

FEMA-REPORTING OF FDI UNDER SINGLE MASTER FORM AND PRACTICAL ISSUES



Speaker

CA Viswanadha Manohar

Hyderabad & Amaravati



AGENDA



➤ Introduction

➤ Entity Master form

➤ Reporting under 'Single Master Form'

Introduction-Legal framework

- Multiple laws and policies
- Multiple regulators
- Several regulations
- Too many notifications
- Continuous directions
- Conflict between policy & Act
- End result?
- What to do!!!



Government of India



Department of Commerce
Ministry of Commerce and Industry
Government of India



Introduction-Past Practice of Reporting

- Physical filing upto 07.02.2016
- Online filing mandatory (through e-Biz portal)
- Reporting -disintegrated-various platforms/modes
- RBI announced -‘Statement on Developmental and Regulatory Policies’ on April 5th 2018 about ‘Single Master Form’ for its implementation
- Single Master Form -AP(DIR) Circular No.30 dt. 7th June 2018



Introduction-Present Scenario

For ease of doing business, Presently, Reporting of Foreign investments is required to be done through the Single Master Form (SMF) available on the *FIRMS platform*.

For the purpose of reporting in the SMF, an Indian entity which has

- received foreign investment or
- indirect foreign investment or
- expects to receive foreign investment

is required to file an entity master on the FIRMS platform.



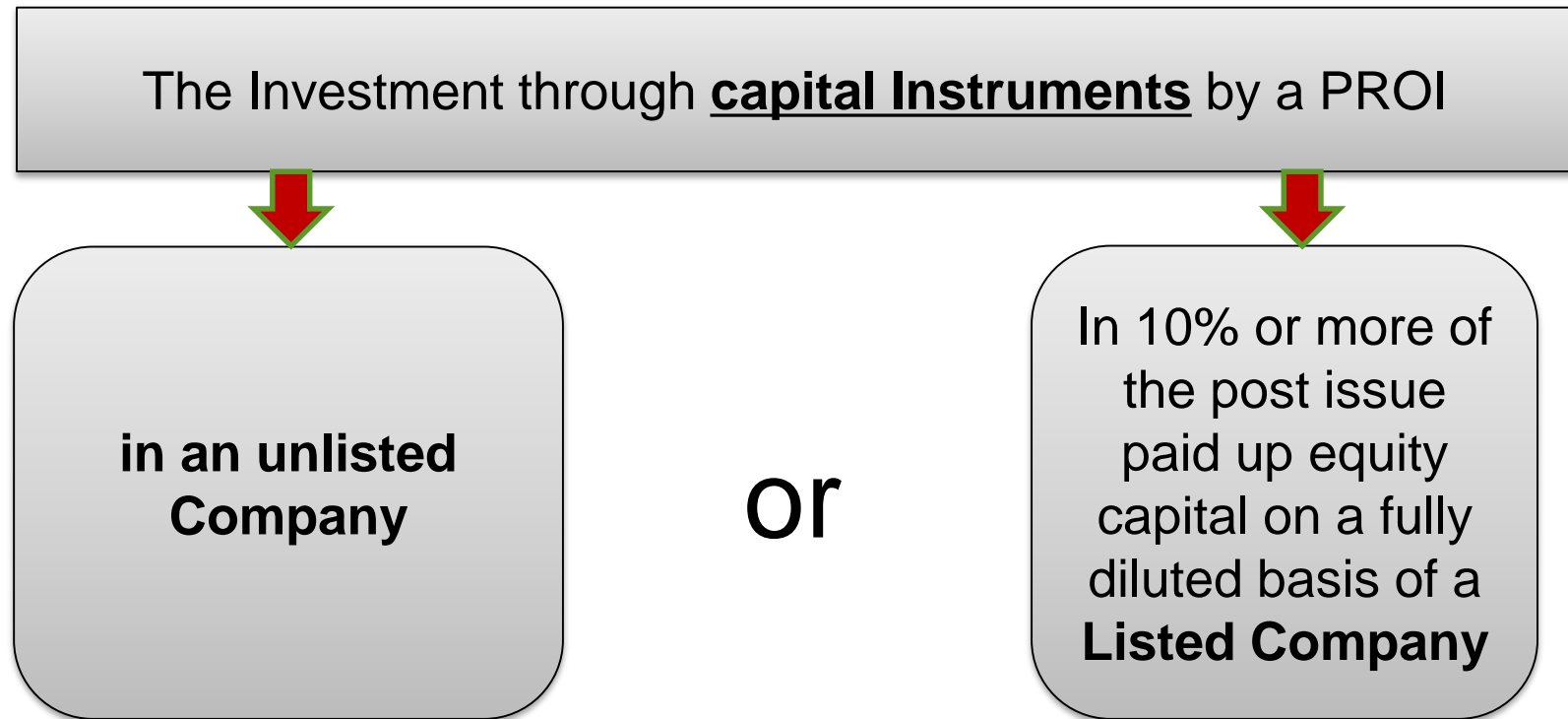
Introduction-Definitions

- ‘Foreign Investment’ means any investment made by a person resident outside India on a repatriable basis in capital instruments of an Indian company or to the capital of an LLP


- Foreign investment may be FDI or FPI in any Indian company.

Introduction-Definitions

What is Foreign Direct Investment (FDI)?



Fully diluted basis means the total number of shares that would be outstanding if all possible sources of conversion are exercised.



Introduction-Definitions

'What is Foreign Portfolio Investment (FPI)

- ❖ 'Foreign Portfolio Investment' means any investment made by a PROI through capital instruments where such investment is
 - <10% of the post issue paid-up share capital on a fully diluted basis of a listed Indian company or
 - <10% of the paid up value of each series of capital instruments of a listed Indian company.

Introduction-Definitions

Capital Instruments

- ❖ Equity Shares
- ❖ Partly Paid equity shares (w.e.f 8th July 2014)
- ❖ Fully, Compulsorily and Mandatorily Convertible Preference Shares
- ❖ Fully, Compulsorily and Mandatorily Convertible Debentures
- ❖ Share Warrants
- ❖ Optionality clauses in Capital instruments (W.e.f 30th Dec 2013)
- ❖ Non-convertible/ optionally convertible/ partially convertible preference shares
(issued upto April 30,2007 till their original maturity)
- ❖ optionally convertible/ partially convertible debentures
(issued up to June 7, 2007 till their original maturity).
- ❖ Convertible Note (Instrument, but not defined under Capital instrument)

Introduction-Reporting of FDI

Form FC-GPR: Issue of capital instruments by an Indian company to a person resident outside India- *with in 30 days from the date of issue*

Form FC-TRS: Transfer of capital instruments between a person resident outside India and a person resident in India-*with in 60 days from the date of transfer or receipt of funds, whichever is earlier*

Form LLP-I: Foreign direct investment in an LLP through capital contribution and profit shares- *within 30 days from the date of receipt of the amount of consideration*

Form LLP-II: Disinvestment or transfer of capital contribution and profit shares in an LLP -*within 60 days from the date of receipt of funds*



Introduction-Reporting of FDI

Form CN: Issue or transfer of convertible notes- **within 30 days of issue/transfer**

Form ESOP: Issue of employee stock options by an Indian company to an employee resident outside India- **within 30 days from the date of issue of ESOPs.**

Form DRR: Issue or transfer of depository receipts- **within 30 days of close of the issue/ program**

Form DI: Reporting of downstream investment or indirect foreign investment in a company or an LLP-**within 30 days from the date of allotment of capital instruments.**



Introduction-Reporting of FDI

Issue the capital instruments

within 60 days from the date of receipt, if not issued, amount should be well refunded within 15 days from the date of completion of 60 days. Otherwise, delayed refund attracts contravention.

Refund of amount with Interest

Prior approval of RBI will be required for payment of interest.





AP(DIR) Circular No.30 dt. 7th June 2018
(FIRMS APPLICATION)

FIRMS APPLICATION-Reporting in SMF

- ❖ Single Master Form (SMF) subsumed all the reports of FDI except few
- ❖ Online Platform <https://firms.rbi.org.in>
- ❖ ARF and FC-GPR would be merged into a single revised FC-GPR
- ❖ SMF includes reporting of 'indirect foreign investment'
- ❖ FIRMS divided in two modules:
 - Entity Master
 - Single Master Form

FIRMS APPLICATION-Reporting in SMF

- ❖ The first module is 'Entity Master' is available to public to input data upto 20th July 2018 (i.e.extended date).
- ❖ Entities shall provide data with respect to all foreign investments received, whether it is :
 - Reported to RBI or not
 - Acknowledged or not.
- ❖ Consequence of non-registration before 20th july, 2018- can register now (wef 01 sep 2018) by giving reasons.
- ❖ Second module contains 9 reports

FIRMS APPLICATION-Reporting in SMF

- ❖ A master form which provides for the reporting of 9 forms for foreign investment viz., FC-GPR, FC-TRS, LLP-I, LLP-II, CN, DRR, ESOP, DI, InVi.
- ❖ With effect from September 1, 2018, five forms viz., FC-GPR., FC-TRS, LLP-1, LLP-II and CN being made available.
- ❖ With effect from October 23, 2018, three forms viz., DRR, ESOP, DI being made available.
- ❖ Form InVi would be made available subsequently.

FIRMS APPLICATION-Reporting in SMF

❖ Entity Master

Entity user registration and Letter of Authorization are required

❖ Single Master Form

Business user registration and Letter of Authorization are required

❖ Both Authorization formats are different

In Business User Authorization Letter format-Bank Account Number, Name of person operating bank account and his specimen signature are added.

❖ Difference between Entity user and Business User

Entity User (furnishes information)

Business user (furnishes forms and returns)



Forms not subsumed in SMF



- ❖ Annual return on Financial Assets and Liabilities


- ❖ Advance reporting form-omitted/deleted




e-biz Portal?



Due to the launching of SMF portal on 1 September, 2018 , e-biz portal would no longer be available for filing. All the Banks are advised to all filings pending for disposal in the e-biz portal at the earliest on or before 20 September 2018.





'Entity Master Form' (First Module)



Who is an Entity?

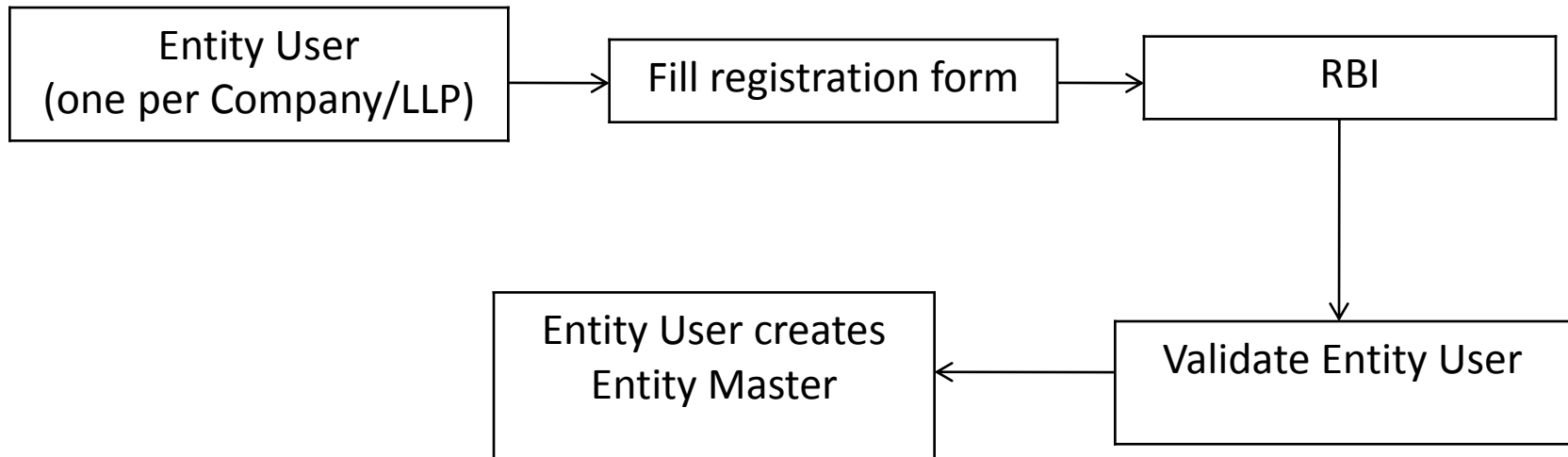
- Company
- Limited Liability Partnership (LLP)
- A startup

In case of a company, whether it is a

- Public or private,
- Listed or unlisted,
- For profit or Non-Profit
- Government or non-government,

required to file the 'Entity master form' if it has received FI.

Schematic Representation





Process Flow for Entity Master

Entity User and Pre-requisites for entity user registration:

- Authorization Letter is a pre-requisite
- Keep ready all details of foreign investment in the entity
- Authorized person -add/update the foreign investment details
- Authorized person held responsible for the input
- One entity can have only one entity user.
- Any change of the Entity user-contact RBI helpdesk (helpfirms@rbi.org.in)
- One person can also be an entity user for more than one entity. However, the person has to obtain separate registrations for the same as the registration is entity specific.

Registration for an Entity User

Uniform Resource Locators (URL) of the application is <https://firms.rbi.org.in>
Landing page for Registering an Entity User



The screenshot displays the landing page for registering an Entity User on the RBI website. The page has a dark blue background with the RBI logo on the left and a registration form on the right. The form includes the following elements:

- User Name:** A text input field with a user icon on the left.
- Password:** A text input field with a lock icon on the left.
- Captcha Code:** A text input field with the text "Captcha Code is case sensitive" above it and "Type the characters shown above" below it. The captcha code displayed is **17umqo**.
- Login:** A blue button with the text "Login".
- Links:** "Forgot Password?" and "Registration Form for New Entity Users" are located at the bottom of the form.



Registration for an Entity User

Creation of New Entity User

Step 1: Click on Registration form for New Entity User

Step 2: A pop-up box showing Entity User Registration form opens.

Step 3: Fill all the details in the Entity User Registration Form.

Step 4: Click on Submit button after filling all the details.

Step 5: Message “Record Saved Successfully” pops up. User has created its user ID.

Authority Letter submitted by the entity user will be verified by RBI and after RBI’s approval, the user will receive the password on their registered email ID from RBI email ID autoreply-fid@rbi.org.in.

(Note: If the user does not receive the mail notification for approval/rejection of the registration within the next 48 hrs, contact by email)





Important Points for Entity user Registration

- First, Middle and last name of the user to be given
- user name must be 'Unique'
- E-mail and Phone numbers shall be valid
- PAN (Entity user-Authorized Person)
- Name of Company – No prefix
- CIN – Having no CIN-enter dummy CIN
 - D12345 (first two letters of the state where company has registered office) 2010 (first three letters of the companies name) (123456)
ex: D12345MA2010ABC123456
 - D(first two letters of the LLP's name)-(date and month of incorporation in digits)
ex: DAB-2310
- Only PDF can be uploaded as attachments.



Entity Master

Logging on to Entity Master:

Enter your user name and new password.

Entry in Entity Master:

On successful login the home page (dashboard) is displayed.

Step 1: Click on the top - left option button to open Menu.

Step 2: Click on the Master Setup under Menu. Then click Entity Master.

Entity Details

Step 3: Click ADD button. The Entity details page is displayed:

Step 4: Click **Entity Details tab**

Step 5: Click **Particulars Tab**


Step 6: Click **Foreign Investment in Company / LLP Tab.**

Step 7: Click **Foreign Investment info**

Step 8: Declaration

Step 9: Submission

Entity Master



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Reserve Bank of India
India's Central Bank

Home | Change Password | Logout
Welcome: companyname

Entity Master – Company/Limited Liability Partnership/Startup

Entity Details | Particulars | Foreign Investment in Company/LLP | Foreign Investment Info

Submit | Cancel | Back

Paid up capital of a company (INR) * (on a fully diluted basis)

as On Date *
20/07/2018

Foreign Portfolio Investment as on 20/07/2018 (date)

Investor Type	Value of shares (on a fully diluted basis)	Percentage Holding
FPI	<input type="text"/>	<input type="text"/>
NFI	<input type="text"/>	<input type="text"/>
Others	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>

Foreign Investment in Company/LLP

Particulars	Value	Percentage
Value Of Equity Shares (on fully diluted basis) other than Foreign Portfolio Investment and Indirect foreign investment *	<input type="text"/>	<input type="text"/>
Foreign Portfolio Investment *	<input type="text"/>	<input type="text"/>
Indirect foreign investment *	<input type="text"/>	<input type="text"/>
Total *	<input type="text"/>	<input type="text"/>

Note: Value Of Shares = Number Of Shares * Face Value

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Important points-Entity Master

Paid-up Capital of the company on a fully diluted basis:

Fully diluted basis means the total no. of shares that would be outstanding if all possible sources of conversion are exercised. It includes:

- Equity shares-As equity shares
- CCDs/ CCPS -Equivalent Equity shares.
- Share warrants-Equivalent Equity shares
- ESOPs-Equivalent Equity shares

➤ Convertible Notes- Not a capital instrument- do not include in the paid-up capital on fully diluted basis.

➤ Report only repatriable capital instruments

➤ Report Indirect foreign Investment received by it.

➤ Enter all Foreign Investment received by the entity since the date of incorporation.


➤ ***In case a company that has created the entity master, allots shares which are not reported in the Entity Master and reports the same on e-biz, the company has to update the entity master at 'Foreign Investment in Company / LLP' and 'Foreign Investment Info'***



Important Notes for Entity Master

- All details must be provided in one go.
- Only when all the mandatory fields have been filled, the submit button is enabled.
- The RESET button will reset the complete form.
- Once the details have been submitted the Entity user can modify the details.
- The onus of the integrity of the data entered is on the Entity user.
- In case of rejection of a registration, use another User Name for fresh registration (other than the one given earlier).
- Nominated person and Authorising person should be different.
- Authorisation letter should be on Entity's letter head
- Seal/Stamp of Company/ LLP should be affixed.





Single Master Form' (Second Module)



Reporting in SMF-Classification



The Reporting under 'Single Master Form' can be divided into three parts:

- Registration as a Business user
- Filling the Common details
- Filling the required Form Viz., FC-GPR, FC-TRS etc.,

Registration for an Business User

Uniform Resource Locators (URL) of the application is <https://firms.rbi.org.in>
Landing page for Registering an Business User





Registration for an Business User

Creation of New Business User

Step 1: At the Login box, click on Registration form for New Business User.

Step 2: Fill up the details in the popped up registration form for BU as below

Step 3: Click Submit button. In case any error is displayed, rectify the same and click Submit button.

Step 4: A Message “Record Saved Successfully” is displayed at the top of Login box.

After BU submits the registration form, the same will have to be verified by the AD Bank Branch concerned. The approval/ rejection of the same would be communicated through email notification to the BU.



Important Points for Business user Registration



- First Name, Middle Name and Last Name of BU
- Unique user name (User Name already exist, change user name and submit)
- Valid Email and Phone Number is to be provided.
- Address (Correspondence address of the BU)
- IFSC Code (If applicant not find IFSC-contact banker)
- Authorization Letter (PAN of BU should be attached)
- CIN (Select CIN of the Entity)
- PAN and Entity name are auto-populated



Single Master Form (SMF)

Logging on to FIRMS:

Enter your user name and new password.

Entry in Single Master Form:

On successful login the home page (dashboard) is displayed.

Step 1: Click on the left navigation button and select Single Master Form.

Step 2: Click on drop down menu “Return Type”. Select “Form FC-GPR” and click on Add new return. The user will be taken to form FC-GPR.

Step 3: Fill up the **common investment details**

Step 4: Fill up the **details in form FC-GPR**

Step 5: Click **Issue details Tab**

Step 6: Click **Foreign investors details Tab**

Step 7: Click **Amount of Issue Tab**

Step 8: Click **Particulars of Issue Tab**

Step 9: Click **Shareholding Pattern Tab**

Step 10: After filling in all details, click on save and submit for submitting the form.



Single Master Form

Common Investment Details:

These details are common to all the returns that is reported in SMF

- CIN, Company Name, Application date – Prefilled
- Entry route - Fill the details
- Applicable Sectoral Cap- Fill the details
- Whether Foreign Investment is for specific project/Manufacturing unit- Then fill address and pincode by selecting Green/Brown Field.



Single Master Form

Form-FC GPR

This form is having five Tabs

- Issue details Tab
- Foreign investors details Tab
- Amount of Issue Tab
- Particulars of Issue Tab
- Shareholding Pattern Tab

Single Master Form

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Home | Change Password | Logout
Welcome, [data]

Applicable Sectoral cap/ Statutory ceiling*
 20% 26% 49% 51% 74% 100% Others

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant?*
 Yes No

FC-GPR Form

Issue Details | Foreign Investors Details | Amount of Issue | Particulars of Issue | Share Holding Pattern

Date Of Issue*

Nature Of Issue*

Initial FC GPR Reference Number (In Case of Subsequent Filing)

Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*
 NO YES





Single Master Form

Form-FC GPR-(Issue details tab)

- Date of issue
- Nature of Issue- Select Rights/Bonus/Merger/MOA etc.,
- Initial FC-GPR reference-for subsequent filing-otherwise-NA
- Whether the change in share holding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern:

Filing SMF for a past transaction which was not reported earlier, but included in the shareholding pattern provided in the Entity master, at the time of reporting the same in SMF, the shareholding pattern should not change. Then select YES. This would ensure that the shareholding pattern is not affected.




Single Master Form

Form-FC GPR-(Foreign investors details Tab)

- No.of Investors
- General details viz., Name(should be same as in FIRC), Address, country of residence, Nature of constitution
- Particulars of issue/Allotment -Type of capital instruments, Conversion ratio, Issue price, Consideration amount etc.,
- Mode of payment
- Investment details-Auto populated
- Upon filling all above details, click on the “ADD investor”, if any
- check whether the details are reflected in the adjoining table (at the bottom) and verify the same.

Single Master Form

Form-FC GPR – (Amount of issue Tab)-Auto populated



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India's Central Bank

Home | Change Password | Logout
Welcome, user

Applicable Sectoral cap/ Statutory ceiling * 20% 25% 40% 51% 74% 100% Others

Whether the FDI is received for a particular project? * Yes No

FC-GPR Form

Issue Details | Foreign Investors Details | **Amount of Issue** | Particulars of Issue | Share Holding Pattern

Amount of Issue

Total Amount of Inflow *

Total amount for which capital instruments have been issued *

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Single Master Form

Form-FC GPR – (Particulars of issue Tab)

- Fair Value of shares-Attach valuation certificate
- Declaration-Attach the declaration, CS Compliance certificate etc.,

Reserve Bank of India
RBI's Central Bank

Home | Change Password | Logout
welcome | 01/24

Issue Details | Foreign Investors Details | Amount of Issue | **Particulars of Issue** | Share Holding Pattern

Consolidated Particulars of Issue

Type Of Capital Instrument	Number of Instruments	Conversion Ratio(Applicable in case of CCPS/CCD/Share Warrants)	Number of Equity Shares on fully diluted basis	Face Value	Premium	Issue Price per instrument	Amount of Consideration
No records found.							

(1 of 1) [Navigation buttons]

Fair Value of the shares(in ₹):

Valuation Certificate

I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration, CS certificate and other relevant attachment(s) for this reporting. ▶

Yes No

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Single Master Form

Form-FC GPR – (Share holding pattern Tab)

The screenshot displays the Reserve Bank of India's Form-FC GPR interface. The header includes the RBI logo and name in Hindi and English, along with navigation links for Home, Change Password, Logout, Welcome, and INR. The main form area is titled "Project Location" and contains fields for Pincode (110001), State (ANDHRA PRADESH), District (RAJAHMUNDRAM), and City (West Godavari). Below this is the "FC-GPR Form" section with tabs for Issue Details, Foreign Investors Details, Amount of Issue, Particulars of Issue, and Share Holding Pattern. The "Share Holding Pattern" tab is active, showing a table with the following data:

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	11000	
Foreign Portfolio Investment		
Indirect foreign investment - Value of equity shares (on fully diluted basis)	0	
Total	11000.00	
Percentage	1.35	

At the bottom of the page, there is a footer with copyright information: © 2018 (Powered by: IFFI Global Services Pvt. Ltd. | www.iffi.com | Version 1.0) (PFRM) Application Helpdesk (Monday to Friday 10:00 am to 6:00 pm) | Email: helpdesk@iffi.org.in

After filling in all details, click on Save and Submit for submitting the form.





Resubmission?



There is no resubmission of SMF.

Either the return would be acknowledged or completely rejected.

For rejected ones, you can file the return as fresh form.



Technical Issues



For queries of technical nature, such as Login ids not received, account blocked, application not received, user credentials not working etc, all mails may be marked to fedsupport@rbi.org.in with username and to be sent through registered email id.



Thank you

**CA.Viswanadha Manohara Sri Panini,
M.com.,M.A.,LL.B.,FCA
Partner**

Sri Viswanadha & Associates
Chartered Accountants
Hyderabad : Amaravati

Mobile No.91-9246100753

91-7995066753

Office No.91-40-65886145

4 Q: fema.sva@gmail.com