

# FEMA ke FUNDAE

**Establishment of  
Branch/Liaison/Project Office in India  
(Part 5 of 5)**

**#FamiliarwithFEMA**

**Date : 24.05.2023**

**Issue No. : 50**



Rose

Hi FEMA Gyani!! Although I understood a lot about LO/BO/PO however there are some residual queries that I wanted to clear, so I will begin one by one . My first query is what if I want to transact through more than one bank account or I want to change my bank account is it permissible ?



The FEMA Gyani

### Transaction only through one bank account

Each LO/BO/PO are required to **transact through one designated AD Category I bank** only who shall be responsible for the due diligence and KYC norms of LO/BO/PO

### Change of Bank

LO/BO/PO **can change** their existing AD Category – I bank subject to **both AD banks giving consent** in writing for the transfer and the transferring AD bank confirming submission of all AAC's and absence of any adverse features in conducting the account by the LO/BO/PO



Okay another query is that can I purchase land or building in India in the name of Branch to carry out my activities in India?

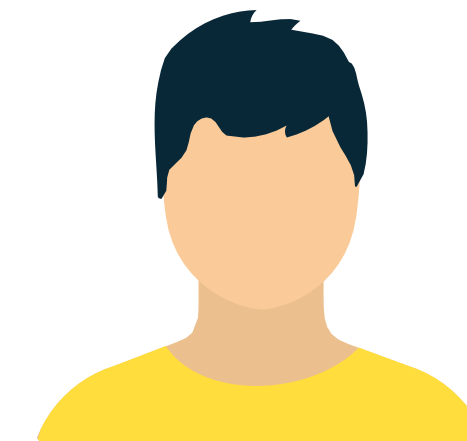
### Acquisition of Immovable property

**1**

A **branch or project office** in India **can acquire** immovable property in India for their own use only for permitted/incidental activities subject to filing of declaration in form IPI **within 90 days** from the date of such acquisition.

**2**

A **Liaison Office cannot acquire** immovable property. In such cases, Liaison Offices can take property by way of the lease only, that too for a time **period not exceeding 5 years**



**The FEMA Gyani**



Rose

Okay my next query is, Once the LO/BO/PO has been established can such offices change their name ?

### Change in name of LO/BO/PO

**AD bank may permit change in name only of LO/BO if there's no change within the ownership of foreign company.** However, if the change in name is only due to merger/acquisition/change in ownership of the parent company, then the closing of existing LO/BO shall be required.

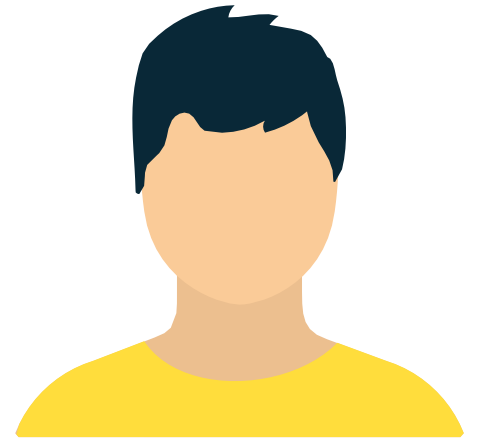


The FEMA Gyani



**Rose**

Okay! One more doubt, Can these offices be regularised in case they have not obtained any approval?



**The FEMA Gyani**

### Regularization of LO/BO/PO

**1**

In case LO/BO has been established and continues to exist without approval of reserve bank such LO/BO may approach their AD Category I bank to regularize their offices under FEMA 1999, even if the permission of reserve bank was not required as per the regulations existing at the time of setting up of the office .

**2**

Such cases may be brought to the notice of reserve bank immediately for allotment of UIN



**Rose**

Okay Mr. FEMA Gyani! Thankyou so much. I have understood nitty-gritties of LO/BO/PO - formation, compliances etc.

You're Most Welcome Rose!! Happy to help.



**The FEMA Gyani**

**For Part 4, refer the below link:-**

<https://www.linkedin.com/feed/update/urn:li:activity:7064489789089005568>

Or

<https://jainshrimal.com/establishment-of-liaison-branch-project-office-in-india-4/>



# Thank You!

Let's meet every  
Wednesday.

To make you more familiar with FEMA,  
we are happy to listen to your

Comments

Feedbacks

Suggestions



**The FEMA Gyani**

**Jain Shrimal & Co.**



<https://www.linkedin.com/company/jsco>  
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