

**Policy on Foreign Exchange Management
(Export and Import of Goods and Services)
Regulations, 2026**

**Mizuho Bank- India
September 29, 2026
(Version- 1)**



Document Name	Bank's Policy on Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 ("Policy")
Scope	Mizuho Bank, Ltd- India ("Bank")
Jurisdiction	All branches in India
Approving authority	Executive Committee (EXCO) (local board)
Effective date	October 1, 2026
Applicable Laws / Rules / Regulations	Foreign Exchange Management Act, 1999 (FEMA) Foreign Trade Policy ("FTP") (as in force) Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 — Notification No. FEMA 23(R)/2026-RB dated January 13, 2026 Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026 (Notification No. FEMA 23(R)/(1)/2026-RB dated September 22, 2026 Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 — Notification No. FEMA 14(R)/2023-RB dated December 21, 2023 Foreign Exchange Management (Current Account Transactions) Rules, 2000 — Notification No. G.S.R. 381(E) dated May 3, 2000 A.P. (DIR Series) Circular No. 20 dated January 16, 2026 Foreign Exchange Management (Deposit) Regulations, 2016 – Notification No. FEMA 5(R)/2016-RB dated April 01, 2016 Foreign Exchange Management (Guarantees) Regulations, 2026 – Notification No. FEMA 8(R)/2026-RB dated January 6, 2026 Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 – Notification No. FEMA.3(R)/2018-RB dated December 17, 2018 FEDAI Circulars, Guidelines or clarifications, as applicable ICC Publications – UCPDC, URC, ISP, URDG etc. as applicable Any other applicable rules, regulations, directions, guidelines, or circulars issued by the Reserve Bank of India (RBI) or any other competent regulatory authority, as may be amended, modified, or supplemented from time to time.
Review, Revision and abolishment	This Policy will be reviewed at least annually, or earlier in the event of material regulatory, systemic, Head Office (HO), or operational (internal or external) changes. Abolishment of Policy will be determined by the local board (EXCO).

Document revision list		
Date of Document/Revision	Approved by	Policy Version #
September 29, 2026	Local Board	V.1

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a. Background and Objective

Mizuho Bank, Ltd. – India ("the Bank" or "Mizuho India") operates as an Authorized Dealer Category-I ("AD-I") Bank, duly authorized by the RBI under Section 10 of the Foreign Exchange Management Act, 1999 ("FEMA"). In this capacity, the Bank is entrusted with the responsibility of executing foreign exchange transactions, including export and import transactions and Merchanting Trade Transactions ("MTT"), on behalf of its customers in strict adherence to applicable laws, regulations, and regulatory expectations. In alignment with the Reserve Bank of India's paradigm shift from a prescriptive, direction-based regime to a principle-based regulatory framework, the Bank's handling of these transactions shall be fundamentally guided by the trust between the parties, the terms of the underlying contract, and the establishment of the genuineness of the transaction.

The Bank has put in place this policy pursuant to Regulation 19 of the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 ("2026 Regulations"), which requires bank to formulate a comprehensive policy and framework for handling transactions (including the reporting thereof) related to export and import transactions, including MTT. This Policy encompasses minimum regulatory requirements including documentation, timelines, charges, extensions, adjustments, advances, factoring, and delegation of powers.

The primary objective of this Policy is to institute a robust framework for processing export and import transactions, including MTT. It aims to ensure transparency, operational efficiency, and superior customer service while maintaining full compliance with FEMA, RBI regulations, and the Bank's internal policies. This framework shall be applicable to export and import transactions, including MTT across all customers of branches of Mizuho India. This Policy is designed to operate alongside the Bank's detailed Standard Operating Procedures (SOPs).

b. Scope

This Policy shall apply to all branches, processing units, and relevant operations functions of Mizuho Bank, India Ltd. – handling foreign exchange transactions.

The scope of this Policy comprehensively covers transactions relating to the export and import of goods, services, and software, as well as Merchanting Trade Transactions (MTT).

Furthermore, this Policy will govern the associated regulatory reporting, monitoring, reconciliation, and closure of entries in the Export Data Processing and Monitoring System (EDPMS), Import Data Processing and Monitoring System (IDPMS), and Foreign Exchange Transaction Electronic Reporting System (FETERS).

This Policy will be read in conjunction with the extant provisions of FEMA, RBI directions, and the Foreign Trade Policy (FTP). Where any other applicable law, regulation, RBI/DGFT instruction, sanctions requirement, or court/authority direction imposes a stricter requirement, such stricter requirement will prevail.

c. Interpretation

Unless the context otherwise requires:

- references to "**you**", "**your**" and "**customer**" mean the customer undertaking the relevant export, import or MTT transaction.
- references to the "**Bank**" or "**We**" mean Mizuho Bank, Ltd. – India.
- words and expressions used but not defined in this Policy shall have the meanings assigned to them under FEMA, the rules, regulations and directions issued thereunder and Foreign Trade Policy (FTP).

d. Policy Principles

The Bank shall process all exports, imports, and Merchanting Trade Transactions (MTT) guided by the following core principles:

- **Regulatory Compliance and Genuineness:** Transactions will be processed only when permissible under FEMA Regulations, applicable RBI directions, and the Foreign Trade Policy (FTP). The Bank will satisfy itself regarding the genuineness, economic purpose, and commercial rationale of the underlying transaction before permitting any remittance or undertaking reporting obligations.
- **Risk-Based Due Diligence:** The Bank will adopt a risk-based approach to transaction processing. The level of scrutiny and documentation required will be proportionate to the risk profile of the customer, the overseas counterparty, the jurisdiction involved and the complexity or value of the transaction structure.
- **Customer Transparency and Consistency:** The Bank is committed to providing clear and transparent information to its customers. Requirements for documents, indicative processing timelines, applicable charges, and escalation mechanisms will be clearly disclosed. Transactions of a similar nature or pattern are handled using the same standard rules. If specific risk factors are identified in subsequent transactions, any exceptions will be addressed in line with the Bank's policy framework.
- **Digital Enablement and Paperless Processing:** To enhance operational efficiency and customer experience, the Bank will encourage digital submission of requests and paperless processing through its approved digital platforms subject to the Bank's authentication and technology standards.
- **Audit Trail and Record Retention:** A comprehensive audit trail will be maintained for all transactions. Customer requests, underlying trade documents, due-diligence records, internal approvals, exceptions, and system logs will be retained in accordance with the Bank's record-retention policy and applicable regulatory timelines.

e. Processing Framework and Documentation

The Bank maintains a comprehensive processing framework documented in its Standard Operating Procedures (SOPs) in accordance with FEMA 23(R)/2026-RB, applicable RBI directions, and FEDAI guidelines. As mandated by regulatory guidelines, the Bank's framework comprehensively covers the end-to-end lifecycle of trade transactions, including but not limited to:

- Advance receipts for exports and advance payments for imports.
- Extension of time periods for export realization and import payments.
- Adjustments (under-realization, over-realization, and non-realization/write-offs) of export proceeds.
- Set-off of export receivables against import payables.
- Third-party receipts and payments; and
- Export and Import factoring.

The Bank undertakes transactions only for bona fide customers who are fully compliant with applicable KYC, AML, and sanctions requirements. While the Bank exercises due diligence to satisfy itself of the transaction's genuineness, the customer bears the primary responsibility to ensure that all requests submitted to the Bank arise from bona fide commercial transactions. The customer must ensure that the underlying trade is genuine, and that no documents, invoices, or information provided to the Bank are forged, altered, or associated with any fraudulent activity or intent to circumvent regulatory frameworks.

Documentation	Every transaction covered under this Policy requires a minimum set of prescribed documents, forms, and declarations. To keep this Policy concise, the detailed transaction-wise document matrix, processing timelines and approval authorities are maintained in the Bank's SOPs. <i>The SOP, as updated on the Bank's website from time to time, forms an integral part of this Policy. Customers must refer to this Guide and submit the specified documents when making any request under this Policy.</i> SOP on Foreign Exchange Managem Based on regulatory framework/directives and risk-based assessment, the Bank may, from time to time, update, revise, replace or modify the SOP, operational procedures, application forms, customer declarations, checklists, documentation requirements and other supporting documents issued pursuant to this Policy. The latest versions of such supporting documents and SOP will be made available through the Bank's website. The Bank adopts a risk-based approach to due diligence. Depending on the nature of the transaction, the Bank may request additional information or supporting documents to establish genuineness. Such requirements will be communicated to the customer, which may impacts the standard processing timeline. Application Forms, Declaration Formats are available on Mizuho Bank India's website Application Forms Mizuho India.
Mode / Channels of submission of requests	Customers may submit requests relating to export, import, and Merchanting Trade Transactions (MTT) through the following channels: (a) Physical Form: Original applications submitted at the Bank's branch counter. (b) Digital Platform: Internet banking application (MGeB) and other digital platforms made available by the Bank; and (c) Other Permitted Channels: Email or such other channels as approved by the Bank from time to time.
Process summary	When the Bank receives a request related to export, import, or Merchanting Trade Transactions (MTT), it conducts a detailed review in accordance with this Policy, its Standard Operating Procedures (SOPs), and the applicable regulatory framework (including FEMA, RBI regulations, and FTP requirements). This thorough due diligence aims to establish the legitimacy, economic purpose, and commercial rationale of the underlying transaction. The assessment includes: • Verifying the alignment of the declared business activities of both the customer and the overseas party with the nature, value, and volume of the transaction. • Validating the Legal Entity Identifier (LEI) where applicable; and • Ensuring that the transaction is not artificially designed to circumvent any provisions under FEMA or other regulatory requirements.

	Upon satisfying itself of the genuineness of the transaction, the Bank shall process the credit or debit to the customer's account, as applicable, and close or update the respective entry in the Export Data Processing and Monitoring System (EDPMS) or Import Data Processing and Monitoring System (IDPMS), ensuring strict adherence to RBI's reporting and monitoring mandates. The Bank follows a systematic and transparent process for reviewing transactions. If discrepancies are identified or additional clarifications are needed, the Bank will promptly communicate with the customer. The timeline for processing such transactions will depend on the customer's timely submission of the requested information or supporting documentation. Where a matter falls outside the scope of the Bank's delegated authority, cannot be addressed under this Policy or its SOPs, or requires regulatory clarification, approval, or guidance, the Bank may refer the matter to the RBI through the "PRAVAAH" or any other applicable mechanism.
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f. Governance and Responsibilities

The Bank maintains a robust governance framework to ensure that transactions undertaken under this Policy are processed in strict compliance with applicable rules and regulations in force, RBI directions, and internal risk management guidelines. The framework is built on a clear segregation of duties, ensuring accountability, transparency, and effective risk oversight across all levels of the Bank.

To ensure seamless execution and compliance, roles and principal responsibilities are clearly defined across various functions within the Bank. These include the Executive Committee (ExCo), Senior Management, Relationship Managers, Service Relationship Managers, Operations, Risk Management, AML/KYC Desk, Compliance and Legal, and Internal Audit.

The Bank operates under a well-defined Delegation of Authority matrix, which is maintained within the Bank's SOPs. The matrix clearly specifies the approval authorities for standard transactions, extensions, write-offs, and risk-based exceptions based on transaction value, ageing, and regulatory sensitivity. Under no circumstances shall internal delegation override statutory or regulatory requirements.

g. Charges, Cut-Off Timings and Turn Around Time.

Charges: Applicable charges for processing transactions under this Policy are reasonable, transparent, and proportional to the services rendered. In strict adherence to RBI directives, the Bank does not levy any charge or penalty on customers for regulatory delays. The comprehensive and updated Schedule of Charges is hosted on the Bank's official website for easy reference. ([Products, FX Rates, Charges & Fees | Mizuho India](#))

Cut-Off Timings and Turnaround Time (TAT): Given the diverse nature of trade transactions covered under this Policy, cut-off timings and Turnaround Times (TAT) vary depending on the specific type of the underlying transaction. As these timelines cannot be generalized into a single standard, the detailed transaction-wise cut-off timings and TATs are captured in the Bank's Standard Operating Procedures (SOPs). The Bank is committed to processing all complete requests in a timely manner, and customers will be guided on the applicable timelines for their specific requests

Transaction Handling, Reporting and Monitoring

1. Export Transactions

"Export" means the taking goods, services, or software from India to a place outside India, or their supply to a notified area or under a specific scheme, whether physically or by any other means as permitted.

The export of goods and services from India is governed by the Foreign Exchange Management Act (FEMA), 1999, the Foreign Trade Policy (FTP) formulated by the Government of India, and the applicable regulations and directions issued by the Reserve Bank of India (RBI).

This section explains the Bank's handling of export transactions and related requests throughout the export lifecycle.

1.1. Declaration of Exports

The customer must declare the full export value of goods, services, or software through an Export Declaration Form (EDF) to the Specified Authority within the applicable period, as detailed in the Bank's SOP.

Where the Bank acts as the Specified Authority, the customer shall submit the EDF along with the requisite documents to the Bank's satisfaction. Upon successful review, the Bank will enter the relevant details into the Export Data Processing and Monitoring System (EDPMS).

If the customer is unable to submit the EDF within the prescribed timeline, the customer may submit a request for an extension of time, supported by appropriate reasons and requisite documents, to the Bank's satisfaction.

1.2 Export Realisation and Repatriation

The customer is required to realize and repatriate the full value of the export proceeds to India within the prescribed time period, as specified in the Bank's SOPs (which varies based on the nature of the export, e.g., goods, services, project exports, or INR settlement).

Customers may invoice and receive export proceeds in Indian Rupees (INR) through Special Rupee Vostro Accounts (SRVA) of overseas correspondent banks, in strict compliance with the extant RBI framework.

If the customer is unable to realize and repatriate the proceeds within the applicable timeline, they must submit a request for an extension of time to the Bank, citing specific reasons for the delay and providing supporting documents.

Upon receipt of the export proceeds, the Bank will satisfy itself of the genuineness of the transaction. Following successful verification, the Bank will credit the funds to the customer's account and close or update the respective entry in the EDPMS.

The Bank is mandated to maintain systems to monitor outstanding export bills and follow up with customers for timely realization. The Bank's responsibilities include:

- Reviewing and approving legitimate requests for the extension of realization timelines based on the merits of the case.

- Applying regulatory conditions (such as requiring full advance payment or an irrevocable Letter of Credit for future exports to the specific buyer) where export proceeds remain unrealized beyond the regulatory thresholds, in strict adherence to RBI directions.

1.3. Advance Against Export

When a customer receives an advance payment for exports, they are required to ensure that the shipment of goods or provision of services is completed within the time frame stipulated in the underlying contract.

Additionally, the customer must:

- Route the advance receipt and the subsequent export documents through the same Bank. If the customer wishes to route the transaction through another Authorized Dealer, prior intimation must be provided to both banks.
- Ensure that any interest payable on the advance receipt does not exceed the all-in-cost ceiling prescribed under the applicable FEMA (Borrowing and Lending) Regulations.

Upon receiving an advance payment, the Bank will verify the genuineness of the underlying trade transaction in accordance with conditions stipulated under Bank' SOP. Following successful verification, the Bank will credit the funds to the customer's account and simultaneously update the respective advance payment entry in the EDPMS.

The Bank monitors the utilization of export advances. In scenarios where the export cannot be executed and the refund of the advance is not possible, the Bank may, upon receiving a request from the customer citing genuine reasons and supporting evidence, close the outstanding advance entry in the EDPMS in accordance with the Bank's SOPs and regulatory guidelines.

1. 4. Receipts of Export Proceeds from Third Party

When a customer expects or receives export proceeds from a third party, they must submit a request to the Bank to accept the payment. The customer is required to provide the commercial rationale for this arrangement and submit supporting documents (as detailed in the Bank's SOPs) that clearly establish the bona fide relationship between the actual overseas buyer and the third-party remitter.

In the context of export transactions, a "third party" is defined as any entity or individual remitting funds on behalf of the actual overseas buyer or consignee declared on the export documents. A third party may include, but is not limited to:

- A parent, subsidiary, or group/associate company of the overseas buyer.
- A factoring agency or financial institution settling the payment on behalf of the buyer; or
- An insurance company settling a claim (subrogation).

The Bank will carefully review the request and supporting documents to satisfy itself regarding the bona fides of the third-party arrangement and the underlying trade transaction.

Given the nature of third-party payments, the Bank is mandated to conduct appropriate due diligence, including KYC, Anti-Money Laundering (AML), and sanctions screening on the third-party remitter. Upon successful verification of the transaction's legitimacy, the Bank will process the receipt and simultaneously close or update the respective entry in the EDPMS.

1.5 Reduction / Under-realisation / Non-realisation of Export Proceeds

If a customer anticipates or experiences a shortfall in export realization (whether a reduction in invoice value, under-realization, or complete non-realization), they must submit a request to the Bank citing the specific reasons for the shortfall.

- For transactions falling within the prescribed regulatory threshold (as detailed in the Bank's SOPs), the customer may request closure based on a self-declaration.
- For transactions exceeding the threshold, the customer must provide appropriate supporting documents (e.g., evidence of commercial disputes, quality/quantity claims, discounts, or buyer insolvency) to justify the request.

The Bank will carefully review the customer's request and supporting evidence (or self-declaration, where applicable) to satisfy itself of the genuineness and commercial rationale of the shortfall.

Upon approval, which is granted in accordance with the Bank's internal Delegation of Authority and SOPs, the Bank will permit the reduction or write-off and simultaneously close or update the respective entry in the EDPMS

1.6. Set-off of Export Receivables Against Import Payables

A customer may request to set off outstanding export receivables against import payables, provided the transactions are with the same overseas entity or its group/associate companies. The customer must submit the request and supporting documents (as detailed in the Bank's SOPs) within the prescribed or extended period allowed for export realization.

Upon verifying the genuineness of the underlying trade transactions and the counterparty relationship, the Bank will approve the set-off. Following approval, the Bank will simultaneously close or update the respective entries in both the EDPMS and IDPMS to reflect the settlement.

1.7 Project Exports

As per the Foreign Trade Policy (FTP), "Project Export" refers to the export of engineering goods on deferred payment terms and the execution of turnkey projects and civil construction contracts abroad. It broadly encompasses civil construction contracts, turnkey engineering contracts, process and engineering consultancy services, and project construction items.

When undertaking a project export, the customer must:

- Submit a formal intimation to the Bank along with the underlying contract, payment schedule, and project projections (as detailed in the Bank's SOPs) before or at the time of initiating the transactions.
- Realize and repatriate the export proceeds strictly in accordance with the payment terms specified in the underlying contract.
- Intimate the Bank if they intend to deploy any temporary cash surplus generated outside India into permitted short-term investments abroad.
- Promptly report any project losses or mid-way dissolution of the contract to the Bank, supported by certified accounts and relevant documentary evidence.

Upon receiving the project details, the Bank will review the documents to satisfy itself regarding the genuineness and commercial viability of the project.

Following successful verification, the Bank will permit the related receipts and payments as per the underlying contract. The Bank will simultaneously close or update the respective entries in the EDPMS upon receipt of funds. Additionally, the Bank will monitor the project's progress and the deployment of any temporary cash surpluses abroad in accordance with regulatory guidelines.

1.8 Export Factoring

The Bank may act as an Export Factor or facilitate such arrangements (with recourse or without recourse basis), subject to its internal credit and risk framework. When providing non-recourse or with-recourse factoring, the Bank will Conduct thorough KYC and due diligence on the exporter; Assess working capital requirements to ensure the customer is not over-financed; and Establish arrangements with an Import Factor (or a correspondent bank abroad) for credit evaluation and collection.

Upon verifying the genuineness of the trade, the Bank will close the respective EDPMS entry after factoring the bills (for non-recourse) or upon receiving confirmation of final payment by the buyer (for with-recourse).

Customers entering into export factoring arrangements must submit genuine trade invoices and relevant documents and agreements.

2. Import Transactions

"Import" means the bringing goods, services, or software into India of from a place outside India, or their procurement from a notified area into the Domestic Tariff Area (DTA), whether physically or by any other means as permitted.

The import of goods and services into India is governed by the Foreign Exchange Management Act (FEMA), 1999, the Foreign Trade Policy (FTP) formulated by the Government of India, and the applicable regulations and directions issued by the Reserve Bank of India (RBI). All import transactions handled by the Bank must strictly comply with this regulatory framework.

This section explains the Bank's handling of import transactions and related requests throughout the import lifecycle.

2.1 Import Payment and Extension of Import Payment

The customer is required to make payments for their imports within the time period specified in the underlying contract. To facilitate the payment, the customer must submit the requisite documents (such as the commercial invoice, transport documents, and Bill of Entry, as detailed in the Bank's SOPs) to establish the genuineness of the import.

Customers may invoice and settle import payments in Indian Rupees (INR) through Special Rupee Vostro Accounts (SRVA) of overseas correspondent banks, in strict compliance with the extant RBI framework

If the customer is unable to make the payment within the contractual timeframe, they must submit a request for an extension of time to the Bank, citing specific reasons for the delay and providing supporting documents. so nsure that any interest payable on delayed import payments does not exceed the all-in-cost ceiling prescribed under the applicable FEMA (Borrowing and Lending) Regulations.

Upon receiving an import payment request, the Bank will review the submitted documents to satisfy itself of the genuineness of the underlying trade transaction. Following successful verification, the Bank will process the outward remittance and close or update the respective entry in the Import Data Processing and Monitoring System (IDPMS).

The Bank is mandated to monitor outstanding IDPMS entries and follow up with customers to ensure timely payments. The Bank's responsibilities also include reviewing and approving legitimate requests for the

extension of import payment timelines based on the merits of the case and in accordance with its internal Delegation of Authority.

2.2 Advance Import Payment

Customers making advance import payments must ensure the import is completed within the contractual timeframe. Additionally, they must:

- Route the advance and any subsequent payments through the same Bank (or provide prior intimation to both banks if changing Authorized Dealers).
- Repatriate the advance back to India if the import does not materialize within the permitted period.
- Unless specifically permitted by regulations, advance remittance for the import of gold or silver is not permitted

Upon verifying the transaction's genuineness, the Bank will process the remittance and simultaneously update the respective entry in the IDPMS. For advances exceeding the Bank's internal threshold (as defined in the SOPs), an unconditional Standby Letter of Credit (SBLC) or bank guarantee may be required.

The Bank monitors the materialization of imports. If an import fails to materialize and the advance is not repatriated, the Bank is mandated by RBI regulations to require an SBLC or bank guarantee for any future advance import payments by that customer until the outstanding entry is regularized.

2.3 Third-Party Payments for Imports

When a customer intends to make an import payment to an entity other than the actual overseas supplier declared on the import documents, they must submit a formal request to the Bank.

The customer is required to provide the commercial rationale for this arrangement and submit supporting documents (as detailed in the Bank's SOPs) that clearly establish the bona fide relationship between the actual overseas supplier and the third-party payee (e.g., a parent/group company, or a factoring agency).

The Bank will carefully review the request and supporting documents to satisfy itself regarding the bona fides of the third-party arrangement and the underlying import transaction.

Given the nature of third-party payments, the Bank is mandated to conduct appropriate due diligence, including Anti-Money Laundering (AML) and sanctions screening on the third-party payee. Upon successful verification of the transaction's legitimacy, the Bank will process the outward remittance and close or update the respective entry in the IDPMS.

2.4 Settlement of Imports at a Reduced Value (Reduction / Write-off)

If a customer settles an import transaction at a reduced value or requests a write-off (e.g., due to quality or quantity issues, commercial disputes, volume discounts, or goods lost in transit), they must submit a request to the Bank citing specific reasons

- For transactions falling within the prescribed regulatory threshold (as detailed in the Bank's SOPs), the customer may request IDPMS closure based on self-declaration.
- For transactions exceeding the threshold, the customer must provide appropriate supporting documents (e.g., credit notes from the overseas supplier or evidence of dispute settlement) to justify the request.

The Bank will carefully review the request and supporting evidence (or self-declaration, where applicable) to satisfy itself of the genuineness and commercial rationale of the reduction.

Upon approval, which is granted in accordance with the Bank's internal Delegation of Authority, the Bank will permit the settlement at the reduced value and simultaneously close or update the respective entry in the IDPMS.

2.5 Merchanting Trade Transactions (MTT)

A Merchanting Trade Transaction (MTT) involves an Indian intermediary purchasing goods from an overseas seller and selling them to an overseas buyer. The goods must move directly from one foreign country to another (or within the same foreign country) without touching Indian ports or entering the Domestic Tariff Area (DTA).

MTTs are permitted subject to strict compliance with RBI guidelines and the prevailing Foreign Trade Policy. However, transactions involving goods listed under CITES (endangered species requiring specific permits) or SCOMET (dual-use goods requiring prior DGFT licenses) are subject to enhanced regulatory controls and require requisite prior approvals.

When undertaking an MTT, the customer must Submit the requisite documents to establish the genuineness and permissibility of the trade.

Ensure that the entire MTT cycle—the period between the outward remittance and the inward remittance—is completed within the timeframe prescribed by the RBI or under prevailing regulations.

if an extension of time is required, if a third-party payment/receipt is involved, or if the transaction results in a short-realization or loss, submit a formal request to the Bank, supported by appropriate reasons and evidence,

The Bank will carefully review the submitted documents to satisfy itself regarding the genuineness of the MTT and ensure that the transaction is permissible under the regulatory framework.

Upon successful verification, the Bank will process the respective credit or debit to the customer's account. Crucially, the Bank will simultaneously close or update the respective entries in the regulatory reporting systems (EDPMS and IDPMS) for both legs of the transaction. The Bank is also mandated to monitor MTTs to ensure that both the outward and inward legs are completed within the prescribed regulatory timeframe.

2.6 Import Factoring

When settling an import payment through a factoring arrangement, the customer must:

- Submit the requisite documents to establish the genuineness of the underlying import and the validity of the factoring arrangement
- Ensure that the import payment is remitted within the timeframe prescribed in the contract or by the RBI, as applicable.

The Bank will carefully review the factoring arrangement and the underlying trade documents to satisfy itself regarding the genuineness of the transaction.

Given that the payment is directed to an entity other than the declared supplier, the Bank is mandated to conduct appropriate due diligence, including Anti-Money Laundering (AML) and sanctions screening on the overseas factor. Upon successful verification, the Bank will process the outward remittance and close or update the respective entry in the IDPMS.

3. Regulatory Reporting

As an Authorized Dealer, the Bank is mandated to ensure the timely and accurate reporting of all foreign trade transactions to the Reserve Bank of India (RBI) and other statutory authorities, in strict compliance with FEMA and extant regulatory frameworks.

The Bank's comprehensive reporting obligations include, but are not limited to:

- **EDPMS and IDPMS:** Systematic reporting, updating, and monitoring of all export, import, and Merchanting Trade Transactions (MTT) to ensure end-to-end lifecycle tracking.
- **R-Return (FETERS):** Reporting of all cross-border inward and outward remittances, utilizing the appropriate purpose codes, under the Foreign Exchange Transaction Electronic Reporting System (FETERS).
- **Trade Credit and ECB:** Where import payment terms (usance periods) exceed the standard permitted timelines, the transactions are classified and reported under the Trade Credit or External Commercial Borrowings (ECB) framework, in strict compliance with the FEMA (Borrowing and Lending) Regulations.
- **Guarantee Registration (GRN):** Reporting and obtaining a Guarantee Registration Number (GRN) for bank guarantees or Standby Letters of Credit (SBLCs) issued or received in connection with trade transactions covered under this Policy.
- **Other Reporting:** Submission of periodic regulatory returns, compliance reports, and any ad-hoc information or data requested by the RBI, other law enforcement agencies.

The detailed operational workflows, reporting formats, controls and applicable Turnaround Times (TAT) for these regulatory submissions are comprehensively documented in the Bank's supplementary SOPs.

4. Exceptions and Deviations handling

In compliance with RBI directions, the Bank has established a robust Delegation of Authority (DoA) framework to ensure independent, transparent, and efficient decision-making. The detailed DoA matrix, specifying the exact approval authorities based on transaction value, aging, and regulatory sensitivity, is comprehensively documented in the Bank's SOPs.

Day-to-Day Processing Standard trade transactions and routine requests that fully comply with the prescribed regulatory parameters and internal guidelines are processed by designated Level 1 authorities (Operations and Branch levels) to ensure quick Turnaround Times (TAT) and seamless customer service.

Exception Handling and Deviations The Bank adopts a strict risk-based assessment approach for any deviations or exceptions.

- Such exceptions cannot be approved at the operational level and must be escalated to higher authority levels, up to and including the Bank's Committee handling such deviations as per the Bank's SOP.
- The approving authority will independently evaluate the commercial rationale and underlying risks before granting approval.
- Under no circumstances shall internal delegation or exception approvals override statutory provisions, FEMA regulations, or RBI directions.

Regulatory Escalation The Bank ordinarily processes transactions and exceptions within the scope of its delegated authority as an Authorized Dealer. However, in extreme circumstances, highly complex scenarios, or where, after due assessment, it is established that necessary regulatory guidance or clarification is required, the Bank may approach the Reserve Bank of India (RBI) to seek necessary

guidance, clarification, or prior approval before processing the transaction. However, as mandated by RBI, Bank is also responsible to inform any doubtful transaction to the Directorate of Enforcement (DoE).

5. Monitoring, MIS and Review

In compliance with RBI directions and adopting a strict risk-based approach, the Bank maintains robust internal controls and system-driven monitoring mechanisms to track the end-to-end lifecycle of all trade transactions.

To ensure effective risk oversight and governance, the Bank maintains information and reports that capture key compliance metrics, including aging outstanding entries, standard approvals, approved deviations, exceptions, and risk-based handling. These reports are periodically presented to the designated Senior Management Committee. This ensures that the Bank maintains clear visibility over its compliance posture, evaluates trends in exception approvals, and can take timely corrective actions where necessary.

6. Record Retention and Audit Trail

The Bank retains all transaction records including customer requests, underlying trade documents, KYC details, evidence supporting risk-based exceptions, and system logs for the period prescribed under applicable laws and the Bank's internal Record Retention Policy. A comprehensive audit trail of all processing steps and approvals is maintained alongside these records to facilitate seamless and various control functions including internal audits, statutory inspections, and regulatory reviews.

7. Customer Service and Grievance Redressal

The Bank's dedicated Customer Service Department (CSD) provides end-to-end support for all trade and foreign exchange requirements. From guiding customers through documentation to coordinating with the Bank's operations team, the CSD ensures that customer requests are executed smoothly and efficiently. Should a customer have any concerns regarding the Bank's services, they may contact their dedicated Relationship Manager, Service Relationship Manager (SRM), or Branch Head directly for immediate assistance.

The Bank recognizes that prompt and efficient service is essential for building and retaining customer trust. All feedback and complaints are treated as critical inputs for continuous improvement. Every grievance is handled with the utmost integrity, fairness, and strict adherence to rigorous resolution timelines.

If a customer remains dissatisfied with the resolution or any of the services undertaken under this Policy, they may escalate the matter to the Bank's Nodal Officer and, subsequently, to the Principal Nodal Officer.

To ensure the Bank consistently exceeds customer expectations, it has established a comprehensive framework, including a flowchart, for addressing concerns. For complete details regarding the Bank's grievance redressal process, please refer to the Customer Grievance Redressal Policy and flowchart hosted on the Bank's website ([Customer Grievance Redressal Policy | Mizuho India](#))
