

FEMA Update: Overseas Investments Reporting

Introduction of online reporting of Overseas Direct Investment:

As a further step to simplification of reporting requirements, RBI has introduced online reporting of Overseas Direct Investments from 02.03.2010. Online reporting has been introduced in phased manner. To start with Part I (A to D), Part II and Part III should be filled on line for allotment UIN by AD I Category banks.

Part I (Section A to D) cover following reporting:

- Section A — Details of the Indian Party
- Section B — Details of Investment in New Project
- Section C — Details of Investment in Existing Project
- Section D — Funding for JV/WOS

While Part II is for Reporting of Remittances and Part III is for reporting of Annual Performance Report (APR)

Text of Relevant circular is given below:

Overseas Investment Application - Online Reporting of Overseas Direct Investment in Form ODI

A.P. (DIR Series) Circular No. 36, dated 24-2-2010

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to A.P. (DIR Series) Circular No. 68 dated June 1, 2007, revising the reporting package on Overseas Direct Investment (ODI) by the Indian Parties. Further, it was also mentioned in the circular that the ODI forms would be received on-line by the Reserve Bank, in due course.

2. Accordingly, it has been decided to operationalise the on-line reporting system in a phased manner, with effect from **March 2, 2010**, to simplify the existing reporting framework. The new system would enable on-line generation of the Unique Identification Number (UIN), acknowledgment of remittance/s and filing of the Annual Performance Reports (APRs) and easy accessibility to data at the AD level for reference purposes.

3. As per the plan, initially, Part I (Sections A to D), II and III of form ODI should be filed on-line in the Overseas Investment Application for allotment of UIN, reporting of subsequent remittances, filing of APRs, etc. AD Category –I banks would continue to receive the ODI forms in physical form, as stipulated in the A. P. (DIR Series) Circular No. 68 dated June 1, 2007, which should be preserved, UIN wise, for onward submission to the Reserve Bank, if specifically required. Transactions in respect of Mutual Funds, Portfolio Investment Scheme (PIS) and Employees Stock Options Scheme (ESOPS) are also required to be reported on-line in the Overseas Investment Application.

4. The on-line reporting would be required to be made by the Centralized Unit/Nodal Office of AD Category - I banks. The Overseas Investment Application would be hosted on the Reserve Bank's Secured Internet Website (SIW) <https://secweb.rbi.org.in> and a link would be made

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available for accessing the Application on the main page of the website. AD Category – I banks would be responsible for the validity of the information reported on-line. The detailed operational guidelines for accessing the Overseas Investment Application are being communicated to the AD Category - I banks separately.

5. The application for overseas investment under the approval route would continue to be submitted to the Reserve Bank in physical form as hitherto, in addition to the on-line reporting of Part I as contemplated above, for approval purposes. Further, the transactions relating to closure / disinvestment/ winding up/ voluntary liquidation of the overseas Joint Ventures/Wholly Owned Subsidiaries (JVs / WOSs) under the automatic and approval routes (Part IV of form ODI) would continue to be submitted to the Reserve Bank in physical form as is being done at present.

6. As per the new reporting system, AD Category – I banks would be able generate the UIN on-line under the automatic route. However, subsequent remittances under the automatic route and remittances under the approval route should be made and reported on-line in Part II, only after receipt of the letter, confirming the UIN from the Reserve Bank.

7. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

8. The directions contained in this Circular have been issued under Section 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.