

ESTABLISHMENT OF PROJECT OFFICES IN INDIA BY FOREIGN ENTITIES - CLARIFICATION ON GENERAL PERMISSION

A.P. (DIR SERIES 2011-12) CIRCULAR NO. 76, DATED 9-2-2012

Attention of the 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 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. Attention of the AD Category -I banks is also invited to the A.P. (DIR Series) Circular No. 37, dated November 15, 2003 which provides the guidelines regarding general permission to a foreign entity for setting up a Project office in India, subject to certain conditions.

2. It is clarified that the general permission accorded in terms of the November 15, 2003 guidelines is subject to the adherence to the provisions of Regulation 4 of Notification No. FEMA 22 /2000-RB, dated 3rd May, 2000, *ibid*, along with their specified conditions.

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

4. 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.