

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1778

ANSWERED ON:23.03.2012

‘SETTING UP OF LIAISON OFFICES OF FOREIGN COMPANIES’

Jeyadurai Shri S. R.;Kodikunnil Shri Suresh;Naranbhai Shri Kachhadia;Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether companies incorporated in some countries have to seek permission of Reserve Bank of India (RBI) to set up branches or liaison offices in India;
- (b) if so, the details thereof along with country-wise details of companies for whom clearance in this regard has been given by RBI during the last three years and the current year;
- (c) the reason for putting restrictions on companies incorporated in such countries, if any; and
- (d) whether the Government has plans to amend the rules/guidelines/laws applicable in this regard and if so, the details thereof ?

Answer

Minister of State for Finance (Shri Namo Narain Meena)

- (a) In terms of Notification No. FEMA.22/2000-RB dated May 3, 2000, viz., Foreign Exchange Management (Establishment of Branch or Office or Other Place of Business) Regulations, 2000 dated the 3rd May, 2000, no person resident outside India shall, without prior approval of the Reserve Bank, establish in India a branch or a liaison office or any other place of business by whatever name called.
- (b) The list of companies who were given permission by RBI during the last three years and the current year is given at Annexure.
- (c) Restrictions on companies incorporated in certain countries are imposed to address the concern of relevant Government organizations, including Ministries/Departments.
- (d) No, Sir.