

**Foreign Exchange Management (Establishment in India of branch or office or other place of business)
(Amendment) Regulations, 2003**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai**

Notification No. FEMA 95/2003-RB

Dated July 2, 2003

**Foreign Exchange Management (Establishment in India of branch or office or other place of business)
(Amendment) Regulations, 2003**

In exercise of the powers conferred by sub-section (6) of Section 6 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in partial modification of its Notification No. FEMA 22/2000-RB dated 3rd May 2000, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Establishment in India of Branch or Office or other place of Business) Regulations, 2000, namely:

Short title and commencement:-

1. (i) These Regulations may be called the Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business), (Amendment) Regulations, 2003.

(ii) They shall come into force from the date of their publication in the Official Gazette of Government of India.

Amendment to the Regulations:

2. In the Foreign Exchange Management (Establishment in India of Office or other Place of Business) Regulations 2000,

(1) in Regulation 3, the words, "or a Project Office" shall be deleted.

(2) in Regulation 5,

(a) in the heading, for the words, "or Project Office etc.," the word "office" shall be substituted.

(b) for sub-regulation (ii), the following clause shall be substituted, namely:

(ii) A foreign Company may open a Project Office/s in India

provided it has secured from an Indian company, a contract to execute a project in India, and

(a) the project is funded directly by inward remittance from abroad; or

(b) the project is funded by a bilateral or multilateral International Financing Agency; or

(c) the project has been cleared by an appropriate authority; or

(d) a company or entity in India awarding the contract has been granted Term Loan by a Public Financial Institution or a bank in India for the project.

(iii) The Foreign Company shall furnish a report to the concerned Regional Office of Reserve Bank of India under whose jurisdiction the Project Office is set up, giving details as under:

- (a) Name and address of the foreign company
- (b) Reference No. and date of letter awarding the contract referred to in clause (ii) of Regulation 5
- (c) Total amount of contract
- (d) Address and tenure of Project Office
- (e) Nature of Project undertaken.

(c) the sub-regulation (iii) shall be deleted.

(3) in Regulation 6, for sub-regulation (ii), the following sub-regulation shall be substituted, namely:

“ (ii) Opening of Project Office under clause (ii) of Regulation 5 is permitted in India and such project office shall not undertake or carry on any other activity other than the activity relating and incidental to execution of the project.

(4) In Form FNC-1,

(a) in para B, the item (iii) shall be deleted.

(b) Clause 5 shall be deleted and Clause 6 shall be re-numbered as 5.

(Usha Thorat)
Executive Director

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