



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

RBI/2013-14/447
A.P. (DIR Series) Circular No.93

January 15, 2014

To
All Authorised Dealer Category - I Banks

Madam / Dear Sir

Clarification- Establishment of Liaison Office/ Branch Office/ Project Office in India by Foreign Entities- General Permission

Attention of Authorised Dealer Category –I (AD Category – I) banks is invited to Regulation 4 of [Notification No.FEMA.22/2000-RB dated May 3, 2000](#), viz., Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000, as amended from time to time, in terms of which, no entity or person, being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran or China shall establish in India, a branch office or a liaison office or a project office or any other place of business by whatever name called, without the prior permission of the Reserve Bank.

2. It is clarified that the provisions of Regulation 4 of Notification No. FEMA 22/2000-RB dated 3rd May 2000, *ibid*, along with their specified conditions apply for entities from Hong Kong and Macau also.

3. Accordingly, applications from entities registered in / resident of Hong Kong and Macau, for establishment of Liaison/ Branch/ Project Offices or any other place of business by whatever name called shall require prior approval from Reserve Bank of India.

4. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Establishment in India of Branch or Office or Other Place of Business) (Amendment) Regulations, 2013, which have been notified vide [Notification No.FEMA.293/2013-RB dated November 12, 2013](#), vide G.S.R.No.767(E) dated December 06, 2013.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 Of 1999) and are without prejudice to permission / approvals, if any, required under any other law.

Yours faithfully,

(C.D. Srinivasan)
Chief General Manager