

Karbon FX – International Payment Operations and Compliance

Introduction

Karbon Card is an Indian fintech that provides a suite of corporate payment and expense-management products. One of its offerings is **Karbon FX**, a cross-border payment service that lets Indian businesses and freelancers accept payments from foreign clients. Unlike traditional inward remittance methods (such as SWIFT transfers or PayPal), Karbon FX positions itself as a cost-effective and compliant alternative. It provides payment links and a virtual USD account so that exporters, service providers and agencies can be paid by overseas clients and receive Indian rupees (INR) in as little as one business day ¹.

How Karbon FX Works

Process step	Description and evidence
Payment methods	Karbon FX allows foreign clients to pay Indian businesses or freelancers through three channels: (1) Payment links – merchants can send a secure link; clients pay using Visa or Mastercard ² . (2) Virtual USD account – Karbon issues a USD account number; clients can make local transfers from platforms or bank accounts ³ . (3) Direct card payments – payment links accept credit and debit card payments from more than 100 countries ⁴ .
Fund collection and conversion	When a client pays via a link or transfers funds into the virtual USD account, Karbon collects the foreign currency through its banking partners. Funds are converted to INR at transparent foreign-exchange (FX) rates – the service advertises better rates than PayPal or SWIFT ⁵ and zero hidden charges ⁶ .
Settlement timeline	Once the payment is received, Karbon remits the converted amount to the user's Indian bank account in one business day ¹ . The FAQ section states that most payments are processed within 1-2 business days depending on the sending bank and currency ⁷ .
Documentation and compliance	Karbon FX handles LRS (Liberalised Remittance Scheme) and FIRC (Foreign Inward Remittance Certificate) documentation for customers ⁸ . Proof of remittance and FIRC documents can be downloaded directly from the dashboard ⁹ .
Dashboard and invoicing	Users manage transactions via a single dashboard that allows them to track, manage and reconcile payments ¹⁰ . The platform includes a free invoice generator , enabling businesses to create branded invoices and monitor their status ¹¹ .

Process step	Description and evidence
Account opening	The service promotes minimal documentation and handheld onboarding for opening an account ¹² . Sign-up is done online; there is no paperwork or integration required —clients can create a free account in a few clicks ¹³ . After registration, Karbon assigns a relationship manager to assist with compliance and onboarding.

Simplified payment flow

1. **Registration** – Businesses or freelancers sign up for a Karbon FX account using basic KYC/KYB documents. The site emphasises that onboarding requires minimal documentation and is assisted by Karbon's team ¹².
2. **Sending payment link / sharing account** – Users generate a payment link or share their virtual USD account details with overseas clients. The client pays by card or transfers funds locally ¹⁴.
3. **Collection & conversion** – Funds are collected into Karbon's partner banks. The service converts the foreign currency to INR at competitive FX rates and deducts transparent platform fees ⁵.
4. **Compliance documentation** – Karbon handles RBI-mandated documentation (LRS + FIRC) and uploads the certificates to the dashboard ⁸.
5. **Settlement** – Net INR is deposited into the user's Indian bank account within one business day ¹, and users receive notifications and transaction summaries.

Benefits of Karbon FX for Businesses and Freelancers

Karbon FX emphasises several advantages for Indian businesses and freelancers who need to collect payments from abroad:

1. **Reduced cost compared with traditional remittance services** – The platform claims that it helps users **save 3× the cost** of receiving payments ¹⁵ by offering **lowest platform fees** ¹⁶ and **better FX rates than PayPal or SWIFT** ⁵. There are no hidden charges ⁶.
2. **Fast settlement** – Funds settle in **one business day**, considerably faster than typical SWIFT transfers. The FAQ notes that most payments are processed within **1-2 business days** ⁷, which helps improve cash flow for exporters and freelancers.
3. **Compliance handled** – Karbon FX is **fully RBI-LRS compliant** and provides **PCI DSS-certified payment handling** ¹⁷. The platform automatically manages LRS declarations and issues FIRC documents, which businesses need to substantiate export proceeds ⁸. Having compliance paperwork readily available reduces administrative burden.
4. **Easy onboarding and minimal paperwork** – Account opening is **assisted** and requires **minimal documentation** ¹². Users can get started without complex integrations; they simply generate payment links or share their virtual USD account.
5. **Multiple payment options** – Clients can pay via **credit/debit cards** (Visa/MasterCard) or via **local transfers** into the virtual USD account ¹⁴. This flexibility makes it easier to cater to various client preferences.

6. **Multi-currency support** – Karbon FX supports payments from **100+ countries and 38+ currencies** ¹⁸, including major currencies like USD, EUR and GBP ¹⁹.
7. **Integrated tools** – The dashboard allows users to track invoices and transactions in real-time ¹⁰; there is a **free invoice generator** ¹¹. A **dedicated account manager** and **WhatsApp notifications** support customer service ²⁰.
8. **Targeted use cases** – Karbon highlights that the service suits **agencies** (agencies can share their USD account to foreign clients and get paid via payment links) and **businesses** exporting products or services without chasing paperwork ²¹.

Requirements for Opening a Karbon FX Account

The website emphasises easy onboarding with **minimal documentation** ¹², but it does not list specific documents. Based on typical Indian regulatory requirements for financial services, users should expect to provide:

- **Know-Your-Customer (KYC) / Know-Your-Business (KYB) documents** – This usually includes a PAN card, proof of identity (Aadhaar or passport), business registration documents (GST certificate, company incorporation certificate), and proof of address.
- **Bank account details** – Customers need an Indian bank account to receive settlements; account information is used to deposit INR proceeds.
- **Tax and compliance declarations** – Users must sign declarations related to India's Foreign Exchange Management Act (FEMA) and the Liberalised Remittance Scheme (LRS). Karbon assists with these forms and provides FIRC certificates ⁸.

Because Karbon's site states that the onboarding is "handheld" and **no paperwork or integration is needed** ¹³, it is likely that these documents are uploaded digitally during sign-up. Once verified, Karbon opens the USD virtual account and payment-link functionality for the user.

Compliance and Regulatory Checks

Karbon FX positions itself as a compliant solution for cross-border payments:

- **RBI-LRS compliance** – The service is expressly **fully RBI-LRS compliant** ¹⁷. This means that remittances follow India's Liberalised Remittance Scheme rules, ensuring that foreign currency is remitted and converted lawfully.
- **FIRC issuance** – Karbon handles and provides **Foreign Inward Remittance Certificates (FIRC)** ⁸, which serve as proof that export proceeds have been received and converted through legal channels.
- **PCI DSS certification** – The platform is **PCI-DSS certified** for payment handling ²². This certification ensures that cardholder data is processed securely and reduces the risk of fraud or data breaches.

- **Transparent FX and fee structure** – The site emphasises **transparent FX rates** and **no hidden charges** ⁶. Fees are deducted before settlement, and all charges are disclosed in the dashboard, aligning with fair-pricing regulations.
- **Data privacy and security** – By adopting PCI DSS standards and partnering with reputable banks, Karbon maintains security controls over user data and transactions.
- **Customer due diligence** – While not explicitly outlined, regulatory compliance in India requires fintech platforms to perform customer due diligence and monitor transactions for anti-money-laundering (AML) purposes. Since Karbon states that it is “fully compliant” ¹⁷ and provides dedicated support to navigate complex compliance requirements ²³, users should expect routine KYC/KYB checks and transaction monitoring.

Conclusion

Karbon FX offers a streamlined, compliant solution for Indian businesses and freelancers to collect international payments. By providing payment links and a virtual USD account, the platform allows overseas clients to pay easily by card or local transfer and ensures quick INR settlement. Its core differentiators include low fees, transparent FX rates, RBI-LRS and PCI-DSS compliance, and minimal onboarding documentation ¹². For exporters and freelancers looking to reduce remittance costs and administrative burden, Karbon FX can be an effective alternative to traditional remittance methods.

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<https://fx.karboncard.com/accept-international-payments-in-india>