MERCHANTING TRADE DECLARATION (To be submitted along with import/export transaction request/application form)

ON LETTER HEAD OF COMPANY

Dated: _____

To,

SUMITOMO MITSUI BANKING CORPORATION

NEW DELHI BRANCH

We refer to the below Merchanting trade transaction being submitted to you.

Details of transaction

Export Leg

i) Buyer Name
ii) Buyer Address and Country
iii) Invoice Currency and Value
iv) Shipment Date:
v) Advance Payment involved: Y/N

Import Leg

i) Seller Name
ii) Seller Address and Country
iii) Invoice Currency and Value
iv) Shipment Date:
v) Advance Payment involved: Y/N

Third party Name, if applicable:

Third Party Address, if applicable:

We hereby certify/confirm that:

a) The transaction is being undertaken in accordance with the prevailing Foreign Trade Policy of India and applicable laws and regulations.
b) The goods involved in the transaction are not prohibited under any applicable law and are eligible for trading under the prevailing Foreign Trade Policy.
c) The goods shall be shipped directly from the overseas supplier to the overseas buyer and shall not enter into DTA location in India.
d) We shall ensure that the period between the outward remittance to the overseas supplier and the inward remittance from the overseas buyer, or vice versa, does not exceed six months, unless an extension is permitted by SMBC pursuant to applicable regulations.
e) We acknowledge that outward remittances shall ordinarily be made to the overseas supplier and inward remittances shall ordinarily be received from the overseas buyer. Where payment to or receipt from a third party is proposed, we shall provide supporting documents and justification for SMBC's consideration.
f) We shall provide all documents, information and evidence required by SMBC to establish the genuineness of the transaction and compliance with applicable regulations.

g) Both legs of the Merchanting Trade Transaction shall be routed through SMBC unless otherwise permitted by applicable regulations and agreed by SMBC.
h) We confirm that we are acting as a trader of the underlying goods and not as a financial intermediary. Further, we confirm that the MTT is profitable to us.
i) We confirm that valid commercial arrangements exist for both the purchase and sale legs of the transaction and further undertake to promptly inform SMBC of any delay, amendment, cancellation, dispute or other material development relating to the transaction and provide supporting documents as may be required.
j) I/we understand that government and /or regulatory authorities imposes, from time to time, specific sanctions against certain countries, entities and individuals and you may be unable to process a transaction that involves a breach of sanctions. I/we agree and confirm (unless otherwise informed to SMBC) that this transaction is not connected directly or indirectly with any sanctioned countries (e.g. Iran, Cuba, Sudan, Syria, North Korea), entities or individuals, including, for US $ transactions or those involving US entities, OFAC sanctioned countries and this transaction would not constitute a breach of the OFAC, Japan or UN Sanctions, or any other relevant sanctions laws and regulations as amended from time to time.
k) I/We agree that if this remittance is blocked, frozen, delayed, refused or cancelled because it is claimed to be sanctioned -related, SMBC shall not be liable for any losses, liabilities, penalties, costs or expenses("Liabilities") we may incur and we shall indemnify SMBC against any liabilities SMBC may incur in this regard.
l) I/We confirm that the remittance does not and will not involve any goods, transactions or business relationship directly or indirectly related to North Korea (including without limitation transactions through intermediaries or relating or contributing to nuclear or ballistic-related activities or involving North Korean persons, entities or vessels or goods of North Korean origin).

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. I/we understand that government and /or regulatory authorities imposes, from time to time, specific sanctions against certain countries, entities and individuals and you may be unable to process a transaction that involves a breach of sanctions.

Thanking you. Yours faithfully,

For <Name of the client>

Company stamp and seal Authorised Signatory