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Discontinuation of certain Returns/Reports under Foreign Exchange Management Act, 1999

RBI discontinued certain returns/reports under FEMA

Background:

The Master Direction – Reporting under Foreign Exchange Management Act 1999 (“FEMA”) issued by Reserve Bank of India (“RBI”) provide details of various Returns/ Reports to be filed under FEMA. RBI has, on 13 November 2020, issued a circular which provides details of discontinuation of certain Returns/ Reports under FEMA.

Highlights of the Circular:

RBI has discontinued 17 returns/reports mentioned below with immediate effect:

Sr. No.	Name of Return / Report	Reporting Entity	Frequency
1.	Category-wise transaction where the amount exceeds USD 5,000 per transaction	AD Category – II	Monthly
2.	Category-wise, transaction-wise statement where the amount exceeds USD 25,000 per transaction	AD Category- II	Monthly
3.	Statement of Purchase transactions of USD 10,000 and above (including transactions of their franchisees)	FFMCs and AD Category- II	Monthly
4.	Extension of Liaison Offices (LOs)	AD Category-I banks	As and when extension is granted
5.	Extension of Project Offices (POs)	AD Category-I Banks	As and when extension is granted
6.	FII/FPI daily: Daily inflow/outflow of foreign fund on account of investment by FPIs	AD banks	Daily
7.	FII/FPI Return (Monthly): Data relating to actual inflow /outflow of remittances on account of investments by Foreign Institutional Investors (FIIs) in the Indian Capital market	AD Category-I banks	Monthly

8.	FVCI reporting: Inflows/outflows of remittances on account of investments by Foreign Venture Capital Investor (FVCIs) and Market value of Investments made by FVCIs	AD Category-I banks/Custodian banks	Monthly
9.	Reporting of Inflow/Outflow details in respect of Mutual Fund by Asset Management Companies	Asset Management Companies	Quarterly
10.	Market value of FII Investment in India on fortnightly basis	AD Category-I banks	Fortnightly
11.	Market value of FII Investment in India on Monthly basis	AD Category-I banks	Monthly
12.	FII holdings as percentage of floating stock	AD Category-I banks	Monthly
13.	Form DRR for Issue/transfer of sponsored/unsponsored Depository Receipts (DRs)- Hardcopy@	Custodian	At the time of issue/transfer of depository receipts
14.	ADR/GDR Movement Report- two way fungibility	AD Category-I banks	Monthly
15.	Repatriation of Sales proceeds of underlying shares represented by FCCBs/GDRs/ ADRs	Custodian	Monthly
16.	GDR/ADR underlying shares issued, re deposited and released monthly reporting	Custodian	Monthly
17.	Monitoring of disinvestments by Overseas Corporate Bodies	AD Banks	Monthly

@ Please note that it is only the hardcopy filing of form DRR that has been discontinued. The domestic custodian may continue to report the form DRR on FIRMS application in terms of Regulation 4 (5) of FEM (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

Conclusion:

Discontinuation of filing of above mentioned returns/reports under FEMA will reduce burden and costs of compliance and improve ease of doing business.

Source: A.P. (DIR Series) Circular No. 05 dated 13 November 2020 issued by RBI
(https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=11994)



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