

PRESS RELATIONS DIVISION, Central Office, Post Box 406,
Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279



**RESERVE BANK OF
INDIA**

RBI On Internet:
<http://www.rbi.org.in>
Email: helpprd@rbi.org.in

February 24, 2004

Current Account Transactions Further Liberalised

In order to further simplify and liberalise the current account transactions, the Reserve Bank of India has announced its decision to freely allow the Authorised Dealers, the following categories of remittances in terms of the Foreign Exchange Management Act (Current Account Transactions) Rules, 2000:

- ◆ Remittance by artistes, e.g., wrestlers, dancers, entertainers etc.
- ◆ Commission to agents abroad for sale of residential plots for amounts up to USD 25,000 or 5 per cent of the inward remittance, whichever is higher.
- ◆ Short terms credit to overseas offices of Indian companies.
- ◆ Remittance for advertisement on foreign television where export earnings are less than Rs 10 lakh.
- ◆ Remittance of royalty and payment of lump sum fees, where agreements have not been registered with the Reserve Bank, provided the payments are in conformity with the norms prescribed under the Schedule II of the FEMA (Current Account Transactions) Rules 2000.
- ◆ Remittances for use of trademark/franchise. Purchase of trademarks/franchise would continue to require prior approval of the Reserve Bank.

These transactions earlier required prior approval of the Reserve Bank. Similarly, the remittances for securing personal health insurance from a company abroad will not longer require prior approval of the Government of India.

Operational guidelines are being issued to the Authorised Dealers.

P. V. Sadanandan
Manager

Press Release: 2003-2004/1019