

Dear All,

Sub : FLAIR Reporting with RBI on foreign assets and liabilities by 15 July 2019

RBI has on 18th June 2014 vide Circular No. 145 had prescribed a new format of **Annual Return on Foreign Liabilities and Assets (FLA)** which the Indian Company, which has received Foreign Direct Investment (FDI) or invested abroad (ODI) in the previous year including the current year should file it **in the soft form with RBI through Email** on or before 15th July every year by email .

RBI has on 28 June 2019 vide Circular No. 37 had amended the way of filing FLA, with the objective to enhance the security-level in data submission and further improve the data quality, **the present email-based reporting system for submission of the FLA return will be replaced by the web-based system online reporting portal.** It would facilitate data submission by companies , AIF (alternative investment funds registered with the SEBI), by Limited Liability Partnerships (LLPs) and investment by persons resident outside India in an investment vehicle. The coverage is enhanced to reporting of **inward and outward foreign affiliate trade statistics (FATS)**

Circular 37 of RBI dated 28 June 2019 is attached herewith for your ready reference

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11607&Mode=0>

FLAIR System Reporting with RBI

RBI has revised filing of FLA on Foreign Liabilities and Assets Information Reporting (FLAIR) system. RBI has provided a web-portal interface <https://flair.rbi.org.in> to the reporting entities for submitting “User Registration Form” (containing entity identification and business user details). The successful registration on web-portal will enable users to generate RBI-provided login-name and password for using FLA submission gateway and would include system-driven validation checks on submitted data.

The form will seek investor-wise direct investment and other financial details on fiscal year basis as hitherto, where all reporting entities are required to provide information on FATS related variables (it was mandatory only for subsidiary companies earlier). In addition, the revised form seeks information on first year of receipt of FDI/ODI and disinvestment

Indian entities not complying with above, will be treated as non-compliant with Foreign Exchange Management Act, 1999 and regulations made thereunder.

Initial FAQs on FLA

1. Annual Return on Foreign Liabilities and Assets has been notified under FEMA 1999 and it is required to be submitted by all the India resident companies which have received FDI and/ or made overseas investment (ODI) in any of the previous year(s), including current year **by 15th July every year**. Non-filing of the return before due date will be treated as **a violation of FEMA and penalty clause** may be invoked for violation of FEMA.
2. If the company's accounts are not audited before the due date of submission, i.e. 15th July, then the FLA Return should be submitted **based on unaudited (provisional) account**.
3. Once the accounts gets audited and there are revisions from the provisional information submitted by the company, they are **supposed to submit the revised FLA return** based on audited accounts **by end-September**. Information should be reported for all the reference period, i.e. Previous March and Latest March. If Account Closing Period of the company is different from the reference period, then information should be given for the reference period on internal Assessment
4. If the Indian company **does not have any outstanding** investment in respect of inward and outward FDI as on end-March of reporting year, the **company need not submit the FLA Return**.
5. If a company has **received only share application money** and does not have any foreign direct investment or overseas direct investment outstanding as on end-March of the reporting year, **then that company is not required to fill up FLA return**.
6. If the company has **not 'received any fresh FDI and/or ODI** (overseas direct investment)' in the latest year but the company **has outstanding** FDI and/or ODI, then that **company is required to submit the FLA** Return every year by 15th July.

We request you to send the ledger account of the following to enable us to fill the details and create login ID

1. Name of the authorised person of the company
2. Email ID of the Company
3. Details of Share Capital, Loan or Debentures taken in Foreign Exchange as FDI
4. Details of investments made Overseas by the Company in Foreign Exchange ODI
5. Details of Current Assets (receivables in Foreign Exchange)
6. Details of Current Liabilities (payable in Foreign Exchange)
7. Details to be Investor-wise direct investment in the Company and other financial details on fiscal year basis information on FATS related variables (it was mandatory only for subsidiary companies earlier).
8. In addition, the revised form seeks information on first year of receipt of FDI/ODI and disinvestment

Best wishes,
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