

# OBR

[Paragraphs 9 B.1(ii) and 9 B.1(v)]

## Application for permission to post a representative/ establish office/branch overseas

### Instructions :

1. *The application together with the supporting documents should be forwarded to the authorised dealer/Reserve Bank as indicated in paragraph 9B.1 of the Exchange Control Manual.*
2. *Hotels, travel agents/tour operators may submit the form & other documents in duplicate.*
3. *Concerned area/territory' means the countries/territories to be covered by the proposed branch/agent.*
4. *The estimates of foreign exchange expenditure should be given in units of foreign currency and the appropriate rupee equivalent furnishing the exchange rate applied.*
5. *Full particulars of any special export regulations (e.g. exports permissible only against confirmed letter of credit, etc.) covering the applicant's products being exported should be furnished.*

### Documentation :

6. Correspondence, if any, in original together with photo copies thereof regarding the arrangement made in foreign country for posting of representative/establishment of branch/office.
7. Bank certificates, in form BCX, together with photocopies thereof for the immediately preceding four calendar half years in support of export realisations (Item 7 of application)
8. In the case of a trading branch, cashflow statement in the proforma attached indicating the value of stock to be held, percentage of marked-up price and projected income and expected profit margin should be furnished.

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### PART I GENERAL

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| 1. | (a) Name and address of the applicant  | (a) |
|    | (b) State whether the applicant is a proprietary concern or partnership firm or limited company or public sector undertaking | (b) |
|    | (c) Exporter's Code Number allotted by Reserve Bank  | (c) |
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2.	Nature of the applicant's business in India (a) Exporter of commodities (b) Exporter of software (c) 100% Export-Oriented Unit (d) Consultancy organisations/Construction company (e) Others (please specify)	(a) (b) (c) (d) (e)
3.	(a) Names and addresses of applicant's bankers, in India (b) Number of the EEFC account, if any, opened by the applicant and the name of the AD with whom it is opened	(a) (b)
4.	If the applicant is holding a registration certificate as a Star Trading/ Trading Export House issued by Government of India, No. and Date of such certificate	
5.	Particulars of foreign currency balances/securities, if any, held by the applicant - quote Reserve Bank's approval number and date	

**PART II EXISTING BUSINESS**

6.	What are the present arrangements for your representation in the country/territory concerned ?If there is any agency arrangement, its full details including the number and date of Reserve Bank's approval and commission paid during the past three years.	
7.	(a) Details of export realisations for the past two years	(Rs. lakhs)
	Half year ended	Value of exports realised
		global Territories covered by the proposed office
	(1)	(2) (3)

(b) Also furnish commodity-wise/country-wise break up of exports realised in the last two years	(b)	Country	Commodity	Value of exports realised in Rupees
				Year year

8.	Value of export outstandings as on date of application (i.e., beyond the prescribed period of six months). Please furnish brief particulars of such outstandings together with RBI permission for extension, etc.	
9.	Particulars of existing overseas representative offices/branches/subsidiaries/agents of the applicant and also of their sister concerns in India indicating the particulars of remittance facilities from India.	

**PART III PROPOSAL**  
(To be completed wherever applicable)

10.	Does the applicant want to have (i) an agent (on fixed remuneration basis), or (ii) a trading branch, or (iii) a representative liaison office/non-trading branch	(i) (ii) (iii)
11.	Place and country of posting of agent/representative office/branch	
12.	Territories/countries to be covered by the proposed agent/representative office/branch	
13.	Details of business to be conducted abroad by the agent/representative office/branch	

14.	With the facility of the proposed agent/representative office/branch what would be the projected exports of the applicant in the coming two years	
15.	When the agent is appointed or trading office/representative office/branch is opened, are the agency commission payment arrangements subsisting in the concerned area or territories to continue ?If so, reasons therefor.	
16.	Will the representative office/branch result in saving of foreign exchange which would otherwise have to be expended ?If so give details supported by figures and any documentary evidence available	
17.	If you propose to open a trading branch,please state (a) its exact nature of activities.(Firms/Companies in India from whom the trading branch will be buying goods on principal to principal basis to be stated) (b) Expected increase in the value of exports to the territory concerned in the next 2 years(year-wise) in the event of facility being granted (c) the time within which the trading branch would become self supporting indicating manner in which this will be achieved.	(a)  (b)  (c)
18.	<i>If a representative (on fixed remuneration) please state</i> (i) Particulars of the agent/representative proposed to be appointed (a) Name (b) Nationality (c) Permanent Address (d) Present occupation (e) Whether the agent/representative will continue the present occupation after the proposed appointment	(i)  (a) (b) (c) (d) (e)

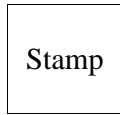
	(ii) Remuneration proposed to be paid to the non-resident representative/locals appointed	(ii)
	(iii) In the case of a representative to be deputed from India, give detailed break-up of expenditure proposed to be incurred (in rupees) viz.,	(iii)
	(a) Salary	(a)
	(b) Accomodation	(b)
	(c) Travelling allowance etc.	(c)
19.	If non trading office/trading branch, please furnish an estimate of foreignexchange requirements (in rupees)	
	(a) Initial Establishment Expenses	(a)
	(i) advance rental/deposit for securing office/residential accomodation	(i)
	(ii) other deposits (please specify)	(ii)
	(iii) office equipment/furniture	(iii)
	(iv) car	(iv)
	(v) others (please specify)	(v)
	(b) Recurring expenses per month	(b)
	(i) salaries of staff (give details if more than one employee)	(i)
	(ii) warehousing charges	(ii)
	(iii) Customs duties/charges etc.	(iii)
	(iv) rent,	(iv)
	(v) rates and taxes	(v)
	(vi) Telephone/telex etc.,	(vi)
	(vii) Travelling expenses	(vii)
	(viii) Others (specify)	(viii)

We hereby certify that :

- (a) The particulars given above are true to the best of our knowledge and belief. No application for release of exchange has been or will be made to any other office of Reserve Bank in respect of permission sought under this application.
- (b) All the expenses of the office/representative(s) detailed above will be borne by our firm/company.

We undertake to strictly abide by the instructions issued and the conditions that may be stipulated by Reserve Bank.

Place : .....



.....  
(Signature of Authorised Official)

Date : .....

Name: .....

Designation.....

*(Note: Signature on behalf of the firm/company should be that of the Senior Partner/Proprietor or Director of the firm/company, as the case may be)*

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(To be completed by the representative to be sent from India)

In the event of my being posted as a representative of the company/firm, I undertake to notify Reserve Bank immediately of any employment (full/part time) or agency work or business undertaken abroad by me giving full details such as source of income, total earnings, etc.

Date: .....

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(Signature of the person appointed as representative from India)

Name:.....

Address:.....

### **Cash-flow Statement**

(In the case of trading office)

- |    |  |            |     |       |
|----|--|------------|-----|-------|
| 1. | Projected exports to the area during 3 years after establishment of the office | Year 1 Rs. |     |       |
|    |  | Year 2 Rs. |     | Lakhs |
|    |  | Year 3 Rs. |     | Lakhs |
| 2. | Average value of goods to be stocked at the office                             | Rs. Lakhs  | Rs. | Lakhs |
| 3. | Mark-up price proposed (as a percentage to purchase price to the office)       |            |     |       |
| 4. | Margin of profit expected (as a percentage of purchase price)                  |            |     |       |

5.	Year 1	Year 2	Year 3
Opening stock			
Purchases from India			
Sales			
Closing stock			
Gross profit			
Establishment expenses			
Selling expenses			
Audit fees			
Taxes			
Net profit (+)/			
loss(-)			