RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2015-16/287 **January 14, 2016**

A.P. (DIR Series) Circular No. 39

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 A.P. (DIR Series) Circular No.11 dated July 22, 2014, in terms of which 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 has been dispensed with and AD banks / Exim Bank have been permitted to 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 judgment.

2. As it has been advised by the Government of India that i) the 'OCCI' has been renamed as 'Project Export Promotion Council' (PEPC) and ii) civil

construction contracts may include turnkey engineering contracts, process and engineering consultancy services and Project construction items (excluding steel & Cement) along with civil construction contracts, it has been decided to make the necessary changes in Memorandum of Instructions on Project and Service Exports (PEM) accordingly.

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

4. Authorized Dealers may bring the revision in the Memorandum to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under section 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,

(A. K. Pandey)
Chief General Manager

Encl.: Revised PEM