Press Note No. 8 (2009 Series)

Subject: Liberalization of Foreign Technology Agreement policy

The existing policy of Government of India on the payment of royalties under Foreign Technology Collaboration provides for automatic approval for foreign technology transfers involving payment of lumpsum fee of US$ 2 million and payment of royalty of 5% on domestic sales and 8% on exports. In addition, where there is no technology transfer involved, royalty up to 2% for exports and 1% for domestic sales is allowed under automatic route on use of trademarks and brand names of the foreign collaborator. Separate norms are available for the hotel sector vide Press Note 18 (1991 Series) and Press Note 1 (1995 Series). Technology transfers involving payments above these limits required prior permission of the Government of India (Project Approval Board, Department of Industrial Policy and Promotion).

2. The Government of India has reviewed the extant policy and it has been decided to permit, with immediate effect, payments for royalty, lumpsum fee for transfer of technology and payments for use of trademark/brand name on the automatic route i.e. without any approval of the Government of India. All such payments will be subject to Foreign Exchange Management (Current Account Transactions) Rules, 2000 as amended from time to time.

3. A suitable post-reporting system for technology transfer/ collaborations and use of trademark/ brand name will be notified by the Government separately.


Joint Secretary to the Government of India


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