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ONLINE FILING OF ANNUAL RETURN ON FOREIGN LIABILITIES AND ASSETS

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The Reserve Bank of India (RBI) *vide* circular numbered [RBI/2018-19/226](#) (FLA Circular) issued on 28 June 2019, introduced a web-based online reporting portal for submission of return on foreign liabilities and assets (FLA) in an effort to enhance the security level in data submission and further improve the data quality.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 mandated the FLA filing for an Indian company which had received foreign direct investment or a limited liability partnership which had received investment by way of capital contribution in the previous year(s) including the current year. Until the issuance of the FLA Circular, alternative investment funds (AIFs) had been filing the excel based FLA return using a dummy Corporate Identity Number (CIN) provided by the RBI.

Pursuant to the FLA Circular, AIFs registered with Securities and Exchange Board of India are specifically included within the ambit of 'eligible entities' and are thereby required to file the annual FLA return. AIFs can now comply with the reporting requirement by submitting the online 'user registration form' (containing entity identification and business user details) and are no longer required to use dummy CINs for reporting.

The directions contained in the circular would be applicable for reporting of information for the financial year 2018-19. The FLA return has to be filed with the RBI by 15 July of every year in lieu of all the foreign investments received in the previous financial year. However, in view of the change in the reporting platform, the RBI has extended the deadline for filing the FLA return for the financial year 2018-19 to 31 July 2019 for ease of convenience and to complete the FLA filings on time.

Further, entities can submit the FLA information for earlier year(s) after receiving confirmation from the RBI. Moreover, RBI approval needs to be sought in case of delay in submission of the FLA return beyond the due date.

Attached are the [FAQs](#) issued by the RBI in this regard.

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