

MERCHANTING TRADE DECLARATION

(To be submitted along with import/export Transaction request/application form)

ON LETTER HEAD OF THE TRADER

To,

Date:

The Branch Manager,
The Federal Bank Limited
_____ BRANCH.

Dear Sir,

We refer to the below export/import transaction being submitted to you;
Details of transaction

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We hereby certify/confirm that;

- a) Goods involved in the transactions are permitted for exports/ imports under prevailing Foreign Trade Policy of India, at the time of entering into the contract.
- b) Goods involved will not enter into the Domestic Tariff Area and the state of goods has not / will not undergo any transformation.
- c) The said transaction(s) do not involve foreign exchange outlay for a period exceeding four months.
- d) All rules, regulations and directions applicable to export (except Export Declaration Form) and import (except Bill of Entry) are complied with for the export leg and import leg respectively of the merchanting trade transactions.
- e) Both the legs of the merchanting trade transaction will be routed through **Federal Bank** only.
- f) The entire merchant trade transaction will be completed within a period of 9 months. The Commencement of merchanting or intermediary trade would be the date of shipment / export leg receipt or import leg payment, whichever is first. The completion date would be the date of shipment / export leg receipt or import leg payment, whichever is the last.
- g) In case of multiple BLs, the BL with the earliest date of shipment will be taken as a start date of merchanting trade transaction. In case of part payments the latest date of credit in your Nostro or date of debit to my/our account will be taken as end date of merchanting trade transaction.

h) We have not availed any export and import finance against this merchanting trade transaction from any other Bank.

i) We hereby declare that we are traders of the underlying goods and not financial Intermediaries.

j) We hold a valid/confirmed order for the export leg and import leg of the transaction.

k) We note that in case of our default in completing the entire merchant trade transaction within timeline as above, the Federal Bank will report the same to RBI including recommendation for entering of our name in caution list trader.

l) We declare that we are not caution-listed by RBI.

m) All the underlying documents as requested by the Bank will be provided for the transaction.

DECLARATION – CUM – UNDERTAKING

We are eligible to import the above mentioned goods under the current Foreign Trade policy in place. And our Importer Exporter Code is: _____

I / We hereby declare that the above transaction does not involve, and is not designed for the purpose of any contravention or evasion of the provisions of the FEMA 1999 or of any rule, regulation, notification, direction or order made there under. I/ We also hereby agree and undertake to give such information/ documents as will reasonably satisfy you about this transaction in terms of the above declaration. I/ We also undertake that if I/ We refuse to comply with any such requirements or make only unsatisfactory compliance therewith, the bank shall refuse in writing to undertake the transaction and shall if it has reason to believe that any contravention /evasion is contemplated by me /us report the matter to Reserve Bank Of India.

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

You are requested to please process the LC/Import bill/export bill/Remittance at the earliest and debit the charges to our A/C No. _____ with you.

Yours faithfully,

For <Name of the client>

Company stamp and seal
Authorised Signatory