

## **Exchange Control**

### **JULY 1998**

#### **Export of Software Services-Expenses Overseas**

Resident individuals, firms and companies executing service contracts in software abroad were permitted to utilise income to the extent of 70 per cent of the contract value for meeting the contract-related expenses abroad. With a view to enabling them to promote and expand their overseas business, they have since been permitted to utilise to the extent of 5 per cent of the contract value (within the overall limit of 70 per cent) for the expenses of miscellaneous nature such as entertainment, publicity, purchase of small equipments like PCs, fax machines, etc. Import into India of equipments so purchased at a later date will be subject to the import trade control regulations prevailing at the time of import.

#### **Transactions in ACU Dollar with Reserve Bank of India-Revised Procedure**

It has been decided to centralise the entire work of Asian Clearing Union and accordingly, with effect from October 5, 1998, authorised dealers should approach the Chief General Manager, Department of External Investments and Operations, Reserve Bank of India, Central Office, Mumbai with applications in form ACU 1 for funding of their ACU dollar accounts with their correspondents in other participant countries and ACU 2 for repatriation of excess liquidity in the ACU dollar accounts maintained with them by their correspondents in other participant countries. The Deposit Accounts Department, Reserve Bank of India, Mumbai will cease to undertake the ACU dollar transactions from the aforesaid value date.