

Frequently Asked Questions (FAQs)

1. Whether all Trade and Non trade transactions are to be reported or only for customer initiated inward /outward remittance transactions are to be reported. Should Bank include merchant transaction (POS) in this report?

Ans- As per 'Prevention of Money Laundering (Maintenance of Records) Rules, 2005' amended through issuance of the notification no. 12 of 2013 dated 27th August, 2013 (Available for reference on FIU-IND website <http://fiuindia.gov.in>) , all cross border wire transfers of value more than rupees five lakh or its equivalent in foreign currency where either the origin or destination is in India needs to be reported every month by the 15th of the succeeding month. Hence, all transactions whether these are for Trade, Non trade or merchant are to be reported if it involves cross border transfers and exceeds the threshold of rupees five lakh.

2. Banks are also entering into foreign currency trade transactions (other than merchant) with banks in India and abroad. Fund settlement on this account between banks via SWIFT Message type 202 are not pertaining any customer. Whether these transactions are also to be reported? If yes, what details are to provided in INP/LPE files?

Ans- These transactions need to be reported as explained in Q No. 1 above. The fields in INP/LPE files may be left blank.

3. Banks in India acting as intermediaries for inward remittances meant for credit of our Bank customers maintaining account with our bank, send remittance through RTGS/NEFT and these are credited to our Bank customers account by Straight Through Process. In such case whether such transaction are to be reported by us or the Bank originating the STP.

Ans- We have to follow the first-in/last-out principle for the obligations regarding the reporting. The first bank which receives the inward remittance whether for its own customer or acting as intermediary for the customer of other bank has to file the report. Similarly the last bank

which sends out the remittance whether for its own customer or acting as intermediary for the customer of other bank has to file the report.

4. Whether the foreign currency purchase and sale through the branch is also to form part of the report?

Ans- No.

5. Whether the transaction for use of Credit cards / Debit cards / Prepaid cards / Travel cards in foreign geography / foreign currency are also to form part of the report?

Ans- Yes, if the value of each transaction is of value more than Rupees five lakh or its equivalent in foreign currency where either the origin or destination is in India, then it will form part of the report.

6. Whether any single transaction of above 5 lacs of a customer to be reported or the aggregate of all transactions of a single customer in a month exceeding 5 lacs or equivalent foreign currency is to be reported?

Ans- If any single remittance whether inward or outward to/ from India involves transaction of value above Rupees 5 lacs, that alone needs to be reported.

7. Whether the CBWT report for the month of January 2014 needs to be submitted on or before February 15, 2014 or the reports from August, 13 need to be submitted?

Ans- As the Notification no. 12 of 2013 mandating the submission of CBWT report by the 15th of succeeding month has come into effect from 27th August, 2013, the reports from that date need to be submitted.

8. Whether all 7 files including TRFRPT file are required to be submitted for every report?

Ans- Yes, All the 7 files are required to be submitted every month.

9. If TRFRPT file is required to be filed, what should be the contents of all mandatory fields in the file?

Ans- As the Cross Border Wire Transfer (CBWT) Report is threshold based reporting, only 4 initial fields are mandatorily required to be filled in TRFRPT file.

10. What should be the report type in TRFBAT file?

Ans- As per the present format, the report type is- 'EFT'.

11. Whether data is to be provided in TRFPIN, TRFINP and TRFLPE files?

Ans- The data to the extent available may be provided in these files. If no data is available for any of the fields of these files, then the report must be submitted leaving these fields blank and no other value (e.g. XXX, NA, Not Applicable etc.) should be entered.

12. If the transaction is initiated by the Bank for its customer what should be the input to the field 'Transaction Institute name' and 'Transaction Institution reference no.' in the TRFTRN file.

Ans- The name and reference no. of the bank initiating the transaction needs to be given in these fields.

13. In certain instances, the Bank receives a single inward remittance where the credit needs to be applied to multiple beneficiaries. In such instances, the following situations arise:

- Although there is a single inward remittance, there would be multiple beneficiaries. As a result, the beneficiary details would not be unique, i.e. there would be multiple beneficiary names, address and account numbers.
- The value of remittance to be applied to each beneficiary may or may not be more than INR 5,00,000, which is the threshold for reporting.

We seek a clarification on the methodology for the reporting, could this be considered as a single remittance for the purpose of the reporting to FIU-IND. In such a case, in the absence of a unique beneficiary, the details of the beneficiary may need to be kept blank. We maintain a record of the individual transactions and can be made available on request of the FIU-IND.

Ans- In the query as raised by you, as the transaction has been initiated with a single inward transaction of more than Rs. 5 lakh, the same needs to be reported. The details of all the recipients can be mentioned in the

receiver part of the report of TRFTRN to whom the money is being credited individually as for every cross border wire transfer, the details of sender and receiver are to be separately filled in separate rows of the report mentioning different Transaction types, i.e. P for sender and R for receiver.

14. Kindly clarify whether the foreign currency transactions routed through EEFC account which are not converted into INR equivalent needs to be reported. Also, in this case kindly confirm as what exchange rate needs to be considered?

Ans- The Notification no 12 of 2013 dtd 27.08.2013 requires that “ All cross border wire transfers of the value of more than five lakh rupees or its equivalent in foreign currency where either the origin or destination of fund is in India needs to be reported by the 15th of the succeeding month”. This clarifies that the transactions routed through EEFC account also need to be reported. For the exchange rate, the instructions issued by RBI in relation to the EEFC account (copy enclosed) including those given in FAQs on EEFC at RBI website as also instructions contained in RBI circular (A. P. (DIR. Series) Circular No. 12, dated July 31, 2012) may be referred to.

15. In case of travellers cheques purchase made by the customer for INR equivalent of more than Rs 5.00 Lakhs, kindly confirm as who will report the transactions?? Also confirm on cases where unutilized travellers cheques are deposited/redeemed back in the account, as in such cases no cross border wire transfer is involved.

Ans- With regard to the traveller Cheque, if the net of purchase and return is more than Rs. 5 lacs, the same may be reported for the present. However, the detailed clarification will be issued subsequently.

16. In case of transactions where the bank acts as an intermediary and receives funds for further credit to customer with other banks, what should be the details in INP/LPE files as the bank will not have any information of the customer of the other bank.

Ans- The details of the customer as available in the SWIFT code may be given. For the details as in address etc., the SWIFT Code no. may be mentioned.

17. In the TRFTRN sheet, Transaction Type is referred as P – Purchase (Sender) & R – Redemption (Receiver). What transaction type to be entered for foreign inward remittance and foreign outward remittance?

Ans- Every transaction will require two rows to be filled in. Suppose A from India sends wire transfer of Rs. 6 lakh equivalent to B in USA, then one row with transaction type P will contain the details of A and the second row for the same transaction with transaction type R will contain the details of B. Similar is the case for inward remittance.

18. If a Bank receives a single inward remittance where the credit needs to be applied to multiple beneficiaries, then the beneficiary details would not be unique, i.e. there would be multiple beneficiary names, address and account numbers. The value of remittance to be applied to each beneficiary may or may not be more than INR 5,00,000, which is the threshold for reporting. Whether these need to be reported.

Ans- As the transaction has been initiated with a single inward transaction of more than Rs. 5 lakh, the same needs to be reported. The details of all the recipients can be mentioned in the receiver part of the report of TRFTRN to whom the money is being credited individually as for every cross border wire transfer, the details of sender and receiver are to be separately filled in separate rows of the report mentioning different Transaction types, i.e. P for sender and R for receiver.

19. Whether the foreign currency transactions routed through EEFC account which are not converted into INR equivalent needs to be reported. Also, in this case kindly confirm as to what exchange rate needs to be considered?

Ans- The Notification no 12 of 2013 dtd 27.08.2013 requires that “ All cross border wire transfers of the value of more than five lakh rupees or its equivalent in foreign currency where either the origin or destination of fund is in India needs to be reported by the 15th of the

succeeding month". This clarifies that the transactions routed through EEFC account also need to be reported. For the exchange rate, the instructions issued by RBI in relation to the EEFC account including those given in FAQs on EEFC at RBI website as also instructions contained in RBI circular (A. P. (DIR. Series) Circular No. 12, dated July 31, 2012) may be referred to.

20. Whether this CBWT report is applicable to LOCAL RTGS/NEFT transaction within country crossing Rs. 5 Lacs per customer account?

Ans- No, as only those wire transfer transactions would be required to be reported which cross the border of India.

21. In case of inward/outward remittance from/to Nepal and Bhutan, there is no conversion involved. Please confirm if this needs to be reported in the CBWT reporting.

Ans- Yes, it needs to be reported. As there is a cross border movement involved of currency. The Rules require the reporting if the movement is beyond Rs. 5 lakh or equivalent in foreign currency and where either the destination or the origin is in India.

22. Whether Cross Border Inter Bank Fund transfer has to be included in the report or not.

Ans- Yes. It is to be reported.

23. Whether all import/export can be classified as Cross boarder Transaction, where banker receive/pay form other country?

Ans- Any transaction going out of or coming into India where the amount is more than Rs 5 lakh or equivalent in foreign currency needs to be reported, whether it is related to export/ import or otherwise.

24. Under "Instrument Country Code" , the reporting guide mentions "Two digit country code for the Country where transaction was conducted". What exactly needs to be captured here? Country where the transaction has originated or the destination country.

Ans- Every transaction will require two rows to be filled in. Suppose A from India sends wire transfer of Rs. 6 lakh equivalent to B in USA, then one row with transaction type P will contain the details of A and the second row for the same transaction with transaction type R will contain the details of B. Similar is the case for inward remittance. However as these two rows are part of the same transaction, only one report serial no. needs to be given to both these rows. Therefore for the example given above, first row with Transaction type P will contain the details of country code for India and the second row for the same transaction will have the country code of US. This is the example for outward remittance from India. Similarly the inward remittance can be suitably captured.

25. In case of transactions where the bank acts as an intermediary and receives funds for further credit to customer with other banks, what should be the details in INP/LPE files as the bank will not have any information of the customer of the other bank.

Ans- TRFINP and TRFLPE are not mandatory. If the details are not available, these may be left blank.

26. In TRFPIN, in the column for Cumulative Purchase turnover, whether the total credit turnover of all the reported accounts is required in this field ?

Ans- Total of amount sent or received through wire transfer since April 1 of that Financial Year on each account/ entity need to be given. However, this is not a mandatory field.

27. In TRFPIN, in the column for Relationship begin date what is to be given?

Ans- The date of transaction may be provided here.

28. Whether the branch name is required where the account is operated from?

Ans-Yes

29. Whether customer level risk rating is to be provided for each transaction ?

Ans- Yes

30. In TRFTRN, in the column for Customer Name, whether name of account is required in this field or the name of authorised signatories are required in this field as the next all fields ahead of this field are like date of birth, Gender etc.

Ans- Name of the account holder may be provided here.

31. In the TRFTRN sheet, the permissible values for Risk Rating are T1- High Risk Transaction, T2-Medium Risk Transaction, T3- Low Risk Transaction, XX- Not categorized. Are these values dependent on the product risk as per the perception of the bank or are these related to suspicious transactions?

Ans- Risk rating can be given as per the risk assessment of the transaction.

32. What is the difference between TransactionRefNo & TransactionInstitutionRefNum*.

Ans- Transaction reference no. is the unique reference no. given by the bank to the transaction whereas the transaction institution ref no. is the unique reference no. to uniquely identify the branch /office of the institution where the transaction is conducted.