

ANNUAL RETURN ON FOREIGN LIABILITIES AND ASSETS (FLA) - APPLICABLE ON LLPs

The Reserve Bank of India (RBI) vide Notification No. FEMA 20(R)/2017-RB dated November 07, 2017 replaced Notification No. FEMA 20/2000-RB and Notification No. FEMA 24/2000-RB both dated May 3, 2000 by the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (**Regulations 2017**).

Regulations 2017, inter-alia, provides that the Limited Liability Partnership (LLP) which has received investment by way of capital contribution from foreign investors in the previous financial year(s) including the current financial year, should submit Excel based FLA return with the RBI on or before the 15th day of July of each year.

Although Regulations 2017 casts a mandatory obligation on the LLP(s) having foreign investment to file the Excel based FLA return with the RBI within the prescribed timeline, the format of the Excel based FLA return relates only to a company. No amendment has been carried out in the format of the Excel based FLA return to suit the LLP requirements, which creates the misperception that the same is not applicable to LLP(s) at all.

The first page of Excel based FLA return requires the corporate identification number (CIN) to be filled up, which contains 21 alphanumeric digits. Whereas limited liability partnership identification number (LLP-IN) contains only 7 alphanumeric digits. Therefore, to enable LLP(s) to file the Excel based FLA return they are required to obtain a dummy CIN by sending a request e-mail to surveyfla@rbi.org.in (RBI helpdesk - 022-26578662/8214). After the dummy CIN is allotted, the same will be used for future filings until the format of the Excel based FLA return is amended to meet the LLP requirements.

It is pertinent to note that non-submission or delay in submission of Excel based FLA return by LLP(s) is a compoundable offence in terms of the Master Direction on Compounding of Contraventions under the FEMA, 1999 issued by the RBI on January 01, 2016.



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