# Operational Guidelines for Banks for Integration of FX-Retail with Bharat Connect

FX-Retail Platform, launched in August 2019, is an online Forex platform for Customers and operated by Clearcorp Dealing Systems (India) Limited (a wholly owned subsidiary of Clearing Corporation of India limited- CCIL). The platform, authorised by the RBI under the Electronic Trading Platforms (Reserve Bank) Directions, 2018, offers transactions in CASH, TOM, SPOT and FORWARD instruments up to a period of 13 months in the USD/INR currency pair for the customers. Customers are required to complete a registration process for availing access of the platform.

**RBI Policy**: RBI in its Statement on Developmental and Regulatory Policies dated December 06, 2024, announced the linkage of FX-Retail platform with Bharat Connect operated by the NPCI Bharat BillPay Limited. This linkage will allow Customers to register and book forex transactions on the FX-Retail platform through the apps of banks (mobile applications, internet banking etc.) and non-bank payment system providers, which are integrated with Bharat Connect. The initial phase will allow purchase of US dollars against the rupee by Individual (Resident Indians)Customers. Banks may also be guided by the instructions issued by the RBI in this regard.

**Scope of Document**: This document intends to set the Operational guidelines for the Banks with respect to Onboarding of customers and Execution of transactions by Customers on the FX-Retail platform through the Bharat Connect integrated applications/channels:

## A. Registration and Onboarding via Bharat Connect:

i. The integration of FX-Retail with Bharat Connect will facilitate the customers to register themselves on the FX-Retail through the bank/non-bank applications/channels integrated with Bharat Connect.

ii. **Allocation of Trading Branch** – In the existing FX-Retail, a Bank at the time of approval of a customer on FX-Retail, assigns the trading branch and subsequently, all transactions executed by the customer is mapped to the assigned trading branch. The mapping of Trading Branch is an operational requirement on the FX-Retail. *Bank are required to indicate a Trading branch to Clearcorp for the purpose of allocation to the customers onboarding through Bharat Connect. For this purpose, Bank may create a new or use an existing Trading branch. The allocation of the trading branch to the customers onboarding through Bharat Connect shall be* *automatically carried out by the FX-Retail system.* In *a scenario where the Trading Branch is not indicated by a bank, Clearcorp may assign an existing trading branch in the platform.*

iii. **Registration:** A Customer will provide the details such as Customer Category (Only Individual customers shall be allowed in the initial phase), Mobile number, PAN number, Email ID, Relationship bank name, Bank Account number and Home Branch IFSC on the Bharat Connect enabled channels/application at the time of Registration. These details would be validated digitally with the bank. On successful registration, the Customer ID will be generated by FX-Retail.

iv. **Terms and Conditions:** The Customer will be required to accept the Terms and Conditions at the time of registration on FX-Retail. The Terms and Conditions will be a comprehensive document which include Terms and conditions for the usage of FX-Retail along with the Terms and conditions of the Relationship Bank.
*Bank to take a note of this change.*

v. **Intimation of onboarding to Customer and Bank -** On successful registration, the Customer ID will be generated by FX-Retail. The Customer and Bank shall be intimated about the successful onboarding on a real time basis.

**a. Customer**

i. A confirmation of the successful generation of FX-Retail Customer ID will be displayed to Customer on the app.

ii. An email notification would also be sent from FX-Retail to the Customer.

**b. Relationship bank:**

i. Presently, the details of approved Customers are available in the Customer view Report screen of FX-Retail. This screen will also include Customers onboarded through Bharat Connect which will have the "Source of Onboarding" as Bharat Connect.

ii. An Onboarding file in CSV format, containing the details of the Customer shall be sent to the Bank via FX-Retail PI utility in order to enable updation in the Bank's internal systems.
*Bank to ensure that the FX-Retail PI Utility is connected atleast till 12 AM on all days in order to consume the onboarding CSV files on a real time basis since the Registration is open 24 hours for the Customer. Any*

*Customer registration post 12 AM shall be captured by the PI Utility next day.*

iii. An email shall also be sent to the Bank on a real time basis. The bank may configure the email addresses of the relevant Bank users in the FX-Retail platform in order to receive the Customer Onboarding emails.

**Execution of Customer Transactions via Bharat Connect:**

1) **Activation of transaction:** On successful completion of onboarding on FX-Retail, Customer can proceed to execute transactions immediately through any of the bank/non-bank apps integrated with Bharat Connect.

   *Bank to ensure mapping of the onboarded customers for smooth processing of transactions.*

2) **Session time**: A Customer can execute transactions Monday to Friday from 9.15 AM to 3.30 PM through any of the bank/non-bank apps integrated with Bharat Connect.

   *Note: The facility would be unavailable to the customer for transactions on all holidays under the Negotiable Instruments Act (NIA). Further, the transactions in the Cash instrument shall be unavailable on all dollar holidays.*

3) Customers are permitted to transact purchase of US dollars, for value date – Cash (same day settlement), in the initial phase.

4) **Bank Charges**: The bank charges, applicable for the Forex transactions as indicated by the relationship bank shall be applicable for all customers onboarding on the FX-Retail through the Bharat Connect integrated channel/app. This charge would also be displayed to the Customer on the app.

   *Banks need to indicate the applicable bank charges (in paise) to Clearcorp. In a scenario where the bank charge is not indicated by the bank, Clearcorp shall set an indicative bank charge on behalf of the bank, in order to enable the customers of the bank to execute transactions via Bharat Connect integrated channel/application.*

5) **Updation of Branch details:** A customer can choose a preferred delivery mode (remittance/currency/Forex card) and Forex delivery branch on the Bharat Connect integrated app/channel for the settlement/delivery of the transaction. In case, customer

opts the online mode, the selection of the Forex delivery branch may not be required on the app.

*In order to facilitate this choice to the customer, banks will be required to update the following:*

a. *Physical mode: The bank will be required to update the branch details (including email id and address of branch) along with the delivery mode offered by the respective branch (Remittance/Currency/Forex card),*
b. *Online/Digital mode: The bank will be required to update the details of the digital branch along with relevant links for facilitating digital/online fulfilment for the customer.*

   *Note: A facility (excel upload) shall be provided on the FX-Retail in the FX-Retail Bank admin for this purpose.*

*6)* **Updation of Swap Point**: The swap point provided by the banks on the FX-Retail is used for deriving the Spot price of the Customer orders in Cash, Tom and Forwards. The Spot price, so derived, shall be tried for matching with opposite orders in the platform.

*Banks to ensure that the Swap points are updated on the FX-Retail platform on a regular basis before the session opens at 9.15 AM. In a scenario where the swap point is not provided by the Bank, the Customer will not be able to proceed with execution of the transaction on the app.*

7) **Integration of Trade Flow with internal treasury systems**: The Customer trade details will be made available on a real time basis to the bank in the following modes:

a. Trade CSV/FIX file through the FX-Retail Participant Interface (PI) Utility.
b. Trade details in the FX-Retail Bank Admin.
c. An email shall be sent from FX-Retail to the Home Branch, Trading Branch and Forex Delivery Branch (selected by customer on the app) to facilitate effective processing at Bank end. Bank can use the Branch detail updation screen (refer to point no.5 above) to update the email address/es of the branches.

*Bank to ensure the necessary mapping is done in the internal treasury systems for Customer transactions.*

8) **Trade CSV file:** The existing Trade CSV file has been enhanced to include the following fields for efficient integration of the transactions in the Banks's system.

a. Customer Account Number with Relationship Bank – Provided by Customer at the time of onboarding on FX-Retail
b. Customer PAN Number - Provided by Customer at the time of onboarding on FX-Retail
c. Delivery mode - Delivery mode (remittance/currency/Forex card) selected by Customer at the time of executing the transaction
d. Forex Delivery/Digital branch IFSC- The IFSC of the branch selected by the Customer for taking the Forex delivery.
e. Source of transaction – This field will have "Bharat Connect" in case transaction is executed by Customer through the Bharat Connect channel/app
f. Transaction reference number- Reference number received from Bharat Connect Settlement file with respect to transfer of INR (collected from Customer before transaction) to the Relationship Bank

*Bank to ensure the necessary mapping is done in the internal treasury systems for the Customer transactions.*

**9) Settlement of Customer transactions**

a. **INR settlement:** The Customer provides a confirmation to prefund the required INR amount for the US dollar purchase transaction on the Bharat Connect Channel/app. The INR amount so collected from the Customer shall be transferred to the Relationship Bank by Bharat Connect. Bharat Connect shall send the transaction reference number in the settlement file which is shared with the bank. This reference number will also be captured in the Trade CSV/FIX file flown from FX-Retail to the Bank.
b. **USD settlement and document submission:** The Customer will submit the supporting documents at the Relationship Bank branch for transaction processing and settlement. Post verification of documents and other relevant processes, the Bank may proceed to settle the US dollar leg of the transaction.
c. **Settlement of Interbank trades:** The interbank trades arising from the Customer transactions executed on FX-Retail shall be settled by CCIL as per the extant process.

*Bank to ensure the compliance under the FEMA guidelines for processing of the Customer transactions.*

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