

# FEMA ke FUNDAE

## Form LLP 1

#FamiliarwithFEMA

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Jain Shrimal & Co.

Hi Mr. FEMA Gyaani, myself Peter, I run a business of software development in US. I was planning to expand my business further in India, so I along with 2 of my Indian friends incorporated a LLP in India in which we have invested Rs. 40 lacs each in 4 tranches. Now, there is some urgent requirements of funds in LLP and I want to invest Rs. 20 lacs in 2 instalments but my bank is stopping me from remitting funds and asking me to file Form LLP-1. I haven't filled any such forms for my earlier investments. So, please tell me what is this Form LLP-1 and how is it filed?



**Peter - NR**

Hi Peter. Don't  
Worry.  
I'll tell you in brief  
about Form LLP-1.



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Form LLP 1 is required to be **filed by an Indian LLP** receiving amount of capital contribution and acquisition of profit shares from a Non Resident

It is required to be filed **within 30 days** from the date of receipt of the amount of consideration for FDI

It is required to be filed on the **Firms Portal** of RBI.



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If the form is not filed within 30 days then a **late submission fees (LSF)** is levied.

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Peter

Ok, Got it. So now we'll proceed to file this form and pay LSF. Can you tell me what would be the expected amount of LSF?

LSF is calculated with respect to the amount of investments and duration for which the filing was delayed. RBI has prescribed the below shown matrix for its calculation.



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Amt Involved in reporting	LSF As percentage of amt involved	Maximum amt of LSF applicable
Upto 10 million	0.05 percent	Rs. 1 million or 300% of amt involved whichever is lower
More than 10 million	0.15 percent	Rs. 10 million or 300% of amt involved whichever is lower

Okay, so we'll try to file these 4 LLP-1 today only and pay the LSF together

For calculating the LSF amount, the period of contravention shall be considered proportionately  $\{(approx. rounded\ off\ to\ next\ higher\ month \div 12) \times amount\ for\ 1\ year\}$ .



Peter



**Peter**

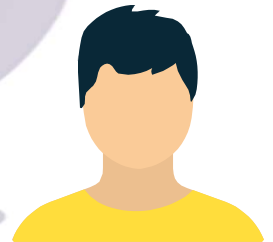
Oh...is that so , then what is the approximate time in which this form gets approved?

Ok Got it! Thankyou Mr. FEMA Gyaani for resolving my queries.



**Peter**

No you can't file all the LLP 1 together which means you cannot proceed to file another LLP 1 until the previous one is approved by RBI and LSF towards it has been paid. In other words, filing of further LLP 1 is subject to approval of previous one and payment of LSF.



**The FEMA Gyaani**

There is no fixed time prescribed by RBI for approval. However, as per my practical experience it takes around 7-10 days for an LLP 1 to get approved..



**The FEMA Gyaani**

# 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 Shrial & Co.**



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