

There is good news for the Indian technological industry. The Government of India yesterday (17th Dec), issued a [Press Release](#) stating that it has reviewed its foreign technology agreement policy to no longer require government approval, with immediate effect. The prior policy freely allowed payments and remittances *up to* a lumpsum fee of \$2million and royalty payments of 5% on domestic sales and 8% on exports. Payments above this required regulatory approval. The new policy removes any such restrictions on payments for royalty, lumpsum fee for transfer of technology and payments for use of trademark/brand name and puts it on the automatic route i.e. without any approval of the Government of India .

The relaxation of the decades old policy is part of liberalization and deregulation of Indian foreign investment regime, which is working well for India considering that even in 2008, with the world in an economic slump, India attracted [over \\$25billion](#) in foreign investment. Unrestricted foreign collaboration agreements in the field of technology, provides easier access to the latest technology from around the world and thus are greatly beneficial for the development of India's own technology industries. The deregulation notification has also come just in time for any developments from Copenhagen, clearing the way for any 'green' company collaborations.

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