



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2015-16/203
A. P. (DIR Series) Circular No. 21

October 08, 2015

To

All Authorised Dealer Category-I banks

Madam / Sir,

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

Attention of Authorised Dealer Category-I banks is invited to the Memorandum containing detailed procedural instructions for channeling transactions through the Asian Clearing Union (ACU) (Memorandum ACM) issued on February 17, 2010 and the subsequent amendment to the same vide [A.P. \(DIR Series\) Circular No.63 dated October 18, 2013](#).

2. In view of the understanding reached among the members of the ACU during the 44th Meeting of the ACU Board in June, 2015, it has been decided to permit the use of the Nostro accounts of the commercial banks of the ACU member countries, i.e., the ACU Dollar and ACU Euro accounts, for settling the payments of both exports and imports of goods and services among the ACU countries.

3. Consequently, payments for all eligible

- a) export transactions may be made by debit to the ACU Dollar / ACU Euro account in India of a bank of the member country in which the other party to the transaction is resident or by credit to the ACU Dollar / ACU Euro account of the authorised dealer maintained with the correspondent bank in the other member country;

b) import transactions may be made by credit to the ACU Dollar / ACU Euro account in India of a bank of the member country in which the other party to the transaction is resident or by debit to the ACU Dollar / ACU Euro account of an authorised dealer with the correspondent bank in the other member country.

4. It is further reiterated that all eligible export/import transactions with other ACU member countries (except in the case of certain countries where specific exemptions have been provided by the Reserve Bank of India) shall invariably be settled through the ACU mechanism.

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

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

Yours faithfully,

(A K Pandey)
Chief General Manager