

FEMA ke FUNDAE

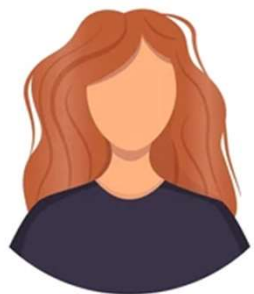
**Unutilized /Unspent LRS
Remittances must be
repatriated within 180 Days**

#FamiliarwithFEMA

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Jain Shrimal & Co.



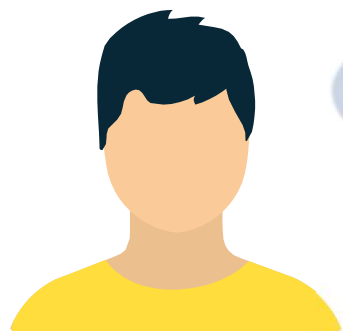
Ruhi
Indian Resident

Hi Mr. FEMA Gyani, I had invested USD 5,000 in Kylie Cosmetics Inc., California. I had earned dividend of USD 100 on my investment. After sometime, I disinvested the stake in Kylie Cosmetics and have received USD 5100. Those funds are lying idle as on date. I heard from a friend that the funds received after disinvestment cannot be kept idle. Is this a violation under FEMA?



The FEMA Gyani

Hey Ruhi! Yes your friend is right. As per RBI's updated regulation it is not allowed to keep your funds idle. I shall brief you about the same.



The FEMA Gyani

As per the **Master Direction on Liberalised Remittance Scheme, updated as on 24th August 2022** an Investor, who has remitted funds under LRS can retain, reinvest the income earned on the investments



Ruhi
Indian Resident

Okay, but I dis-invested my funds on 30th November 2020, is this applicable on me also?

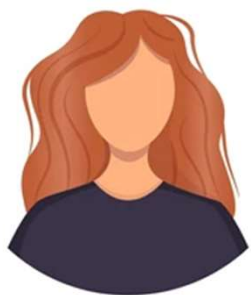
As per para 16 of Master Direction on LRS, “the **received/realised/unspent/unused foreign exchange, unless reinvested,** shall be **repatriated** and **surrendered** to an authorised person within a period of **180 days** from the date of such receipt/ realisation/ purchase/ acquisition or date of return to India.”



As of now there is no clarification from RBI regarding introduction of grandfathering provision to protect the unspent LRS funds lying abroad from getting affected by this mandatory repatriation provision of 180 Days. Therefore, it is advised to repatriate the funds immediately.



The FEMA Gyani



**Ruhi
Indian Resident**

Okay, Mr. FEMA Gyani I will keep this in mind and get my funds back ASAP. Thank you.



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.



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