Kotak Mahindra Bank

CROSS BORDER TRANSACTION GOVERNANCE & CUSTOMER - TRANSPARENCY POLICY

Policy Version: v1.0

Effective Date – 15th June 2026

Approved by: Committee

Review Frequency: Yearly

Background & Regulatory Context

Vide communication dated **April 22, 2026**, Foreign Exchange Dealers Association of India (FEDAI) has advised member banks to establish a **well-documented policy framework** for cross-border transactions, covering:

1. **Objective**

To standardize and strengthen the Bank's approach to cross-border transactions by ensuring:

A. Regulatory compliance Foreign Exchange Management Act (FEMA), Reserve Bank of India (RBI), Foreign Exchange Dealers Association of India (FEDAI)
B. Improved customer transparency
C. Enhanced operational efficiency
D. Strong risk and control mechanisms

2. **Scope**

The policy covers all major cross-border transaction types:

- Liberalized Remittance Scheme (LRS)
- NRO/NRE Remittances
- Current Account Transactions
- Capital Account Transactions (Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowing)

Across all channels including Trade branches, digital platforms (FYN), APIs, mobile, and remittance platforms- Kotak Remit & Click2Remit.

Key Features

1. Comprehensive documentation framework for all transaction types
2. Standardized workflows for online and offline processing
3. Defined Turnaround Time (TAT) across products

4. Transparent charges disclosure through website links
5. Strong compliance controls including Anti Money Laundering (AML), sanctions, Foreign Exchange Management Act (FEMA) checks
6. End-to-end digital processing workflows across platforms
7. Defined escalation and customer communication framework

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4. Channels

- Trade Branch
- Corporate Digital platform (fyn) & other channels
- Mobile app corporate (approvals)
- Kotak Remit (Web/Mobile)
- Click 2 Remit

5. Documentation Framework

A. Liberalised Remittance Scheme (LRS)- Outward Remittances

Type of Transaction	Txn Limit	Documents
Current Account Transactions (LRS)	Up to USD 250000	1. CRN with PAN updated in bank records 2. Combined A2 and Application cum declaration under the Liberalized Schemes 3. Supporting documents as per purpose of remittance
Current Account Transactions (LRS)	More than USD 250000: For purpose Education, Medical Treatment, Immigration	1. CRN with PAN updated in bank records 2. Combined A2 and Application cum declaration under the Liberalized Schemes 3. Passport & VISA Copy

		4. Travel Tickets 5. Evidence of requirement of remittance from the country of emigration, estimate from a hospital/doctor or estimate from the foreign University justifying need & purpose of remittance.
Capital Account Transactions involving LRS remittance	NA	1. PAN (mandatory) 2. Combined A2 and Application cum Declaration under the liberalized Scheme 3. Investment related proof If relationship is less than one year with the bank 4. Source of Funds Proof (Remitter's own fund) • Other bank's one year statement or copies of the latest IT Assessment order or return filed by the applicant.
Outward Remittances (NRO Offline)	NA	1. Purpose code declaration 2. Form A2 3. 146/147 Certificate 4. Supporting documents as per request and agreements
Inward remittance Click2Remit)	NA	1. US Passport & SSN 2. US Driver License 3. Bank Statement 4. Utility Bill 5. Employee card issued by US company and US resident card
Inward Remittance	NA	1. Disposal instruction by customer 2. Purpose related document if required 3. FEMA Declaration

B. CURRENT ACCOUNT – Inward Remittance

Type of Transaction	Offline	Online
Individual Inward remittance	Disposal instruction/Request letter	Disposal instruction
	Invoice or sales contract between buyer and seller	Invoice or sales contract between buyer and seller
	Foreign Exchange Management Act (FEMA) declaration/OFAC declaration	Foreign Exchange Management Act (FEMA) declaration/OFAC declaration
	Shipping bill/Transport document/Airway bill based on purpose code	Shipping bill/Transport document/Airway bill based on purpose code
	Agreement/Other supporting document in case of service export	Agreement/Other supporting document in case of service export

C. CURRENT ACCOUNT - Outward Remittance

Type of Transaction	Offline	Online
Outward remittance	Request Letter as per the bank's format	Invoice or sales contract between buyer and seller
	Invoice or sales contract between buyer and seller	Bill of Lading /Transport Document/ Air Waybill based on purpose code
	Foreign Exchange Management Act (FEMA) declaration with Section 10(5)	Form 146/147 in case of service import based on purpose code
	Packing List based on purpose code	Agreement/Other supporting document in case of service import according to purpose code
	Bill of Lading /Transport Document/ Air Way Bill	
	Form 146/147 in case of service import based on purpose code	
	Agreements/other supporting documents as required on case to case basis	
	Form A2 in case of service import	

D. CAPITAL ACCOUNT – Inward Remittance- Trade

Type of Transaction	Documents
Inward remittance FDI FCGPR Inward FDI FCTRS Inward (Purpose Code P0006)	1. Disposal Instructions + FDI declaration 2. Remitter 6 pointer KYC via MT199 3. Any other documents as may be required by the Regulatory Authorities/ Bank from time to time.
ODI Disinvestment (Purpose Code P0004)	1.Customer Request Letter in Bank Format 2.Form FC (Section G) 3.Closure Certificate 4. Valuation Certificate 5. Any Other document as may be required by regulatory authority/bank from time to time
ECB Drawdown (Purpose Code P0012)	1. Documents required for LRN Obtention (LRN should be obtained before drawdown of ECB) 2. Form ECB1 3. CA/CS certificate in bank format 4. Customer request letter in bank format 5. Copy of Loan Agreement 6. Inward Disposal instructions 7. Any other document as may be required by regulatory authority/bank from time to time

E. Capital Account: Outward Remittance- Trade

Type of Transaction	Documents
Outward Remittance FDI FCTRS Outward	1. Request letter/FormA2 2. Form 145/146 3. Regulatory approval copies of FCGPR/FCTRS evidencing the total shares held by the Non-Resident Seller. Kindly note, that the evidence should match with the no of shares being sold 4. Buyer and seller consent letter 5. Valuation report in compliance with FEMA guidelines 6. Underlying share purchase agreement 7. Pre & Post share holding pattern of holding company 8.Any other documents as may be required by the Regulatory Authorities/ Bank from time to time.
ODI Investment (Purpose Code S0003 and S0004)	1. Investment should be done after obtention of UIN from RBI 2. Investor request letter in bank format 3. Form FC (Section A, B, C, D) 4.Form A2 5. Statutory Auditor certificate (Form FC, Section E) 6. Any other document as may be required by regulatory authority/bank from time to time

ECB Outward	1. Outward remittance form A2 2. Details of LRN 3. Form 145/146 4. Any other document as may be required by bank from time to time.

F. Transaction Processing Framework (Processes involved)

5.1 – LRS Process

Detailed Workflow: Outward Remittances- LRS

Step	**Online Transactions-Kotak Remit (Net / Mobile Banking)**	**Offline Transactions (Branch)**
1. Initiation	Start transaction via Mobile/Net Banking ("Send Money Abroad")	Submit request at branch
2. Provide Details	Add beneficiary details & payment purpose online	Submit LRS/A2 declaration + supporting documents
3. Request Handling	System captures request instantly	Branch forwards request to Operations team
4. Due Diligence	Bank verifies details & documents	Bank verifies documents & details
5. Regulatory Checks	LRS limit, account eligibility, FEMA & AML checks	LRS limit, account eligibility, FEMA & AML checks
6. Submission	Review details & charges and confirm	Not applicable (handled by branch process)
7. Reference Generation	Unique transaction reference number is generated & shared via email	Unique transaction reference number is generated
8. Bank Review	Due diligence as per FEMA guidelines will be carried out	Due diligence as per FEMA guidelines will be carried out
9. Processing & Transfer	Account debited and funds sent via SWIFT; advice emailed	Account debited and funds sent via SWIFT; advice emailed
10. Reporting & Completion	Reported to regulator as per FEMA & taxation guidelines	Reported to regulator as per FEMA & taxation guidelines

5.2 Detailed Workflow: Offline Inward Remittances

Stage	Process
Initiation	Sender initiates the transfer through their overseas bank or money transfer service and provides beneficiary details (name, account number, bank, SWIFT/BIC, amount).

SWIFT Message	Sender's bank sends a SWIFT message to the Indian bank with complete transaction details.
Receipt & Verification	Indian bank receives the message and verifies transaction details, including compliance with FEMA and RBI guidelines.
Credit to Account	Upon successful verification, funds are credited to the beneficiary's account. Forex conversion may be applied at prevailing rates, if required.
Customer Notification	Beneficiary is notified via SMS, email, or other banking channels.
Reporting & Compliance	Transaction is reported to regulators and recorded for compliance, audit, and regulatory requirements.

5.3 Detailed Workflow: Outward Remittances – NRO/NRE

Stage	Online Transactions	Offline Transactions (Branch Process)
1. Initiation	Customer initiates request via Net/Mobile Banking (NRE to overseas transfer option-Kotak Remit)	Customer submits request at branch
2. Provide Details	Upload PAN, Passport, FEMA declaration	Submit PAN, Passport, FEMA declaration, source of funds, 146/147 physically
3. Request Handling	System captures request and documents instantly	Branch collects and forwards documents to Ops
4. Initial Verification	System/Bank performs KYC, signature & account validation	Branch performs KYC, signature & account validation
5. Approval Stage	Auto mated	Approval taken from NRO–NRE Desk manually
6. Workflow Creation	Request auto-logged in workflow system (e.g., K-Force)	Request logged by branch in workflow system
7. FEMA & Compliance Review	Automated/system-assisted checks for FEMA, RBI & repatriation limits	Manual review by Compliance / Central Ops
8. Tax Verification	System-supported validation of 146/147, TDS compliance	Manual validation by Compliance / Ops
9. AML Screening	Automated AML and sanctions screening	AML and sanctions screening by Compliance Team
10. Final Authorization	Rule-based / maker-checker digital approval	Final approval by Central Operations
11. Processing	NRO debited and NRE credited through system processing	Central Ops debits NRO and credits NRE

12. Reconciliation	Auto reconciliation & CBS update	CBS update and reconciliation by Ops
13. Regulatory Reporting	Automated RBI / FEMA reporting	Reporting done by Regulatory Team
14. Customer Communication	System-generated confirmation via email/SMS	Confirmation shared via branch/system
15. Record Retention	Digital storage for audit & compliance	Physical + digital records retained
16. Exception Handling	System flags high-value/suspicious cases for review	Escalation handled by Compliance/Management

5.4 Digital Inward Remittance for Non-Residents – Click2Remit (Online) Process

Stage	Process
1. Login & Rate Display	Customer logs in and views real-time FX rates via partner API
2. Remitter Details	Inputs include name, US bank account details, account type, nickname
3. Partner Due Diligence	Licensed Partner performs KYC, AML, and bank account verification
4. Beneficiary Addition	Customer enters beneficiary details including account number, IFSC, address, etc.
5. IFSC Validation	Bank details auto-populated based on IFSC
6. KMBL Account Check	Finacle check performed for Kotak beneficiary accounts
7. OTP Authentication	Beneficiary addition confirmed via OTP validation
8. Amount Entry	Customer inputs amount; INR equivalent displayed based on live FX rate
9. Purpose Code Selection	Options include “Transfer to Self” or “Family Maintenance”
10. Terms & Conditions	Customer must accept T&Cs including data sharing and partner processing
11. Transaction Initiation	Transaction proceeds post acceptance.

12. Partner Processing	Licensed Partner performs due diligence and initiates processing
13. Status Updates	API callbacks update C2R portal at each stage
14. Fund Transfer	Includes ACH pull / payment gateway initiation and onward remittance
15.Completion Confirmation	Final transaction status updated on C2R portal

5.5 – Current Account Workflow- Inward Remittance

Stage	Online	Offline
Request Initiation	Customer initiates request via FYN	Customer submits Disposal Instruction to Trade Branch
Document Upload / Submission	Customer uploads required documents based on transaction type/Purpose code. For clients availing standing instruction, invoice to be submitted for value less than INR50,000	Along with DI, customer submits documents required based on purpose code
Screening / Sanctions Check	Transaction screened against:	Transaction screened against:
	Sanctions lists (OFAC/SDN etc.)	Sanctions lists (OFAC/SDN etc.)
Foreign Exchange Management Act (FEMA) Validation & Regulatory Check FX Booking	Foreign Exchange Management Act (FEMA) guidelines applicability	Foreign Exchange Management Act (FEMA) guidelines applicability
	RBI approvals (if required)	RBI approvals (if required)
	Purpose code validation	Purpose code validation
	Rate booking if required	Rate booking if required
Payment Execution	Process remittance or credit	Process remittance or credit
Customer Intimation Reporting / Reconciliation Stage	Advice generated on fyn. Customer can download	Advice / confirmation shared with customer
	Includes transaction details, reference number, FX rate	Includes transaction details, reference number, FX rate
	RBI reporting (EDPMS)	RBI reporting (EDPMS)

5.6 – Current Account Workflow- Outward Remittance

Stage	Online	Offline
Request Initiation	Customer initiates request via FYN	Customer submits request to Trade Branch
Document Upload / Submission	Customer uploads required documents based on transaction type/Purpose code	Along with request letter, customer submits documents required based on purpose code
Screening / Sanctions Check	Transaction screened against:	Transaction screened against:
	Sanctions lists (OFAC/SDN etc.)	Sanctions lists (OFAC/SDN etc.)
FEMA Validation & Regulatory Check	Verification of:	Verification of:
	FEMA guidelines applicability	FEMA guidelines applicability
	RBI approvals (if required)	RBI approvals (if required)
	Purpose code validation	Purpose code validation
	Funds/Limit checks	Limit checks
FX Booking	Rate booking if required	Rate booking if required
Payment Execution SWIFT Transmission Customer Intimation	Debit customer account	Debit customer account
	Generation & release of SWIFT message	Generation & release of SWIFT message
	Advice / confirmation shared with customer	Advice / confirmation shared with customer
	Includes transaction details, reference number, FX rate	Includes transaction details, reference number, FX rate
Reporting / Reconciliation	RBI reporting (IDPMS)	RBI reporting (IDPMS)
Stage	Online	Offline
Request Initiation	Customer initiates request via FYN	Customer submits request to Trade Branch
Document Upload / Submission	Customer uploads required documents based on transaction type/Purpose code	Along with request letter, customer submits documents required based on purpose code
Screening / Sanctions Check	Transaction screened against:	Transaction screened against:
Reporting / Reconciliation	Sanctions lists (OFAC/SDN etc.)	Sanctions lists (OFAC/SDN etc.)

5.7 – Capital Account Workflow- Inward/Outward

Stage	Process
Request Initiation	Customer will connect with our Trade Advisory team (front office) for underlying capital account transaction
Document Upload / Submission	Customer uploads/submits required documents based on transaction type/Purpose code
Screening / Sanctions Check	Transaction screened against:
	Sanctions lists (OFAC/SDN etc.), RBI regulations
FEMA Validation & Regulatory Check	Verification of:
	FEMA guidelines applicability
	RBI approvals including UIN generation etc. (if required)
	Purpose code validation
	Limit checks
FX Booking	Rate booking (spot/forward)
Compliance Approval (if required)	Triggered in cases such as:
	High-value transactions
	Sensitive countries/sectors
	Exceptions / deviations
Payment Execution	Debit customer account
	Process remittance or credit (for inward flows)
SWIFT Transmission	Generation & release of SWIFT message (MT103/202/700 etc.)
Customer Intimation	Advice / confirmation shared with customer
	Includes transaction details, reference number, FX rate
Reporting / Reconciliation	RBI reporting (OID portal, FIRMS portal etc.)

6. Charges & Fee Disclosure

All charges including forex margins, SWIFT charges, LC/BG commissions and amendments, capital account transactions are published on the bank website:

Type of transaction	Flow / Activity
LRS	https://www.kotak.bank.in/en/personal-banking/accounts/savings-account/saving-accounts-fees-and-charges.html https://www.kotak.bank.in/en/digital-banking/insta-services/send-money-abroad/limitations.html
NRO/NRE	Savings Account Interest Rates in India | Bank Savings Rates 2023
Digital Inward Remittance	Nil
Current Account - ORM/IRM	(https://www.kotak.bank.in/content/dam/Kotak/gsfcfiles/trade/trade-gsfc-upload_30-june-2025.pdf)
Capital Account - ORM/IRM	(https://www.kotak.bank.in/content/dam/Kotak/gsfcfiles/trade/trade-gsfc-upload_30-june-2025.pdf)

The charges are in line with the bank's policy.

7. Turnaround Time (TAT) Framework

Service	TAT
LRS	
Inward Remittance	Transaction day + 5 days
Outward Remittance-LRS	Transaction day + 1 day
Digital Inward Remittance	Transaction day + 4 days
NRO/NRE – Outward	Transaction day + 3 days
Current Account	
Import remittance	Same day pre-cut off
Export realization	Transaction day + 2 days
Bill of Entry closure	Transaction day + 2 days
Capital Account	
Amendment processing	4 hrs
Capital account transactions	Outward remittance: Same day if request is submitted before 2pm in compliance with bank due diligence including reporting completion in RBI portal. Inward remittance: T+1 (T being value date on swift message), subject to submission of complied set of documents by customer
Outward Remittances	Same day transaction processing if requests is submitted before 2pm on any business day subject to successful due diligence by internal Operations team else on the next working day.
Inward Remittances	Transaction day + 1day

8. Escalation Matrix

Liberalised Remittance Scheme:

Level 1	Level 2	Level 3
Call us 24x7 on 1800 4100; 022-35349111 Or Reach out to us at fes.servicedesk@kotak.com	**Nodal Officer nodalofficer@kotak.com or**	**Principal Nodal Officer at pno@kotak.com**

8.1 Outward Remittances (NRO Offline) – Customer Support & Escalation

A. Customer Contact Channels

Channel	Details	Remarks
Contact Centre	1800 266 2668/1800 4100	Primary customer support
Kotak Remit Helpline (LRS & NRE Remittances)	022-35349111	Dedicated remittance support
Email Support	Via Kotak Bank website	Standard email support channel
Website Query Path	Kotak Bank Website → Help Centre → Payments → Transactions and Fund Transfer	Self-service support route

B . Customer Request Management & Escalation

Mode	Details	Purpose
Phone Support	1860 266 2666 / 022-35349111/1800 4100	Customer queries and support
Email Support	kotak@remit.in; fes.servicedesk@kotak.com	Query resolution and assistance
Escalation Emails	nodalofficer@kotak.com / pno@kotak.com	Higher-level grievance escalation
Website Grievance	Available under Grievance Redressal section	Complaint registration platform

C. Digital Inward Remittance – Click2Remit

Channel	Details	Availability
Phone	022 6605 3825	07:00 AM to 11:00 PM IST
Email	click2remit@kotak.com	24x7

8.2 CURRENT AND CAPITAL ACCOUNT

Level 1	Level 2	Level 3	Level 4
Trade Branch/Relationship Manager/Product Sales Manager	Operations manager	Trade Service head	Nodal grievance officer

Nodal grievance officer (https://www.kotak.bank.in/en/customer-service/grievance-redressal.html

9. Response and resolution timelines:

Level	Contact	TAT
Level 1	Trade Branch/RM/PSM	Same day
Level 2	Trade Desk / Ops Head	1–2 days
Level 3	Trade service head	2–3 days
Level 4	Nodal Grievance Officer	As per bank policy

10. Compliance & Risk Controls

Compliance includes:

- AML screening
- Sanctions screening
- FEMA validation including RBI approval/reporting wherever required
- Maker-Checker mechanism
- Suspicious transaction handling (STR)
- FRM Monitoring for LRS remittances
- LRS limit check
- Audit check

11. Digital Governance Framework

- Audit trail retention
- Access controls
- Maker-checker
- Workflow approvals
- Document archival
- Cyber security

12. Training & Succession Planning

Mandatory:

- Periodic staff certification
- FEMA training
- Operational training
- Backup ownership matrix
- Product Training for RMs/Contact Centres/ Branches

13. Audit & Monitoring

- Internal audit
- Concurrent audit
- Exception reporting
- TAT monitoring
- Customer complaint analytics
- Regulatory breach reporting

14. Customer Feedback Mechanism

- Periodic surveys
- Complaint analytics
- NPS tracking
- RNPS tracking
- Service improvement governance