

## **A.P. (DIR Series) CIRCULAR NO 30/RBI.**

Dated: December 23, 2010

### **Asian Clearing Union (ACU) Mechanism - Payments for import of Oil or Gas**

Attention of Authorised Dealer (AD) banks is invited to Regulation 5 of Notification No.FEMA.14/2000-RB dated May 3, 2000 read with items 7(b) and 7(e) of the Memorandum of Procedure for channelling transactions through the Asian Clearing Union (ACU) in terms of which all eligible current account transactions as defined by the Articles of Agreement of the International Monetary Fund and the export / import transactions between the ACU member countries on deferred payment terms respectively are to be routed through the ACU mechanism.

2. The above provisions have been reviewed and it has now been decided that payment for import of oil or gas should be settled in any permitted currency outside the ACU mechanism.

3. Necessary amendments to the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2000 are being issued separately.

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

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

**RBI/2010-11/326**

**(Salim Gangadharan)**

**Chief General Manager-in-Charge**