

**Asian Clearing Union (ACU) Mechanism – Exports to Nepal**  
**A.P. (DIR Series) Circular No. 10**

**Reserve Bank of India**  
**Exchange Control Department**  
**Central Office**  
**Mumbai 400 001**

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November 1, 2001

To

All Authorised Dealers in Foreign Exchange  
Dear Sirs, /Madam,

**Asian Clearing Union (ACU) Mechanism**  
**– Exports to Nepal**

As authorised dealers are aware, in terms of the Reserve Bank Notifications No.FEMA 14/RB-2000 and FEMA 17/RB-2000 dated May 3, 2000, all trade transactions between a person resident in India and a person resident in Nepal may be settled in rupees. It has now been decided that in case of export of goods to Nepal, where an importer resident in Nepal has been permitted by the Nepal Rashtra Bank to make payment in free foreign exchange, such payments shall be routed through the ACU mechanism.

2. Consequential changes in the Memorandum ACM will be intimated in due course.
3. Authorised dealers may bring the contents of the 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).

Yours faithfully

**Grace Koshie**  
Chief General Manager