Policy Framework for Cross-Border Remittances: RBL Bank

1. Objective:

RBL Bank Limited ("the Bank") is authorised by the Reserve Bank of India (RBI) to function as an Authorised Dealer Category-I (AD-I) Bank under Section 10 of the Foreign Exchange Management Act, 1999 (FEMA). In this capacity, the Bank is entrusted with responsibility for conducting foreign exchange transactions on behalf of its customers in compliance with applicable laws, regulations, and regulatory expectations.

This policy framework aims to establish a robust framework for handling cross-border remittances in compliance with Foreign Exchange Management Act (FEMA), 1999, RBI regulations, and internal policies ensuring transparency, efficiency, and superior customer service. This framework will be applicable to all inward and outward cross-border remittances across Wholesale, Retail segments via all channels.

2. Regulatory Framework:

2.1 FEMA Provisions

The Foreign Exchange Management Act, 1999 (FEMA) governs all foreign exchange transactions in India. It aims to:

- Facilitate external trade and payments
- Promote orderly development of the foreign exchange market
- Regulate capital account transactions

2.2 Role of Bank as Authorised Dealer (AD)

The Bank acts as an **Authorised Dealer Category-I (AD-I)** licensed by RBI and is facilitator for:

- Processing cross-border remittances
- Assessing compliance with FEMA and RBI guidelines
- Conducting due diligence on the transaction
- Monitoring and reporting foreign exchange transactions
- Assessing Compliance with the AML/CFT norms

3. Types of Cross-Border Transactions:

3.1 Current Account Transactions

Permitted transactions including:

- Import/export payments
- Non-Trade Remittances (As permitted under FEMA Current Account Rules)

3.2 Capital Account Transactions

Transactions classified to be in the nature of Capital account transactions as per the extant FEMA provisions, including:

- Overseas investments (ODI)
- External Commercial Borrowings (ECB)
- Foreign Direct Investment (FDI)

4. Channels for Cross-Border Remittance:

4.1 Digital Channel

- **Trade Online Portal (TradeX)/DIGI Remit (For Resident Individual under LRS)**
    - Document upload
    - Real-time tracking
    - Rate booking integration
    - Automated validations

<u>RDA (Rupee Drawing Arrangement) for processing cross border inward remittances</u>

RBL Bank also supports cross border remittances to Overseas Exchange Houses & licensed PA-CB entities:

The Bank offers speed remittance under Rupee Drawing Arrangement (RDA). The services are offered in tie up with Exchange houses wherein the overseas customer approaches an Exchange House for inward remittances to India. Real-time transaction screening (AML/CFT) and Purpose codes as per regulation End to end transactions tracking

PA-CB (Imports)
Bank partners with licensed PA-CB entities for supporting Import payments.

Note: No charges are levied by the Bank either to the sender or receiver. Charges are levied to the partner/clients as per agreed commercial agreement

4.2 Physical Channel

Physical channels for receiving customer requests include branch submissions and designated processing Centres at Wholesale Client Services Centre, where customers provide duly signed forms and supporting documents in person. Preliminary scrutiny is carried out on a prima facie basis using a checklist, including signature verification, account balance check before being processed further in the system

5. Documentation Requirements:

- Standardised documentation

5.1 **Current Account Transactions**

A. Non-Trade Transactions

- Request letter as per Bank format
- Form A2/FEMA/ LRS declaration
- Income Tax Undertakings (In format 145 and 146)
- Invoice /underlying document
- Supporting agreement copy basis nature/amount of the transaction
- Regulatory approvals (if applicable)

B. Trade Transactions

- Request letter as per Bank format.
- Valid IEC Code & FEMA/OGL/OFAC declaration.
- Underlying Commercial Invoices/Purchase Order/Performa Invoice/Contract copy.
- Underlying Transport documents
- Copy of documents issued by CUSTOMS authorities for clearing (I/EDPMS entries)

5.2 **Capital Account Transactions**

In respect of capital account transactions, it is mandatory that the customer nominates a single Authorised Dealer (AD) Bank as the Designated AD Bank for routing such transactions. This requirement ensures effective monitoring, control, and regulatory reporting of transactions in accordance with the provisions of FEMA and RBI guidelines.

A. Overseas Direct Investment:

- ✓ Request letter as per Bank format.
- ✓ Form A2/FEMA Declaration
- ✓ Duly signed Form Financial Commitment (FC)
- ✓ Board Resolution towards contribution of Equity/Loan.
- ✓ Valuation Certificate for takeover of existing stake of overseas Company within in validity period.
- ✓ For Resident Individual (LRS Limit checks/ Mandatory One year banking relationship/percentage stake in overseas company for qualification of Portfolio/Direct Investment)

B. External Commercial Borrowings (Interest payment/Loan Repayment)

- ✓ Request letter as per Bank format.
- ✓ Form A2/FEMA Declaration
- ✓ Loan Registration No. (LRN issued by RBI)
- ✓ Debit Note/drawdown/repayment schedule

C. Foreign Direct Investment:

- ✓ FDI declaration as per Bank format (For fresh capital infusion)
- ✓ Remitter 6 Pointers KYC.
- ✓ Share Purchase agreement (If applicable)
- ✓ Consent of buyer/seller for transfer of stake
- ✓ Valuation Certificate for transfer stake of Indian Company.

Note: In addition to the standard request letter and Form A2/FEMA declaration the Bank may seek additional documentation for any other Capital Account transaction basis the nature of transaction.

6. Processing Framework:

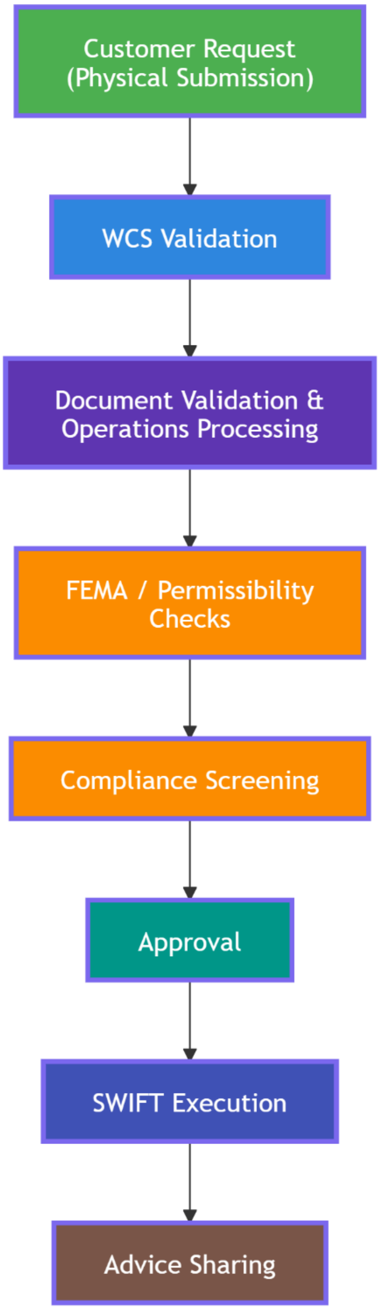
The Bank has a well-defined processing framework documented in its Standard Operating Procedures (SOPs), which comprehensively cover the list of required documents, turnaround time (TAT) for processing, applications/systems used, escalation matrix and the reconciliation mechanism.

6.1 Workflow

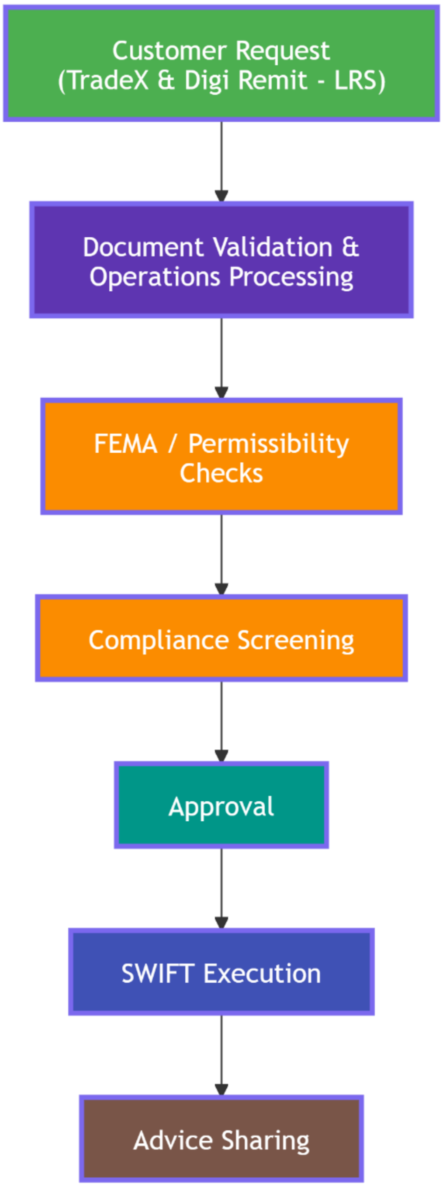
Customer submits documents → WCS validation → Document validation and Operations processing → Checks with respect to permissibility of the transaction Compliance checks → Approval → SWIFT execution → Advice sharing.

Process Flow

A. Physical Submission



B. Digital Channels



6.2 Role of Wholesale Customer Service (WCS Locations)

The Bank has established a dedicated Wholesale Client Service (WCS) Team to provide end-to-end support to customers in managing their trade and foreign exchange requirements. The WCS team acts as a single point of contact for facilitating and coordinating a wide range of services including cross-border remittances.

The team plays a critical role in assisting customers with documentation, resolving queries, ensuring smooth transaction processing, and liaising with internal stakeholders. This dedicated support structure enhances customer experience, improves turnaround time, and ensures efficient execution of trade transactions in compliance with regulatory requirements.

6.3 Discrepancy Resolution

The Bank follows a structured and transparent approach for identification and resolution of discrepancies in cross-border remittance transactions.

Discrepancies are Identified and communicated same day or next working day of receipt of the documents.

Resolution timelines shall be contingent on customer providing response.

6.4 Cut-off Timings

Cut-off timings are a critical component in the processing of cross-border remittances as they directly impact the timely execution, , and overall customer experience. The Bank has defined cut-off timings for receipt of requests to enable same-day processing. Adherence to these timelines ensures efficient coordination with treasury operations thereby minimizing delays and optimizing fund flow management. Transactions received beyond the prescribed cut-off may be processed on the next working day, and such conditions shall be appropriately disclosed to customers to avoid ambiguity and ensure fairness.

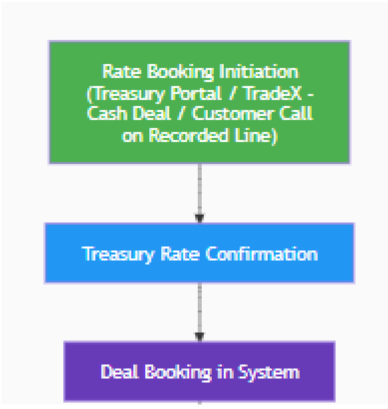
Sr.No.	Nature of Transactions	Cut off Timing (For Same day processing)
1.	Rates Linked Transactions	**3** PM
2.	Non-Rate Linked Transactions	4.30 PM
3.	On 3rd & 5th Saturday (Non-Rate linked Transactions)	2 PM

Note: The cut-off time mentioned above applies to transactions intended for same-day processing. In case any discrepancy is observed during processing, the time of submission of corrected documents will be considered for determining eligibility for same-day processing. Transactions may accordingly be processed on the same day only if revised documents are received within the prescribed cut-off time.

7. Rates & Charges

7.1 Rate Booking

- Treasury platform / Online FX system
- Spot and forward rates (as applicable)
- Trade Online Platform (Only for Cash rates)



7.2 Charges

- Remittance fees
- SWIFT charges
- Correspondent bank charges

Note: Bank will not levy any charges for delayed submission of E/IDPMS Reporting.

→ Disclosed on:

- Website: https://www.rblbank.com/service-charges
- Intimated to customer in case of changes.

8. **Grievances Management**

Bank understands complaints are an opportunity for us to learn from our mistakes. We deal with all complaints fairly, with integrity, and with rigorous standards and timescales.

Customer complaints are part of the business life in any corporate entity. As a service organization, customer service and customer satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Our Bank has come up with a lot of initiatives that are oriented to providing a better customer service and a better complaints redressal mechanism with a view to "Out serve" customers.

You may refer our Customer Grievance Redressal Policy for details by clicking on the below link.

GrievanceRedressalProcess.pdf

9. **Feedback Mechanism**

The Bank continuously endeavours to provide the highest standards of service to its customers across all cross-border and trade-related transactions. As part of its commitment to customer-centricity, the Bank periodically reviews and upgrades its service standards, processes, and delivery mechanisms to enhance overall customer experience, improve turnaround time, and ensure transparency and efficiency.

The Bank encourages customers to share their valuable feedback on the services offered, which serves as a critical input for ongoing improvement and innovation

You may refer below link to provide your valuable feedback on services offered by the Bank.

Feedback | RBL Bank

10. Customer Request letter format

The Bank recognises the importance of standardised and comprehensive capture of transaction information to ensure accurate and timely processing of cross-border remittance requests. Accordingly, customers can submit requests through standardised request letter formats or system-generated forms, as applicable.

Editable PDF Formats

- The Bank provides editable PDF-based request formats for various transaction types, enabling customers to:
    - Input all required details in a structured manner
    - Minimise manual errors and omissions
    - Ensure completeness of documentation at the time of submission

These formats are designed to capture all critical fields such as remitter and beneficiary details, purpose of remittance, regulatory declarations, and supporting information required for seamless processing.

https://www.rblbank.com/download-forms

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