

FEMA ke FUNDAE

LATE SUBMISSION FEES(LSF)

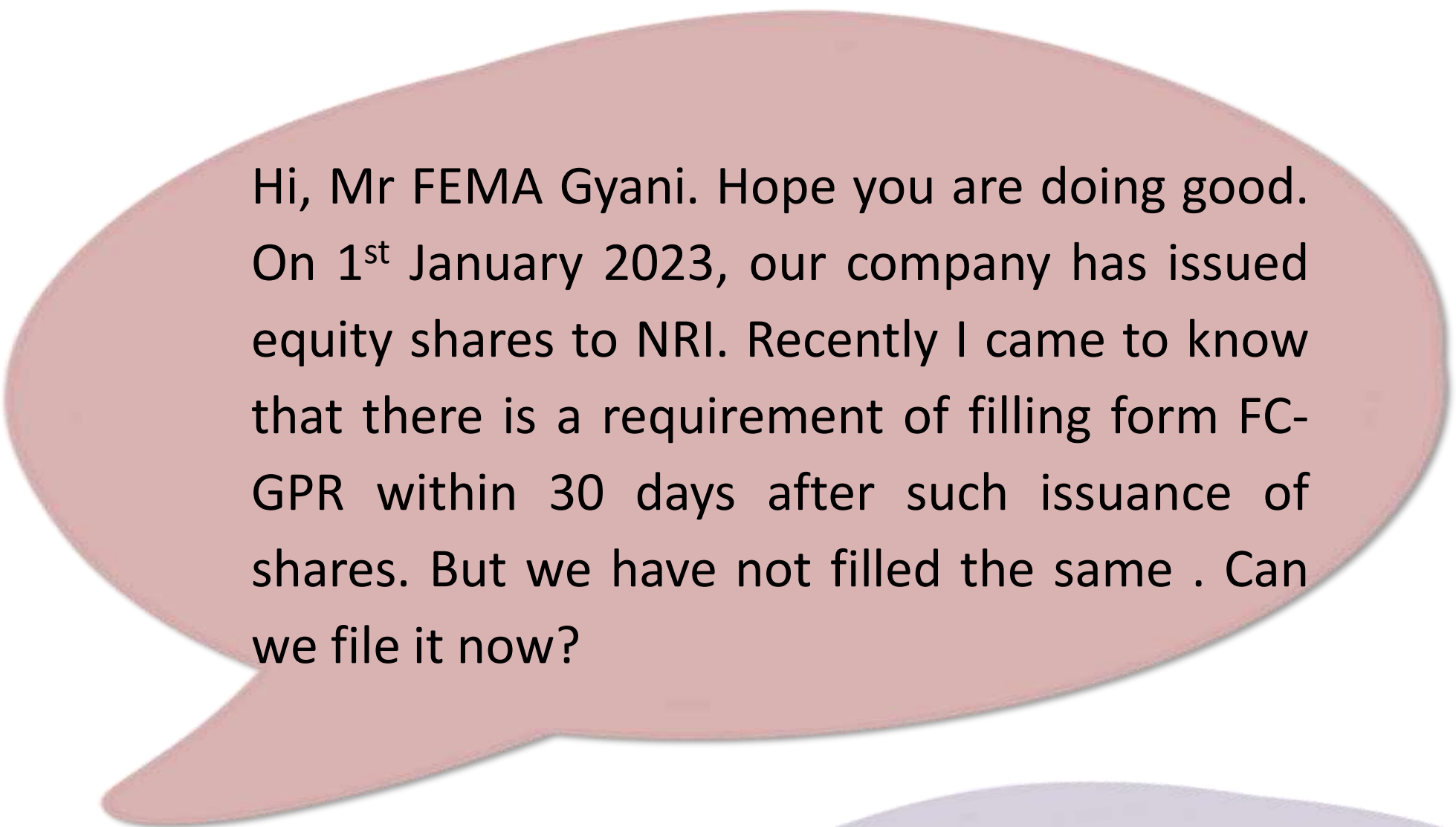

Happy 1ST
Annivesary

#FamiliarwithFEMA

Date : 07th June 2023

Issue No. 52

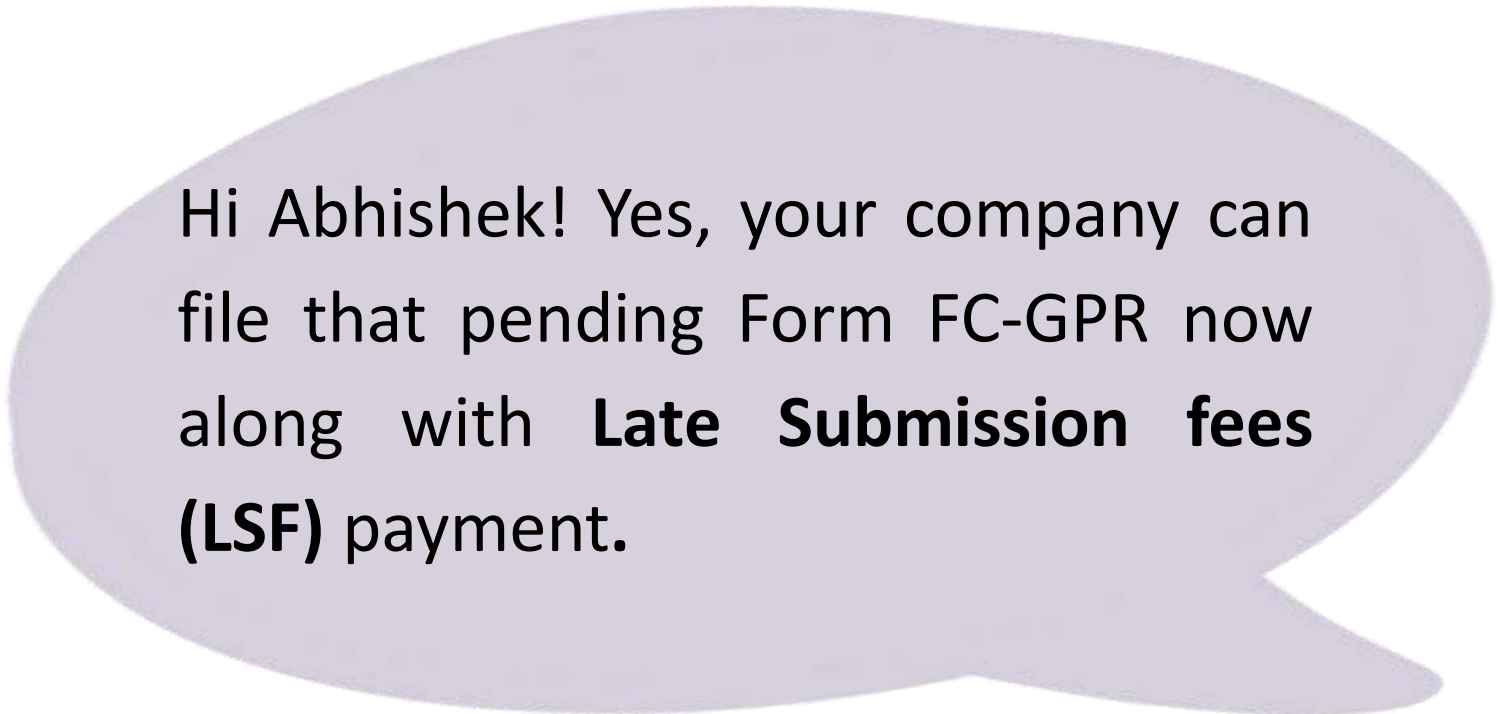
Jain Shrimal & Co.



Hi, Mr FEMA Gyani. Hope you are doing good. On 1st January 2023, our company has issued equity shares to NRI. Recently I came to know that there is a requirement of filling form FC-GPR within 30 days after such issuance of shares. But we have not filled the same . Can we file it now?



**Abhishek- Director of
an Indian Company**



Hi Abhishek! Yes, your company can file that pending Form FC-GPR now along with **Late Submission fees (LSF)** payment.



The FEMA Gyani

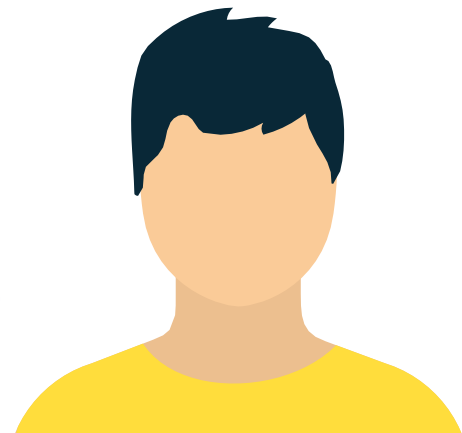


Abhishek- Director of an Indian Company

What is late submission fees ?

Late submission fee is a penalty that one pays for regularizing the reporting delays in **Foreign Investment (FI), External Commercial Borrowings (ECBs) and Overseas Investment** related transactions.

Is there any fixed amount of penalty under LSF?



The FEMA Gyani



Abhishek- Director of an Indian Company

LSF amount have both fixed and variable components. I'll brief you more about it.



The FEMA Gyani



LSF Matrix

Rs. 7,500

- Form ODI Part-II/ APR
- FCGPR (B)
- FLA Returns,
- Form OPI



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[Rs.7,500 +
(0.025% × A × n)]

- FC-GPR,
- FCTRS,
- Form ESOP,
- Form LLP(I), Form LLP(II),
- Form CN,
- Form DI,
- Form InVi,
- Form ODI-Part I, Form ODI-Part III,
- Form FC,
- Form ECB,
- Form ECB-2, Revised Form ECB

“A” is the amount involved.
“n” is the number of years of delay.



Abhishek

Is there any time limit for paying the LSF?

Yes, LSF should be paid **within 30 days** after receiving the notice of LSF from Bank.



The FEMA Gyani

What will happen if it is paid after 30 days?

If LSF is paid after 30 days then the same shall be considered as **null and void** and shall not be accepted by RBI.



Abhishek



The FEMA Gyani



Abhishek

Okay, it means after 30 days LSF payment is not possible.

If you subsequently approaches for payment of LSF for the same delayed reporting after 30 days, then you need to first file an application with RBI and the date of receipt of such application shall be treated as the reference date for the purpose of calculation of “n”.



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Abhishek

What if somebody does **not pay LSF at all?**

In that case, **penal action** under the provisions of FEMA, 1999 are applicable.



The FEMA Gyani

Jain Shrimal & Co.



Abhishek

Okay, is there important point to be kept in mind regarding?

Yes Abhishek, the following points are required to be kept in mind:



The FEMA Gyani

1

The facility for opting for LSF shall be available **up to three years from the due date of reporting/ submission** of the Form.

2

LSF amount is per return/forms. For example If a person is required to file 2 delayed form FC-GPR then LSF will be applicable on both form separately.

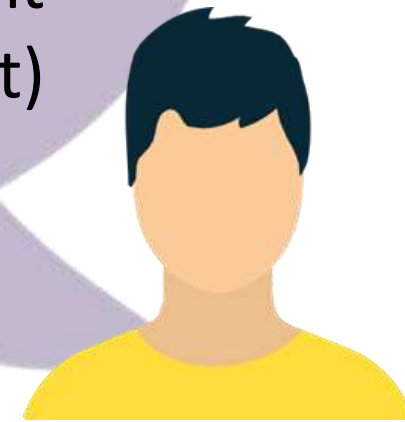


Abhishek

I have one doubt, as ODI rules have been recently amended then what about those people who have delayed in filing the Forms as per the earlier corresponding regulations.

For those people this option is available but up to three years from the date- **22nd August 2022** which is date of notification of Foreign Exchange Management (Overseas Investment) Regulations, 2022.

Okay. Thank You Mr. FEMA Gyani for explaining everything so well.

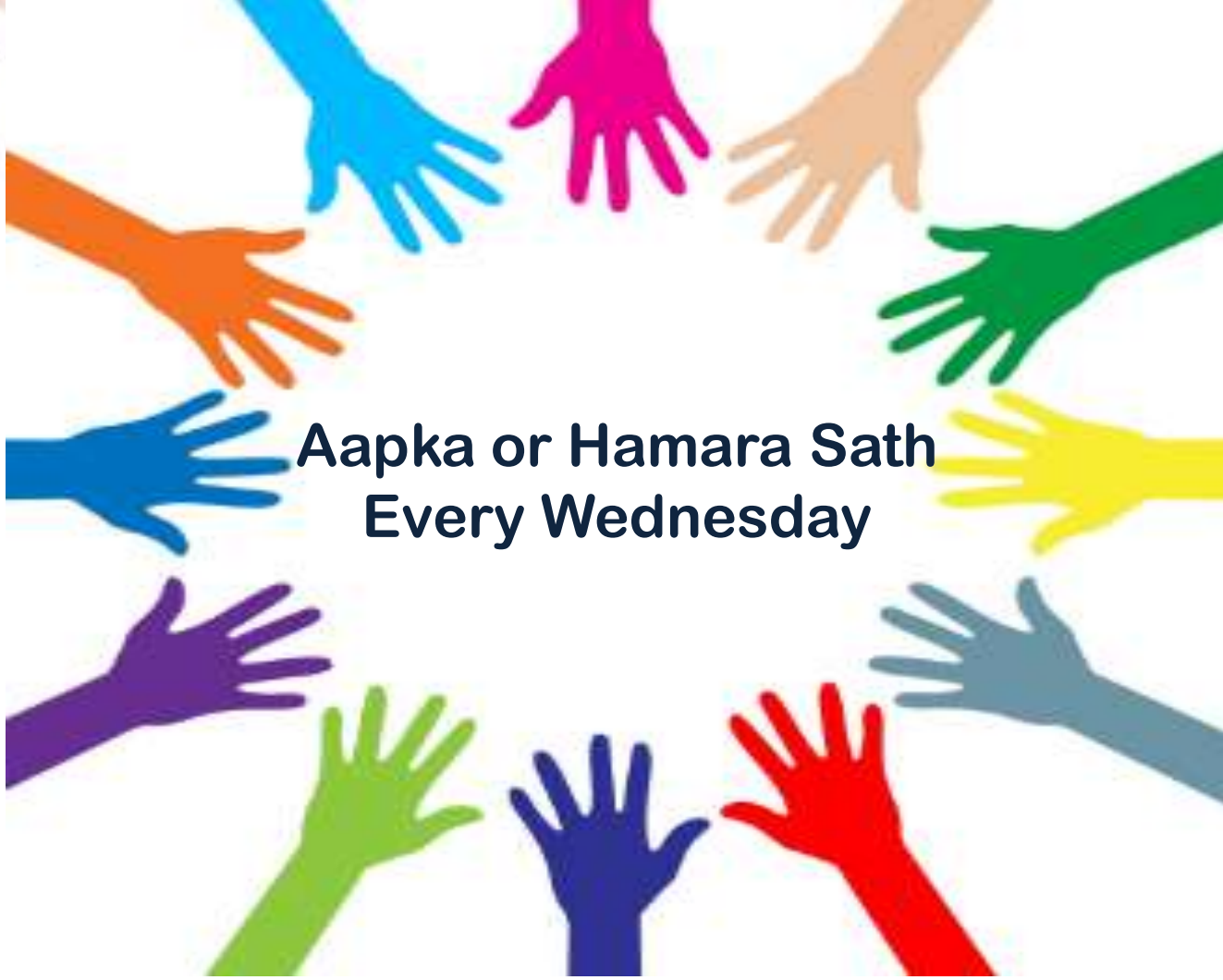


The FEMA Gyani



Abhishek

Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



<https://in.linkedin.com/company/jscoa>

WEBSITE

<https://jainshrimal.com/>

Jain Shrimal & Co.

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