



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

RBI/2014-15/141
A.P. (DIR Series) Circular No.11

July 22, 2014

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

Export of Goods and Services – Project Exports

Attention of Authorised Dealers is invited to Regulation 18 of [Notification No. FEMA 23/2000-RB dated 3rd May 2000](#) viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 in terms of which export of goods or services on deferred payment terms or in execution of a turnkey project or a civil construction contract requires prior approval of the approving authority, which shall consider the proposal in accordance with the guidelines issued by the Reserve Bank from time to time. Further, attention of Authorized Dealers (AD) is also invited to i) [A. P. \(DIR Series\) Circular No. 32 dated October 28, 2003](#) in terms of which Memorandum of Instructions on Project and Service Exports (PEM) had been revised, ii) [A. P. \(DIR Series\) Circular No. 118 dated June 26, 2013](#) in terms of which the time limit to submit form DPX 1 / PEX-1 / TCS-1 for obtaining post-award approval was increased to 30 days of entering into contract and iii) [A. P. \(DIR Series\) Circular No. 51 dated September 20, 2013](#) in terms of which submission of forms DPX1, PEX-1, TCS-1 and DPX-3 to the Regional Office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated by the Approving Authority (AA), such as, the AD Bank / Exim Bank/ Working Group has been dispensed with. However, submission of these forms to ECGC and Exim Bank where their participatory interests by way of funded / non-funded facilities, insurance /risk cover, etc are involved shall continue.

2. To further liberalise and simplify the procedure, it has been decided as under:

- i) The structure of Working Group (consisting of representatives from Exim bank, ECGC & RBI), which has hitherto been permitted to consider project exports and

deferred service exports proposals for contracts exceeding USD 100 Million in value will now be dispensed with. The AD banks / Exim Bank can now consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Project and service exporters may accordingly approach AD banks / Exim Bank based on their commercial judgement. The respective AD bank / Exim Bank should monitor the projects for which post-award approval has been granted by them; and

- ii) The stipulation of time limit of 30 days for the exporter undertaking Project Exports and Service contracts abroad to submit form DPX1/ PEX-1 /TCS-1 to the Approving Authority (AA) for seeking post award approval will not apply henceforth.

3. The revised Memorandum of Instructions on Project and Service Exports (PEM) is [enclosed](#).

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2014 notified vide [Notification No. FEMA 310/2014-RB dated June 12, 2014](#) c.f. G.S.R. No. 434 (E) dated July 8, 2014.

5. Authorised Dealers may bring the revised guidelines in the Memorandum to the notice of their constituents concerned.

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

Yours faithfully,

(C. D. Srinivasan)
Chief General Manager

Encl: Revised PEM