.

[ ] Other documents. Pls. specify ______

DECLARATION – CUM – UNDERTAKING
We confirm that the goods imported by us are (Pls select any one):
[ ] Not covered under prohibited or restricted list and are freely importable as per existing Foreign Trade Policy and amendments thereto till date & the H.S.. Code No. of the material to be imported (Customs Trarrif No.) is _______________________
OR

[ ] original exchange control copy of the license number ____________ dated ________ valid till ________ issued by D.G.F.T. is enclosed.

I/We hereby declare that the transaction the details of which are specifically mentioned in this request letter does not involve, and is not designed for the purpose of any contravention or evasion of the provisions of the aforesaid Act or of any rules, regulation, notification,direction or order made thereunder.

I/We also hereby agree and undertake to give such information/documents as will reasonably satisfy you about this transaction in terms of the above declaration.

I/We also understand that if I/We refuse to comply with any such requirement or make any unsatisfactory compliance herewith, the bank shall refuse in writing to undertake the transaction and shall if it has reason to believe that any contravention/evasion is contemplated by me/us report the matter to Reserve Bank of India..

I/We further declare that the undersigned has/have the authority to give this declaration and undertaking on behalf of the company.

Thanking you,

Yours faithfully,

For…………………………………………….

AUTHORISED SIGNATORY

GUIDELINES /CHECKLIST FOR THE APPLICANT FOR ENSURING SPEEDY & ERROR FREE REMITTANCE : DIRECT IMPORT BILL(S)

1. REQUEST LETTER TO BE SIGNED BY AUTHORISED SIGNATORY OF THE COMPANY
2. ENSURE THAT ALL COLUMNS ARE FILLED IN THE REQUEST LETTER
3. DECLARATION CUM UNDERTAKING IS REQUIRED UNDER SEC.10(5), CHAPTER III OF FEMA 1999), MENTIONED IN THE REQUEST LETTER.
4. FORM A1 TO BE DULY FILLED IN AND SIGNED BY THE AUTHORISED SIGNATORY OF THE COMPANY
5. EXCHANGE CONTROL COPY OF THE BILL OF ENTRY SHOULD BE SIGNED ON THE REVERSE BY THE AUTHORISED SIGNATORY OF THE COMPANY
6. UNDER FEMA 1999, IMPORT PAYMENT HAS TO BE MADE WITHIN 180 DAYS FROM THE DATE OF SHIPMENT

ON LETTERHEAD OF THE CO.

To,

The Manager,

NKGSB Co-op. Bank Ltd;

____________________ Branch

Routed Through Forex Dept; HO

Sub: Undertaking for submission of Bill of Entry within 90 days from the date of Import of Goods / Machinery.

Dear Sir / Madam,

We hereby undertake to submit you "Triplicate Exchange Control Copy i.e. Bill of Entry" within 90 days from the date of Import, for the consignment to be imported from M/s ______________________________________ under Proforma Invoice No. ________________ Dated ____________.

We are aware about risk & consequences for non-submission of Bill of Entry on time to the Bank.

Also, we hereby undertake to repatriate the remitted funds in case of non imports of goods.

__________________ (Signature with stamp)

ON CUSTOMER'S LETTERHEAD

TO, DATE:

THE MANAGER,
NKGSB COOP BANK LTD
__________ BRANCH

INSURANCE DECLARATION

SUBJECT: PROFORMA INVOICE NO __________DATED _________ BENEFICIARY NAME ____________________________

WE, ____ DECLARE THAT THE INSURANCE WILL BE BORNE BY US AGAINST PROFORMA INVOICE NO _________ DATED _________ FOR BENEFICIARY __________________________ AGAINST IMPORT OF GOODS AS THE INCOTERMS ON PROFORMA INVOICE/COMMERCIAL INVOICE IS MENTIONED AS FOB (FREE ON BOARD) OR EX WORKS.

WE ARE AWARE ABOUT THE RISK IN CASE OF NOT TAKING OUT OF INSURANCE POLICY FOR THE SAID SHIPMENT i.e. FIRE, THEFT, PILFERATION, DAMAGE DURING TRANSIT, ETC RELATED TO IMPORT OF THE GOODS.

ALSO, WE ____________________________ WILL BEAR RESPONSIBILITIES IN CASE OF NON ISSUANCE OF INSURANCE POLICY & NON – DELIVERY OF GOODS.

FOR ____________________

SIGNATURE

ON LETTER HEAD OGL DECLARATION

Re:IMPORT OF ____

With reference to our above imports under Open General License, we hereby declare that:

1. The import of the above said goods is covered by open general license and the said goods are not in the negative list of Import and Export Policy 2023-2028.

2. The subject's goods have not been included in the banned or restricted or canalised of import policy.

3. We confirm that Physical imports will be made within three months from the date of remittance and We further undertake to submit you the exchange control copy of the Bill of Entry issued by the customs as soon as the goods are cleared.

Authorised Signatory

FEMA DECLARATION FORM 2
DECLARATION – cum – UNDERTAKING

[Under section 10(5), Chapter III of The Foreign Exchange Management Act, 1999]

I/ We hereby declare that the transaction the details of which are specially mentioned in the schedule hereunder does not involve and is not designed for the purpose of any contravention or evasion of the provisions of the aforesaid Act or of any rule, regulation, notification, direction or order made thereunder.
I/ We also hereby agree and undertake to give such information/ documents as will reasonably satisfy you about this transaction in terms of the above declaration.
I/We also understand that if I/ We refuse to comply with any such requirement or make only unsatisfactory compliance therewith, the Bank shall refuse in writing to undertake and shall if it has reasons to believe that any contravention/ evasion is contemplated by me/ us report the matter to Reserve bank of India.

*I/ We further declare that the undersigned has/ have the authority to give this declaration and undertaking on behalf of the firm/ company.

____
Signature of the Applicant for foreign exchange
Place
Date: