



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2004-05/234
A.P.(DIR Series) Circular No.20

October 25, 2004

To

All Banks Authorised to Deal in Foreign Exchange

Madam/ Sirs,

**Foreign Exchange Management Act (FEMA), 1999 –
Current Account Transactions – Remittance of Hiring Charges of Transponders – Procedural
Changes**

Attention of Authorised Dealer (AD) banks is invited to item 2 (viii) of A.P.(DIR Series) Circular No.76 dated February 24, 2004 in terms of which, proposals for remittance of hiring charges of transponders by TV Channels and Internet Service Providers would require prior approval of the Ministry of Information & Broadcasting.

2. On a review, it has been decided by the Government that applications for remittance of hiring charges of transponders by TV Channels and Internet Service Providers will require the approval of Ministry of Information and Broadcasting and Ministry of Communication and Information Technology, respectively.

3. Accordingly, Authorised Dealer banks may allow the remittances towards hiring of transponders by TV Channels and Internet Service Providers, after obtaining the approval of the Ministries concerned without reference to the Reserve Bank (copy of the relevant Notification enclosed). Accordingly, item No. 6 of Schedule II to the Foreign Exchange Management (Current Account Transactions) Rules, 2000 may please be amended to read as under:

Purpose of remittance	Ministry/Dept. of Govt. of India whose approval is required
6. Remittance of hiring charges of transponders by: (a) TV Channels (b) Internet service providers	Ministry of Information and Broadcasting Ministry of Communication and Information Technology

4. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers.

5. The direction contained in this circular has been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

Grace Koshie

Chief General Manager

MINISTRY OF FINANCE
(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 13th September, 2004

G.S.R.608(E). – In exercise of the powers conferred by sub-section (1) and clause (a) of sub-section (2) of section 46 read with proviso to section 5 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in consultation with the Reserve Bank, the Central Government, having considered it necessary in the public interest, hereby makes the following amendments in the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely:-

1. (1) These rules may be called the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004.
 - (2) They shall come into force from the date of their publication in the Official Gazette

2. In the Foreign Exchange Management (Current Account Transactions) Rules, 2000, (a) in Schedule II,
 - (i) after item number 5 and the entries relating thereto, the following item number and the entries shall be inserted, namely:-

“6. Remittance of hiring Charges
of transponders by

(a) TV Channels	Ministry of Information and Broadcasting
(b) Internet service providers	Ministry of Communication and Information Technology”;
 - (ii) Item number 10 and the entries relating thereto shall be omitted;

- (b) in Schedule III,
 - (i) item number 1 and the entries relating thereto shall be omitted;
 - (ii) for Item number 11 and the entries relating thereto, the following item number and the entries shall be substituted, namely:-

“11. Commission, per transaction, to agents abroad for sale
of residential flats or commercial plots in India exceeding
USD 25,000 or 5% of the inward remittance whichever is
more.”;
 - (iii) Item numbers 12, 13 and 14 and the entries relating to each of items numbers shall be omitted;

- (iv) for item number 16 and the entries relating thereto, the following item numbers and the entries shall be substituted, namely:-
“16. Remittance for purchase of trademark or franchise in India”;
- (v) item number 18 and the entries relating thereto shall be omitted.

[No. F 1/2/EM/2004]
U.K. SINHA, Jt. Secy.

Note:- The principal rules were published in the Gazette of India, Extraordinary Part II, section 3(i) vide number G.S.R.381(E), dated the 3rd May, 2000 and subsequently amended last vide G.S.R.731(E) dated the 5th September 2003.