

Policy on Cross Border Remittance

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1.Introduction

The policy framework below covers following aspects:

- Documentation required for cross border remittances.
- Process flow, including approving authorities.
- Schedule of charges applicable to different transactions.
- Defined timelines for processing remittances.
- Escalation matrix and grievance redressal mechanism.
- Disclosure and customer awareness.
- Customer fairness.
- Internal controls and training.
- Feedback mechanisms

2. Cross Border Remittances – Framework

The Bank offers a wide range of Foreign Exchange Products and Services to all customers, through its branches. All Foreign Exchange transactions are conducted subject to Rules and Regulations under the Foreign Exchange Management Act, 1999 (FEMA). Customer shall ensure that there is no direct or indirect involvement of any sanctioned countries, regions, entities or individuals including for US \$ transactions or those involving US entities, OFAC sanctioned countries, regions and the transaction shall not constitute a breach of the OFAC, UN Sanctions, Japan or any other relevant sanctions laws and regulations (including the Japanese Foreign Exchange and Foreign Trade Act) as amended from time to time, in the related underlying documents pertaining to cross border transaction.

Details of the exchange rates which will apply to various foreign exchange transactions are available on SMBC's website.

Remittances include:

- A. Outward Payment for Import and non-Import transactions
- B. Outward Payments and Inward Remittances for Capital A/C transactions like ECB, FDI and Regulated accounts transactions like LO, BO, PO for Outward Remittance.
- C. Receipt of Inward Remittances

Documentation required for foreign exchange remittances -

There are many documents involved in Foreign Inward and Outward Remittances such as commercial documents, tax documents, transport documents, insurance documents, regulatory documents, agreements and other international service-related Documents.

3. Cross Border Remittances – Category of Documentation

I. DOCUMENTATION LIST FOR OUTWARD REMITTANCES (IMPORT OF GOODS)

A. Direct Import Payments

1. Request letter duly signed by the Authorised Signatories. [Link to Forms](#)
2. Copy of Commercial Invoice /Invoice.
3. Attested License copy, if applicable:
4. Transportation Document copy (Airway Bill / Bill of Lading / Courier Receipt)
5. The importer shall submit Bill of Entry Details i.e., BOE number, BOE date and Port of Discharge for checking the evidence of import under IDPMS or declaration to submit the bill of entry within 3 months from the date of shipment.

6. MTT Declaration in case under Merchanting Trade transactions. In case of any breach, RBI approval to be provided as applicable under Master Directions on Import of Goods and Services as amended from time to time.
7. Additional documents
 - 7.1. Third party payments conditions to be met as per applicable Master Directions on Import of Goods and Services as amended from time to time.
 - 7.2. High sea-sales agreement, if applicable
8. Delay reason: Letter with supporting documents (if any) explaining the **delay for import payment beyond 6 months**



Delay reason for
Import Payment.doc

9. For normal imports where the customer requests for making remittance beyond 1 year up to 3 years from the shipment date, then following declarations shall be applicable:
 - 9.1. Confirming that the import transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies
 - 9.2. While considering extension beyond one year from the date of remittance, the total outstanding of the importer does not exceed USD one million or 10 per cent of the average import remittances during the preceding two financial years, whichever is lower.

B. Advance Import Payments (Import of Goods)

1. Request letter duly signed by the Authorised Signatories [Link for Forms](#) and Bill of entry Declaration to submit BOE within 90 days of remittance or 3 years in case of capital goods.
2. Self-attested copy of Performa Invoice /Purchase Order / sales contract copy signed by both parties. Payment term to reflect as advance payment/ similar nomenclature.
3. Original Exchange Control copy of the License, if applicable
4. Additional documents required if the amount of advance remittance exceeds USD 200,000/- up to USD 5,000,000/- or its equivalent in case where the importer is other than a Public Sector Company or a Department/ Undertaking of the Government of India/State Government/s any of the following are to be submitted:
 - a) An unconditional, irrevocable standby Letter of Credit, or a guarantee from an international bank of repute situated outside India, or
 - b) A guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India
5. A Public Sector Company or a Department/Undertaking of the Government of India / State Government/s which is not in a position to obtain a guarantee from an international bank of repute against an advance payment, is required to obtain a specific waiver for the bank guarantee from the Ministry of Finance, Government of India before making advance remittance exceeding USD 100,000.
6. For other categories of Advance Import payments refer to clause C.1 of the Master Directions on Import of Goods and Services as amended from time to time. Prior approval of the Regional Office of the Reserve Bank concerned will be required in case of any deviation from the above stipulations as applicable.

II. DOCUMENTATION LIST FOR OUTWARD REMITTANCES (CURRENT ACCOUNT TRANSACTIONS)

Below are the mandatory documents to be collected along with the supporting documents against each purpose code.

1. Dully signed request letter from Applicant in SMBC Format.
2. Form A2
3. Form 145, 146 as per applicability.
4. Additional documents as per the nature of transactions / Annexures as defined under*.

*SMBC may call for additional documents on case-to-case basis as applicable.

A1: Transactions which are Prohibited.

1. Remittance out of lottery winnings.
2. Remittance of income from racing/riding etc. or any other hobby.
3. Remittance for purchase of lottery tickets, banned /proscribed magazines, football pools, sweepstakes, etc.
4. Payment of commission on exports made towards equity investment in Joint Ventures / Wholly Owned Subsidiaries abroad of Indian companies.
5. Remittance of dividend by any company to which the requirement of dividend balancing is applicable.
6. Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of invoice value of exports of tea and tobacco.
7. Payment related to "Call Back Services" of telephones.
8. Remittance of interest income on funds held in Non-Resident Special Rupee (Account) Scheme.

A2: Transactions which require prior approval of the Central Government

S.No.	Purpose of Remittance	Ministry/Department of Govt. of India whose approval is required
1	Cultural Tours	Ministry of Human Resources Development, (Department of Education and Culture)
2	Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding USD 10,000) by a State Government and its Public Sector Undertakings	Ministry of Finance, (Department of Economic Affairs)
3	Remittance of freight of vessel chartered by a PSU	Ministry of Surface Transport, (Chartering Wing)
4	Payment of import through ocean transport by a Govt. Department or a PSU on c.i.f. basis (i.e. other than f.o.b. and f.a.s. basis)	Ministry of Surface Transport, (Chartering Wing)
5	Multi-modal transport operators making remittance to their agents abroad	Registration Certificate from the Director General of Shipping
6	Remittance of hiring charges of transponders by	Ministry of Information and Broadcasting
	(a) TV Channels	
	(b) Internet Service providers	Ministry of Communication and Information Technology
7	Remittance of container detention charges exceeding the rate prescribed by Director General of Shipping	Ministry of Surface Transport (Director General of Shipping)
8	Remittance of prize money/sponsorship of sports activity abroad by a person other than International / National / State Level sports bodies, if the amount involved exceeds USD 100,000.	Ministry of Human Resources Development (Department of Youth Affairs and Sports)
9	Remittance for membership of P&I Club	Ministry of Finance (Insurance Division)

A3: Transactions which require RBI Approval

Facilities for persons other than individuals

The following remittances by persons other than individuals shall require prior approval of the Reserve Bank of India.

- (i) **Donations** exceeding one per cent. of their foreign exchange earnings during the previous three financial years or USD 5,000,000, whichever is less, for-
 - a. creation of Chairs in reputed educational institutes,
 - b. contribution to funds (not being an investment fund) promoted by educational institutes; and
 - c. contribution to a technical institution or body or association in the field of activity of the donor Company.
- (ii) **Commission**, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or five percent of the inward remittance whichever is more.
- (iii) Remittances exceeding USD 10,000,000 per project for **any consultancy services** in respect of infrastructure projects and USD 1,000,000 per project, for other consultancy services procured

from outside India.

Explanation: For the purposes of this sub-paragraph, the expression “infrastructure’ shall mean as defined in explanation to para 1(iv)(A)(a) of Schedule I of FEMA Notification 3/2000-RB, dated the May 3, 2000.

(iv) Remittances exceeding five per cent of investment brought into India or USD 100,000 whichever is higher, by an entity in India by way of **reimbursement of pre-incorporation expenses.**

Procedure

The procedure for drawl or remit of any foreign exchange under this schedule shall be the same as applicable for remitting any amount under the said Liberalized Remittance Scheme.

Note: The principal rules were published in Part II, Section 3, Sub-section (i) of Gazette of India, Extraordinary, vide G.S.R. 381(E), dated the 3rd May 2000.

A4: Documents for Advance against Import of Services

1. Request letter duly signed by the Authorised Signatories [Link to Forms](#)
2. Declaration to submit Service Completion Certificate/client declaration as applicable evidencing services have been rendered to the Importer within 180 days of service provided.
3. Self-attested copy of Performa Invoice /Purchase Order / service contract copy signed by both parties. Payment term to reflect as advance payment/ similar nomenclature.
4. Where the amount of advance exceeds USD 500,000 or its equivalent, a guarantee from a bank of international repute situated outside India, or a guarantee from an AD Category – I bank in India to be taken, if such a guarantee is issued against the counter-guarantee of a bank of international repute situated outside India, should be obtained from the overseas beneficiary.
5. In the case of a Public Sector Company or a Department/ Undertaking of the Government of India/ State Governments, approval from the Ministry of Finance, Government of India for advance remittance for import of services without bank guarantee for an amount exceeding USD 100,000 or its equivalent is required.



Advance Against
services Declarati

A5: Salary Payment to Individual

1. Annexure I as per below declaration from client required on company letter head.as per attachment



Annexure I -
Salary Payment t

A6: Remittance against reimbursement of Pre-Incorporation Expenses

Following Documents will be required.

1. Company Incorporation Proof
2. Original Invoice copy against which initial payment initiated.
3. Initial payment proof against which these expenses to be reimbursed.
4. Inward Proof / FIRC copy (In case inward received at another bank counter)
5. Declaration on company letter head "The remittance to be limited to 5% of the investment brought into India or USD 100,000 whichever is higher.
6. Invoice raised by Parent Company against reimbursement.

Note: Document set to be created by client as per the respective purpose code only.

A7: Advance Remittance for Freight

1. In case advance remittance needs to be initiated against freight in that case DRAFT BL will be required along with below declaration.



Advance Against
services Declarati

A8: Remittance of Delay Payment or Payment against invoice more than 1 Year old and up to 3 years

1. Letter explaining the delay reason with interest liability, if any from the customer
2. In case invoices are more than 1 year old and less than 3 years then additional CA letter will be required that confirms the Delay Reason, Interest Liability and outstanding in books of account confirmation.

A9: Commission to agents abroad for sale of residential flats or commercial plots in India

Remittances by persons other than individuals shall require prior approval of the Reserve Bank of India if commission per transaction to agents abroad for sale of residential flats or commercial plots in India exceeds USD 25,000 or five percent of the inward remittance whichever is more.

A10: Remittance facilities for resident individuals:

Remittances for current account transactions (viz. private visit; gift/donation; going abroad on employment; emigration; maintenance of close relatives abroad; business trip; medical treatment abroad; studies abroad) available to resident individuals under Para 1 of Schedule III to Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2015 dated May 26, 2015 are subsumed under the Liberalized Remittance Scheme (LRS) of USD 2,50,000 per Financial Year (FY) with effect from May 26, 2015 [Instructions on LRS are available on Master Direction on 4 Liberalized Remittance Scheme dated January 1, 2016]. Release of foreign exchange exceeding USD 2,50,000, requires prior permission from the Reserve Bank of India.

A11: Gift/ donation

General permission is available to persons other than individuals to remit towards donations up-to one per cent of their foreign exchange earnings during the previous three financial years or USD 5,000,000, whichever is less, for (a) creation of Chairs in reputed educational institutes, (b) contribution to funds (not being an investment fund) promoted by educational institutes; and (c) contribution to a technical institution or body or association in the field of activity of the donor Company. Any additional remittance in excess of the same shall require prior approval of the Reserve Bank of India. Applications for remittances for purposes other than those specified above may be forwarded to the Chief General Manager, Reserve Bank of India, Central Office, Foreign Exchange Department, Foreign Investments Division (EPD), Central Office Building, Mumbai-400 001, together with (a) details of their foreign exchange earnings during the last 3 years, (b) brief background of the company's activities, (c) purpose of the donation and (d) likely benefits to the corporate.

A12: Remittance of Winding up Proceeds of a Liaison Office / Branch Office / Project office

The application for winding up may be submitted along with the following documents:

1. Requests for closure of the BO / LO/ PO and allowing the remittance of winding up proceeds of BO / LO/ PO may be submitted to the designated AD Category - I bank by the BO/ LO/ PO or their nodal office, as the case may be.
2. Copy of the Reserve Bank's/AD Category-I bank's approval for establishing the BO/ LO/ PO.
3. Auditor's certificate, Indicating the manner in which the remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant and indicating the manner of

disposal of assets. Confirming that all liabilities in India including arrears of gratuity and other benefits to employees etc. of the branch/office have been either fully met or adequately provided for. Confirming that no income accruing from sources outside India (including proceeds of exports) has remained un-repatriated to India.

4. Confirmation from the applicant that no legal proceedings in any Court in India are pending against the BO / LO/ PO and there is no legal impediment to the remittance.
5. A report from the Registrar of Companies regarding compliance with the provisions of the Companies Act, 2013, in case of winding up of the Liaison/Branch Office in India wherever applicable.
6. The designated AD Category - I bank has to ensure that the BO / LO/ PO had filed their respective AACs.
7. Any other document/s, specified by the Reserve Bank while granting approval.
8. The designated AD Category - I banks has to ensure that the BO/LOs had filed their respective Annual Activity Certificates with the Reserve Bank for the previous years, in respect of the existing Branch/Liaison Offices. Confirmation about the same can be obtained from the Central Office of the Reserve Bank in the case of BOs and from the Regional Office concerned in the case of LOs.
9. Application form for outward remittance and form A2
10. Form 145/146 as applicable.

A13: Documents for making application to RBI for allotment of Loan Registration Number (LRN)

Following Documents will be required.

1. Form ECB 1-Duly certified by CA/CS and authorized signatory
2. Covering letter in the prescribed format
3. Copy of Board Resolution
4. Loan agreement
5. RBI acknowledgements of FCGPR or AD certified form FCTRS as applicable in case the lender is Direct foreign equity holder.
6. Organization Structure/Shareholding Structure as applicable in case where lender is Indirect Foreign equity holder or Group company with common overseas parent.
7. Calculation of all in cost and average maturity period
8. CA certificate confirming the cost of borrowing is in line with prevailing market conditions (not

mandatory).

9. CA certificate confirming the pricing is carried out on an arm's length basis (applicable only if ECB is from related party)

Note: In case LRN application has to be done based on Term Sheet then approval from Business head to be obtained.

In case of any deviation in terms of CA/CS certificate submission, approval to be obtained from Business Head.

A14: Representative Office Abroad / Posting of Representative Abroad by Indian Company

1. A request letter from the client for setting up of a Representative office abroad.
2. "Application for Rep Office" In form OBR along with particulars of their turnover duly certified by their auditors along with declaration to the effect that they have not approached / would not approach any other authorized dealer for the facility being applied for.

A15: List of other documents to be collected against the purpose codes.



Documentation
List A2

C. DOCUMENTATION LIST FOR INWARD REMITTANCES

1. Customer to provide the purpose of remittance against intimation sent by the bank.
2. Supporting documents as per purpose of remittance for inward received for export of goods and software.
3. SMBC also provides customers to submit One time Disposal instruction for Inward settlement for recurring purpose code inwards.

4. Process Flow and Approval Matrix Outward Remittance – Process Flow

Documents received from customers are scrutinized for completeness and correctness, followed by AML and sanctions screening. Any discrepancies are communicated to the customer and resolved before further processing.

Once documents are compliant and AML clearance is obtained, the transaction is processed subject to availability of funds, and rates are obtained from Treasury. The transaction is then executed, and the remittance is released through SWIFT.

Inward Remittance – Process Flow

On sighting of funds in the Bank's nostro account, auto-intimation is sent to the customer seeking purpose and disposal instructions. All inward SWIFT messages are subject to automated AML and sanctions screening.

Upon receipt of customer disposal instructions and scrutiny and screening of supporting documents, if applicable, rates are obtained from Treasury wherever applicable and the transaction is processed. Post receipt of applicable rates, the transaction is executed in the system, and the customer account is credited.

In regular scenarios transactions are approved as per the bank approved Authority Matrix and in case of any exceptions, transactions are approved by the Head of Operations and Business Head for any deviations.

5. Schedule of charges

We provide various services to customers for which Schedule of Charges are defined. The charges are reviewed/ revised from time to time.

Details of charges can be viewed on [Schedule of Charges](#) -> Latest Rates -> [Standard Tariff Card](#)

6. Cut off timings

All cross-border payments (USD, EUR, GBP, SGD, HKD) received by 1300Hrs shall be processed the same day subject to documents found in order.

All cross border outward payments (AUD, JPY, CNH, THB) received by 1300Hrs shall be processed on the next banking day subject to documents found in order.

All cross border Inward remittances (all currencies) received by 1300Hrs to be processed the same day subject to complete disposal received from customer by 1430Hrs.

7. Customer Service and escalation matrix

indiacsd@in.smbc.co.jp :For requests related to post transactional queries i.e., **Balance Confirmations, Advice and enquiry on Account balances**

Operations

Customer to send payment requests to the below email ids directly.

fx_payments@in.smbc.co.jp: For cross border payments

cra_ops@in.smbc.co.jp: For capital account transactions

Escalation:

Level 1 Escalation:

Mr. Nikhil Mittal

Contact No. 9650702328

Email Id. nikhil_mittal@in.smbc.co.jp

Level 2 Escalation:

Mr. Manav Gautam

Contact No. 8448799338

Email Id. manav_gautam@in.smbc.co.jp

8. Disclosure and Customer Awareness and Fairness

Common practice followed by our Branches as documented in the SMBC Citizen Charter are as under:

1. Display business hours
2. Render courteous services.
3. Make the Branch/Phone Banking numbers and Internet Banking address of the Bank known to customers easily.
4. Attend to all customers present in the banking hall at all times.
5. Provide separate 'Enquiry' or 'May I Help You' counter at our branches.
6. Display daily board rates. [FX Rates](#)
7. Provide details of various remittance schemes/ services of the Bank
8. Provide facility for logging complaint/ suggestion in the branch premises Phone / Internet
9. Make the branch/Phone Banking numbers and Internet Banking address of the Bank known to customers easily.
10. Respond to customer queries related to customer remittance account(s) with us subject to verification by the customer.
11. Provide facility for logging complaint/ suggestion.

Our customers are requested to:

1. Provide accurate information about name, address, telephone number, etc. and also inform

changes, if any, to us immediately.

2. Avail standing instructions facility for repeat transactions.
3. Provide feedback on our services.
4. Avail direct services such as Internet Banking etc.
5. Bring any deficiency in services to our notice.
6. Not to introduce any person who is not personally known to you for the purpose of opening and operating account.

9. Internal controls and Training.

SMBC Bank ensures adequate internal controls defined in Internal Procedure Manuals and periodic audits. Bank also performs compliance monitoring of all foreign remittance transactions in line with FEMA, RBI guidelines, and HO guidelines as applicable. Regular training is conducted for staff handling such transactions to ensure awareness of regulatory requirements, documentation standards, and risk controls. Training effectiveness and compliance adherence is periodically reviewed.

10. Feedback and grievance redressal.

Customer to refer the **Grievance Redressal Policy** and SMBC **Citizen Charter** for further details.

In case of any complaint, you can contact us through various channels:

• **By visiting our branch offices at**

NEW DELHI: 2nd Floor, Worldmark 3, Hospitality District, Aerocity, New Delhi 110037.

MUMBAI: Unit 201, 2nd Floor, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai - 400018

BENGALURU: Unit B-1011, 10th Floor, Tower B, Signature Towers, Brigade Golden Triangle, Old Madras Road, Kattamanallur Gate Flyover, Bengaluru, Karnataka - 560049

CHENNAI: 5th Floor, KRM Plaza, North Tower, No. 1, Harrington Road, Chetpet, Chennai – 600031

- By lodging request through the relevant link on **Bank's website**.
- By sending e-mail to the Bank- specify ID: **feedback@in.smbc.co.jp**
- By sending **written correspondence to the Bank through post on the above address**.

The relevant contact numbers, addresses and e-mail ids for this purpose are provided in all customer communication. If the customer is not satisfied with the resolution provided, then he can write to the Banks dedicated customer service cell at as per above detail.

If you still feel unsatisfied with the responses received, you can address your complaint to our Nodal Officer designated to deal with customers' complaints/grievances giving full details of the case.

Our bank's **Nodal Officer** for the said purpose can be contacted on the following address:

Mr Nikhil Mittal

Director Operations

Email: nikhil_mittal@in.smbc.co.jp

Telephone: +91 11 47689201

Fax: +91-11-47689222

Address: 2nd Floor, Worldmark 3, Hospitality District Aerocity, New Delhi 110037.

Principal Nodal Officer:

Mr. Vijay Kumar Mishra

Executive Director - Compliance

Email: Vijayk_mishra@in.smbc.co.jp

Telephone: (+91) 11- 4768 9246

Fax: +91-11-47689222

Address: 2nd Floor, Worldmark 3, Hospitality District Aerocity, New Delhi 110037.

11. Important Links:

RBI Master Directions on Import of Goods and Services [Master Directions - Reserve Bank of India](#)

RBI Master Directions on Other Remittances [Master Directions - Reserve Bank of India](#)

FEDAI [Foreign Exchange Dealers' Association of India](#)

This policy is subject to review from time to time.