



THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

ICSI:PFP: 2020

April 16, 2020

Shri Shaktikanta Das
Governor

Reserve Bank of India
Central Office Building
Shahid Bhagat Singh Road
Fort, Mumbai – 400001

Dear Sir,

Sub: Relaxation from compliance with provisions of Foreign Exchange Management Act, 1999 (FEMA) due to the COVID-19 pandemic

As you are kindly aware that the spread of the Novel Corona Virus (COVID-19) in India, declared as pandemic by the World Health Organisation (WHO), has led to the imposition of total lockdown in the nation from 25th March 2020 till 3rd May 2020.

Developments arising due to the spread of the COVID-19 have warranted the need for temporary relaxations in compliance requirements under various laws. RBI *vide* its press release dated March 27, 2020 announced various developmental and regulatory measures that directly address the stress in financial conditions caused by COVID-19. These measures, *inter alia*, consist of: (i) expanding liquidity in the system; (ii) moratorium on term loans; (iii) improving access to working capital; and (iv) improving functioning of markets in view of the high volatility experienced with the onset and spread of the pandemic.

RBI has also extended the timeline for submission of LFAR (Long Form Audit Report) by the statutory auditors to the banks by one month i.e. upto July 31, 2020.

We wish to submit that companies and other entities are facing difficulty in complying with RBI reporting requirements due to inability in signing of the documents from Directors and Company Secretary. Considering the gravity of the public health situation, the regulators such as Ministry of Corporate Affairs and SEBI have already extended timelines for filing of various information/ documents and other statutory compliances by the companies.

Through this communication, we request your good office to kindly consider relaxing the timelines for filing of various forms including event based compliance forms and the reporting requirements as mentioned below, without levy of additional fees or penalty or invoking any penal action:

| S. No. | Compliance | Details |
|---------------|--|--|
| 1. | Annual Return on Foreign Liabilities and Assets (FLA) | An Indian company which has received FDI or an LLP which has received investment by way of capital contribution in the previous year(s) including the current year, should submit form FLA to the Reserve Bank on or before the 15th day of July of each year. |
| 2. | External Commercial Borrowings | Borrowers are required to report all ECB transactions to the RBI on a monthly basis through an AD Category – I Bank in the form of ‘ECB 2 Return’ on a monthly basis. |
| 3. | Advance Reporting Form (ARF) | An Indian company receiving investment from outside India for issue of shares or other eligible securities under the FDI Scheme has to report the details of the amount of consideration to the Regional Office concerned of the Reserve Bank through its AD Category I bank within 30 days from the date of issue of shares. |
| 4. | Form FC-GPR | When a company receives the foreign investment and against such investment the company allots shares to such foreign investor then it is the duty of the company to file details of such allotment of shares with The RBI within 30 days. |
| 5. | Form FC-TRS | Form FC-TRS shall be filed for transfer of capital instruments. The form FC-TRS shall be filed with the Authorised Dealer bank within 60 days of transfer of capital instruments or receipt/ remittance of funds whichever is earlier. |
| 6. | Form ODI | An Indian Party and a Resident Individual making an overseas investment is required to submit form ODI. When they receive share certificates or any other documentary evidence of investment in the foreign JV/ WOS as an evidence of investment and submit the same to the designated AD within 30 days. |
| 7. | Form DI | An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of Regulation 14 of these Regulations shall file Form DI with the Reserve Bank within 30 days from the date of allotment of capital instruments. |
| 8. | Form InVi | An Investment vehicle which has issued its units to a person resident outside India shall file Form InVi with the Reserve Bank within 30 days from the date of issue of units. |
| 9. | Form ESOP | An Indian company issuing employees’ stock option to persons resident outside India who are its employees/ directors or employees/ directors of its holding company/ joint venture/ wholly owned overseas subsidiary/ subsidiaries shall submit Form-ESOP to the Regional Office concerned of the Reserve Bank under whose jurisdiction the registered office of the company operates, within 30 days from the date of issue of employees’ stock option. |
| 10. | Form LLP (I) | A Limited Liability Partnership (LLP) receiving amount of consideration for capital contribution and acquisition of profit shares shall submit Form LLP (I) to the Regional Office of the RBI under whose jurisdiction the Registered |

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| | | Office of the LLP is situated, within 30 days from the date of receipt of the amount of consideration. |
| 11. | Form LLP (II) | The disinvestment/ transfer of capital contribution or profit share between a resident and a non-resident (or vice versa) shall be reported in Form LLP(II) to the Authorised Dealer Bank within 60 days from the date of receipt of funds. |
| 12. | Form CN | The Indian startup company issuing Convertible Notes to a person resident outside India shall report such inflows to the Authorised Dealer bank in Form CN within 30 days of such issue. |

We shall be pleased to provide any further information in this regard on hearing from your good office.

Thanking you,

Yours faithfully,



CS Ashish Garg
President
011-45341001