

## Tax Alert | Delivering clarity

3 July 2019

### RBI introduces new web-based reporting system for filing Annual Return on Foreign Liabilities and Assets (FLA)

New online web-based reporting system for Indian entities to report foreign investment

#### Background

All Indian entities that have received FDI and/or made overseas investments (ODI) are required to file the FLA with the Reserve Bank of India (RBI) through online web-based reporting system, by July 15 every year, on the basis of audited / un-audited (provisional) financials as available, for the year ending 31 March.

With the objective to enhance the security-level in data submission and also improve the data quality, the RBI has on 28 June 2019, replaced the present email-based reporting system to RBI for submission of FLA return with an online web-based reporting system.

This alert summarises the key features of the online web-based FLA reporting system.

#### Key features of the online web-based FLA reporting system:

- The new feature must be used for the submission due on 15 July 2019 for the financial year ended 31 March 2019.
- RBI has provided an online interface to the reporting entities for submission of FLA by creating a login and password. This requires, *inter alia*, an individual to be identified and a mobile number and email to be identified on which an OTP will be sent to initiate the process.
- Incremental requirements of the online web-based FLA reporting system *inter alia* include:
  - First year of receipt of FDI/ODI and disinvestment to be reported – this would require entities to trace historical data on the FDI / ODI.
  - Number of employees on the payroll as at end of the current year and previous year to be reported.
  - Variation report to be filled in at the end of the form giving percentage variation between previous and current year on the parameters of paid-up capital, net worth, total sales, total purchase, other investments (liabilities and assets).
  - Entities can submit FLA information for earlier year/s, and / or for the current year after the due date, after receiving RBI confirmation on their request by sending an email to [surveyfla@rbi.org.in](mailto:surveyfla@rbi.org.in)
- Reporting entities will get system-generated acknowledgement receipt upon successful submission of the form.
- Entities can revise the data, if required, and view/download the information submitted.

The RBI has also issued a detailed FAQ and user manual on the online web-based FLA reporting system to enable and assist users to understand the filing process and related requirements.

## **Conclusion**

The online web-based FLA reporting system with its system driven checks is expected to enhance and improve the depth of data collection by RBI on Indian entities having FDI and ODI.

**Source:** RBI A.P. (DIR Series) Circular No. 37 dated 28 June 2019



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