



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2019-20/177

A. P. (DIR Series) Circular No. 22

March 17, 2020

To,

All Authorised Dealer Category - I Banks

Madam / Sir,

**Settlement system under Asian Clearing Union (ACU) Mechanism**

The Board of Directors of ACU have decided to permit Japanese Yen for settling payments among the ACU member countries. Accordingly, clause (a) and (b) of Article IV of the General Provisions of Agreement establishing the Asian Clearing Union have been revised and the Asian Monetary Unit is now denominated as "ACU Dollar", "ACU Euro" and "ACU Yen" which shall be equivalent in value to one US Dollar, one Euro and one Japanese Yen respectively.

2. Attention of Authorised Dealer Category - I banks (AD banks) is invited to Regulations 3 and 5 of [Notification No. FEMA 14\(R\)/2016-RB](#) [Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016] dated May 02, 2016 and the necessary amendments reflecting the above, which have been notified in the Gazette of India on March 06, 2020.

3. In order to facilitate transactions / settlements, effective March 06, 2020, participants in the Asian Clearing Union will have the option to settle their transactions either in ACU Dollar or ACU Euro or in ACU Japanese Yen.

4. Further, AD banks are allowed to open and maintain ACU Dollar, ACU Euro and ACU Japanese Yen accounts with their correspondent banks in other participating countries. All eligible payments are required to be settled by the concerned banks through these accounts.

5. The amended Memorandum of Procedure for Channelling Transactions through Asian Clearing Union (ACU) [Memorandum ACM] is [enclosed](#).

6. Notwithstanding the above, it may be noted that as per [circular RBI/2015-16/441 A.P. \(DIR Series\) Circular No. 81 dated June 30, 2016](#), operations in 'ACU Euro' has been temporarily suspended with effect from July 01, 2016.

7. AD banks may bring the contents of this circular to the notice of their constituents concerned.

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

Yours faithfully,

(Sharmila Thakur)  
Officer-in-Charge