

IN THE NEWS

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Reserve Bank of India (RBI) liberalized Current Account Transactions vide AP (DIR Series) Circular no. 76 dated February 24, 2004 by removing/ altering restrictions on some of the remittances by residents.

- No prior approval is required from the Ministry of Finance (Insurance Division) for remittance of payment for taking health insurance cover from a foreign company.
- Prior approval of the Ministry of Information & Broadcasting required for remittance towards hiring charges of transponders by television channels and internet service providers.
- No prior approval of RBI is required & authorized dealers have powers to allow the following outflows of foreign exchange:
 - ❖ Remittance by artists such as wrestlers, dancers, entertainers etc.;
 - ❖ Remittance by way of commission to agents abroad for sale of residential/ commercial plots in India for remittances up to USD 25,000 or 5 percent of the inward remittance per transaction, whichever is higher;
 - ❖ Short term credit to overseas offices of Indian companies;
 - ❖ Remittance to foreign television channels for advertisements;
 - ❖ Remittance for royalty having a ceiling of 5% on local sales tax and 8% on exports and payment of lump sum fee not exceeding USD 2 million;

For any remittance for use and/ or purchase of trademark/ franchise in India RBI's prior approval will still be required.