



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

RBI/2012-13/211

A. P. (DIR Series) Circular No. 31

September 17, 2012

To

All Category-I Authorised Dealer Banks

Madam / Sir,

Establishment of Liaison Office (LO) / Branch Office (BO) / Project Office (PO) in India by Foreign Entities – Clarification.

Attention of Authorised Dealer Category – I banks is invited to [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 a person resident outside India requires prior approval of the Reserve Bank for establishing LO / BO in India.

2. In terms of [Notification No FEMA 95/2000-RB dated July 02, 2003](#) general permission is granted to a foreign company to open project office in India provided it has secured from an Indian company, a contract to execute a project in India, and subject to satisfying certain other criteria.

3. It is clarified that permission to establish offices, in India by foreign Non-Government Organisations/Non-Profit Organisations/Foreign Government Bodies/Departments, by whatever name called, are under the Government Route as specified in A. P. (DIR Series) Circular No. 23 dated December 30, 2009. Accordingly, such entities are required to apply to the Reserve Bank for prior permission to establish an office in India, whether Project Office or otherwise.

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

5. 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 permissions / approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager