

# FEMA ke FUNDAE

## Foreign Liabilities & Assets (FLA) Return

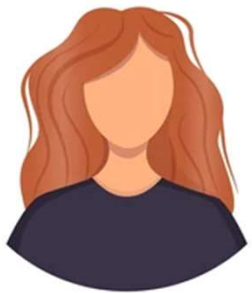
#FamiliarwithFEMA

Date : June 29,2022

Issue No. : 3

Jain Shrimal & Co.

Hi Mr. FEMA Gyani, Our LLP have been incorporated in October,2021 and we have received some FDI from an Australian company in December 2021. I heard from a friend that I need to file form FLA. But I don't know much about it. Can you brief me regarding FLA?



**Ruhi**  
**Partner of Indian LLP**

Hey Ruhi. Happy to help. Come, let's discuss about the Foreign Liabilities and Assets(FLA)return .



**The FEMA Gyani**



**The FEMA Gyani**

Annual return on **Foreign Liabilities and Assets(FLA)**return is required to be submitted by all the **Indian Resident companies** that have either **received FDI or made ODI in any of the previous year(s), including the current year.**

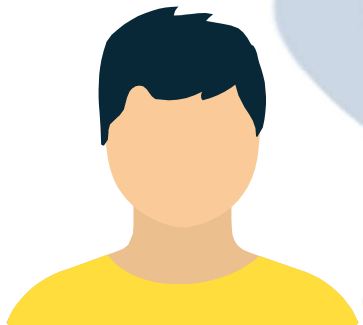
Okay, So whether our LLP is required to file such return?



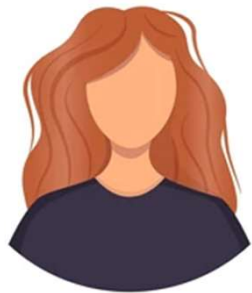
**Ruhi**

Yes, Entities which are required to file FLA Return are:

- **Companies within the ambit of section 1(4) of the Companies Act, 2013.**
- **LLP** registered under the LLP Act, 2008.
- **Others** include SEBI registered Alternative Investment Funds(AIFs), Partnership Firms, Public-Private Partnerships(PPP), Branches or Trustees.



**The FEMA Gyani**



Ruhi

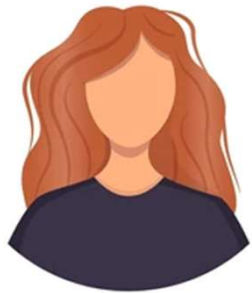
Okay, Where and when am I required to file it?

FLA return needs to be filled on the **FLAIR portal of RBI by July 15 every year.**



The FEMA Gyani

I am afraid to say that our LLP account's are not audited as of now and there are less chances of accounts finalization by 15 July. So what to do in such case.

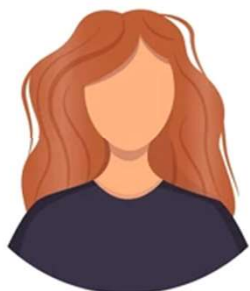


Ruhi

That's not a problem, If yours LLP **accounts are not audited before the due date of submission**, i.e., July 15, then the **FLA Return should be submitted based on unaudited (provisional) account.** Once the accounts get audited and there are revisions from the provisional information submitted, you are supposed to **submit the revised FLA return based on audited accounts by end of 30th September.**



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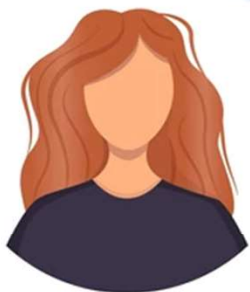
Ruhi

Okay, one last question if I fail to file such return in the stipulated time, then what will happen?

There is no specific penalty specified for Non-filing of FLA. However, as per Q-2 of FAQ's on FLA issued by RBI<sup>1</sup>, Non-filing of FLA return before due date will be considered as violation of FEMA and penalty clause for violation of FEMA will be invoked. That is-

If any required entity contravenes any provisions of FEMA or any rule, direction, regulation, order or any notification issued under FEMA, shall be liable to pay **penalty**:

- When the amount is **quantifiable, thrice the sum involved** in such a contravention or,
- When such an amount is **not quantifiable** then upto **Rs. 2Lakh**.
- Where such **contravention is a continuing one**, he shall be liable for the further penalty of **Rs. 5000 every day** during which such contravention continues.



Ruhi

Oh, that's huge! I'll for sure file it now before July,15. Thanks alot Mr. FEMA Gyani.



The FEMA Gyani

# Thank You!

Let's meet every  
Wednesday.

To make you more familiar with FEMA,  
we are happy to listen to your

Comments

Feedbacks

Suggestions



**The FEMA Gyani**

**Jain Shrimal & Co.**



<https://www.linkedin.com/company/jsco>  
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