


	<b>प्रेस प्रकाशनी PRESS RELEASE</b>
<b>संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001</b>	 <b>भारतीय रिज़र्व बैंक</b> <b>RESERVE BANK OF INDIA</b> वेबसाइट : <a href="http://www.rbi.org.in/hindi">www.rbi.org.in/hindi</a> Website : <a href="http://www.rbi.org.in">www.rbi.org.in</a> इ-मेल email: <a href="mailto:helpdoc@rbi.org.in">helpdoc@rbi.org.in</a>
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May 6, 2008

## **RBI seeks Public Comment on Norms for Branch/Liaison Offices in India by Foreign Entities**

The Reserve Bank of India has proposed to delegate certain powers to authorised dealers regarding extension of validity period of liaison offices of foreign entities and closure of their branch/liaison offices in India. It has proposed to make the delegated powers effective from July 1, 2008 in order to provide necessary time to authorised dealers to assimilate the revised dispensation.

Further, under the present provisions of Foreign Exchange Management Act, a person resident outside India requires prior approval of the Reserve Bank of India for establishing branch/liaison offices in India. The applications are considered by the Reserve Bank on case by case basis subject to the company meeting the eligibility criteria, such as, track record, financial position, etc. with a view to achieving greater transparency, the Reserve Bank of India has also proposed to place in public domain eligibility criteria and procedural guidelines for establishment of branch and liaison offices by foreign entities in India.

For the purpose of seeking public comments, the Reserve Bank has placed on its website, both - the draft circulars regarding delegation of powers for extension of validity period or closure of liaison offices of foreign entities in India and eligibility criteria and procedural guidelines for branch/liaison offices of foreign entities in India. Comments on these can be sent to The Chief General Manager, Foreign Exchange Department, Reserve Bank of India, Central Office (FID), Central Office Building, 11th Floor, S.B.S.Marg, Fort, Mumbai-400001 or by FAX (Fax No. 022-2261 0623) or by e-mail latest by May 20, 2008.

**Alpana Killawala**  
Chief General Manager

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