



SECTION - 9

EXCHANGE RATE - RISK AGENCIES INVOLVED AND PROCEDURE FOLLOWED IN INTERNATIONAL FINANCIAL OPERATIONS

This Section include

- **Exchange rate - risk agencies involved and procedure followed in international financial operations:**

9.1. EXCHANGE RATE - RISK AGENCIES INVOLVED AND PROCEDURE FOLLOWED IN INTERNATIONAL FINANCIAL OPERATIONS

- 9.1.1 Foreign exchange transactions require some special records to be maintained as per the regulations. At every stage in the international trade process, the finance manager has to comply with some regulatory and reporting requirement. For example, opening of a letter of credit in the context of exports or imports. Here, the finance manager has to deal with the bank, submitting the requisite documents for ensuring the opening of letter of credit. Proper trade documents have to be submitted. Foreign exchange remittances have to be complied with. They have to be accounted in line with the requirements of law and accounting standards. Tax treatment is different in some cases and they have to be adhered to such as withholding tax, tax exemption criteria etc;