

# FEMA Ke Fundae

#FamiliarwithFEMA

ODI by Registered  
Trust

Issue No : 101

Date : 15<sup>th</sup> May,2023

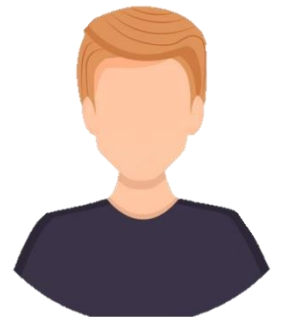




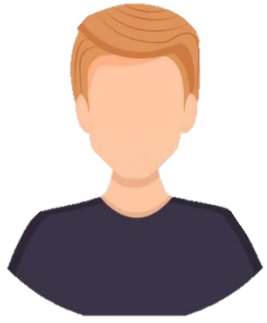
**Ayushi  
(Trustee)**

Hello, Mr. FEMA Gyani. My name is Ayushi. I am Trustee of a Trust in India. Our trust has set up a hospital which provides free healthcare services to people who cannot afford them. Now our trust wishes to make ODI in a foreign entity. Can we do so?

Hi Ayushi! Yes, you are permitted to make ODI in a foreign entity as only trust engaged in the **educational sector** or which **has set up hospitals in India** may make ODI in a foreign entity. However, it can be made only through **Approval Route**, i.e., you have to take prior permission of RBI before making such ODI. There are also some other conditions that must be fulfilled, let me brief you with them.



**The FEMA Gyani**



**The FEMA Gyani**

**1**

The foreign entity should be engaged in the **same sector** in which your Trust is engaged in.

**2**

Your trust should be in existence for **at least three financial years** before the year in which such investment is being made

**3**

The trust deed should permit such ODI

**4**

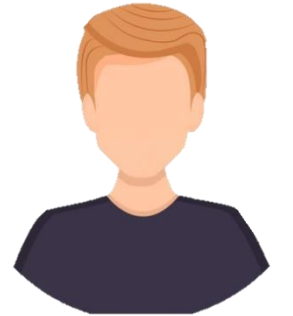
Such investment should have the **approval of all the trustees**



**Ayushi  
(Trustee)**

Okay Mr. FEMA Gyani! I understood the conditions. Now what are the compliances to be followed?

As your Trust is making Overseas Direct Investment it is required to fulfill the following filing obligations:



**The FEMA Gyani**

**Form FC**-The trust shall file Form FC at the time of making such ODI.

**Form APR**-The trust shall submit Form APR on **31st December**, every year.

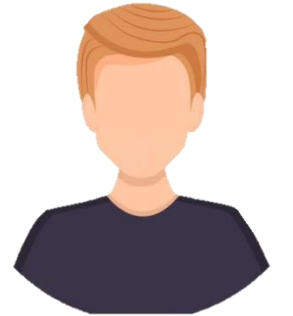
**Form FLA**-The trust shall submit Form FLA on or before the **15th day of July** of each year.



**Ayushi  
(Trustee)**

Okay Mr. FEMA Gyani! I will handle the compliance matters. Is there anything else that needs attention?

Yes one more thing! In case the Trust requires **special licence** or **permission** either from the Ministry of Home Affairs, Central Government or from the relevant local authority, as the case may be, make sure that such special licence or permission **has been obtained** and **submitted** to the designated AD bank.



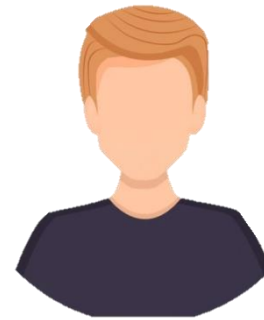
**The FEMA Gyani**

Okay Mr. FEMA Gyani! Thanks a lot.



**Ayushi  
(Trustee)**

# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan  
WhatsApp group



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