

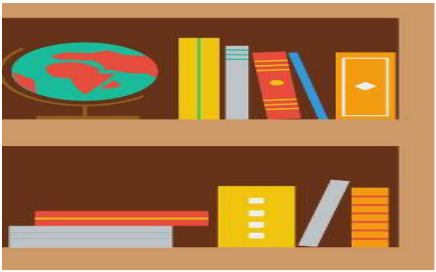
# FEMA Ke Fundae

#FamiliarwithFEMA

**Disinvestment by a Resident  
pertaining to ODI**

Issue No : 89

Date : 21<sup>st</sup> February, 2024

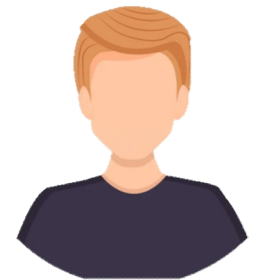




**Abhir**

Hey! Mr. FEMA Gyani. My name is Abhir and I am an Indian Resident. I want to transfer my shares of XYZ Inc. to my friend who is residing in USA. I am not aware of any regulations that are applicable on me. Can you please guide me about the same.

Hi Abhir, A person resident in India may transfer equity capital by way of sale to a person resident in India, or to a person resident outside India who is eligible to make such investment under **Foreign Exchange Management (Overseas Investment) Rules, 2022.**



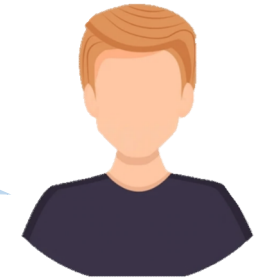
**The FEMA Gyani**



**Abhir**

Okay, FEMA Gyani. As I am unaware of such rules, it will be great if u can brief me about the same.

Sure Abhir. Let me brief you about some conditions that are required to be fulfilled by the transferor-



The FEMA Gyani

Where the disinvestment by a person resident in India pertains to ODI -

The transferor, in case of full disinvestment other than by way of liquidation, shall **not have** any **dues outstanding for receipt**, which such transferor is entitled to receive from the foreign entity as an investor in equity capital and debt.

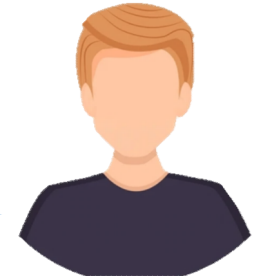
The transferor must have stayed **invested for at least one year** from the date of making ODI.



Abhir

Got it! Are there any other points that I need to keep in mind?

Yes Abhir, one important point is that Disinvestment has to be **reported within thirty days** of receipt of disinvestment proceeds in **Section G of Form FC**.



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Some points that are also need to be kept in mind while reporting in Section G of Form FC-

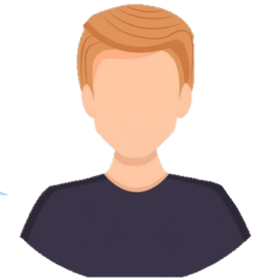
- **UIN**
- **Date of submission of last APR**
- **Date of Disinvestment**
- **Method of Disinvestment**
- **FV of total disinvestment as per the valuation report**



**Abhir**

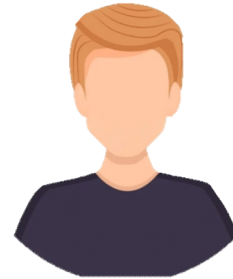
Got it! Thankyou so much FEMA Gyani for all the information regarding disinvestment.

Your Welcome, Abhir.



**The FEMA Gyani**

# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

**WEBSITE**

<https://jainshrimal.com/>

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