



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2013-14/328
A.P. (DIR Series) Circular No.63

October 18, 2013

To

All Authorised Dealer Category-I banks

Madam/ Dear Sir,

**Memorandum of Procedure for channeling transactions through Asian
Clearing Union (ACU)**

Attention of Authorised Dealer Category-I banks is invited to Para 7 and Para 8 of Annex to the [A.P.\(DIR Series\) Circular No.35 dated February 17, 2010](#).

2. The ACU Board of Directors in their meeting held on June 19, 2013 have decided to include only transactions involving export/import of goods and services among ACU countries as eligible for payment under the ACU Mechanism. Accordingly, Para 7 and sub-paragraph (b) of Para 8 of the Annex to the A.P.(DIR Series) Circular No.35 dated February 17, 2010 have been updated and given in Annex. All other instructions contained in the A.P. (DIR Series) Circular No.35 dated February 17, 2010 shall remain unchanged.

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this Circular have been issued under Section 10(4) and Section 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,

(Rudra Narayan Kar)
Chief General Manager-in-Charge

**[Annex to the A.P.(DIR Series)
Circular No.63 of 18.10.2013]**

<p>Extant Para 7 and Para 8(b) to the Annex of A.P.(DIR Series) Circular No.35 dated February 17, 2010</p>	<p>Revised Para 7 and Para 8 (b) to the Annex of A.P.(DIR Series) Circular No.35 dated February 17, 2010</p>
<p>7. Eligible Payments Transactions that are eligible to be made through ACU are payments –</p> <ul style="list-style-type: none"> (a) from a resident in the territory of one participant to a resident in the territory of another participant; (b) for current international transactions as defined by the Articles of Agreement of the International Monetary Fund; (c) permitted by the country in which the payer resides; (d) not declared ineligible under paragraph 8 of this Memorandum; and (e) for export/import transactions between ACU member countries on deferred payment terms. <p>Note:- Trade transactions with Myanmar may be settled in any freely convertible currency, in addition to the ACU mechanism.</p> <p>8. Ineligible Payments</p> <ul style="list-style-type: none"> (b) payments which are not on account of current international transactions as defined by the International Monetary Fund, except to the extent mutually agreed upon between Reserve Bank and the other participants; and 	<p>7. Eligible Payments Transactions that are eligible to be made through ACU are payments –</p> <ul style="list-style-type: none"> (a) for export/import transactions between ACU member countries including export and import on deferred payment terms; and (b) not declared ineligible under paragraph 8 of this Memorandum <p>Note:- Trade transactions with Myanmar may be settled in any freely convertible currency, in addition to the ACU mechanism.</p> <p>8. Ineligible Payments</p> <ul style="list-style-type: none"> (b) payments that are not on account of export / import transactions between ACU members countries except to the extent mutually agreed upon between the Reserve Bank and the other participants; and