



RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Office  
Mumbai - 400 001

---

RBI/2004-05/280  
A.P. (DIR Series) Circular No.28

November 19, 2004

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sirs,

**Indo-Myanmar Trade – Relaxation from ACU Mechanism**

Attention of Authorised Dealer (AD) banks is invited to Regulations 3 and 5 of Notification No.FEMA.14/2000-RB dated May 3, 2000 read with items 7(b) and 7(e) of the Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) in terms of which, all current account transactions as defined by the Articles of Agreement of the International Monetary Fund and export / import transactions between ACU member countries on deferred payment terms respectively, are to be routed through the ACU mechanism.

2. In the wake of certain international developments, the above provisions have been reviewed and it has been decided to allow trade transactions with Myanmar to be settled in any freely convertible currency in addition to the ACU mechanism.
3. Necessary amendments to the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2000 are being issued separately.
4. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents concerned.
5. The direction 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,

**F.R.Joseph**  
Chief General Manager