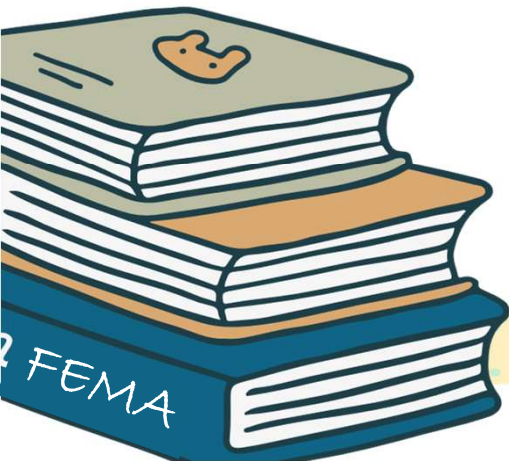
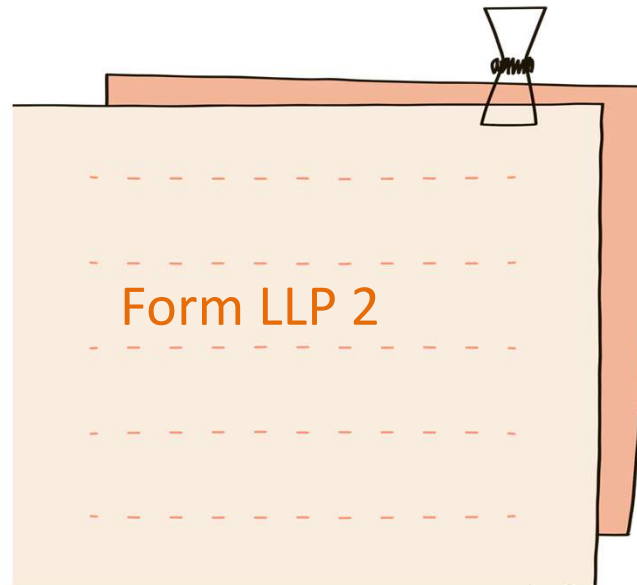
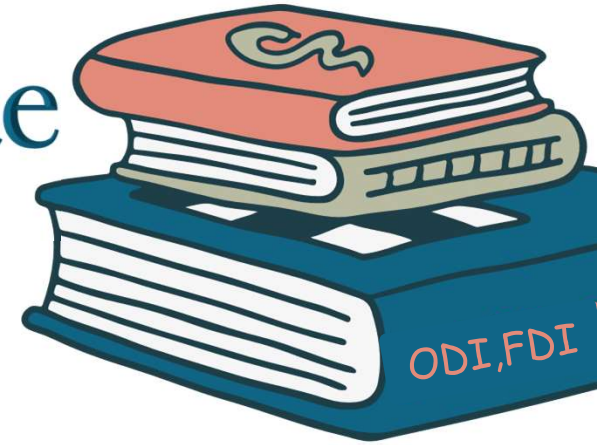


JAIN SHRIMAL & CO.

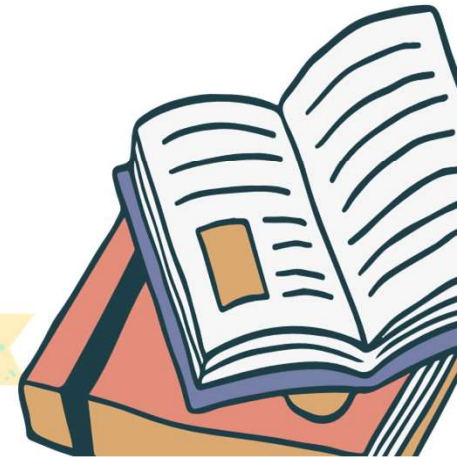
FEMA Ke Fundae

#FamiliarwithFEMA



Date: 11-12-2024

Issue no: 130



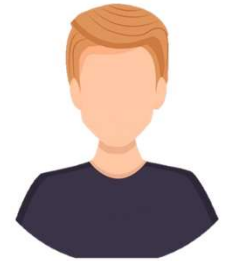


Sanjay

Hello Mr. FEMA Gyani, I am Sanjay, an Indian resident. I want to sell my contribution in **AB & XY LLP** to my friend residing outside India. But my bank is stopping me from selling it and asking me to file a form. So, please tell me what is this Form ?

Hello Sanjay!

You're talking about Form LLP(II). This form is essential for reporting any disinvestment or transfer of capital or profit shares between a resident and a non-resident in an LLP



The FEMA Gyani

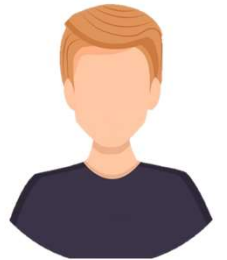
Got it. So, what exactly needs to be reported in this form?



Sanjay



whenever there's a change in the ownership or profit share between a resident and a non-resident partner in the LLP, Form LLP(II) is required. In this Form details of the transaction, including the amount of capital transferred, the share in profits, and details about both the resident and non-resident parties involved are reported.



The FEMA Gyani

Understood. Who's responsible for filing this form?



Sanjay

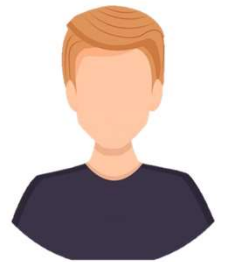


The responsibility falls on the resident transferor or transferee, which means the resident partner involved in the transfer is accountable for ensuring the form is submitted on time.



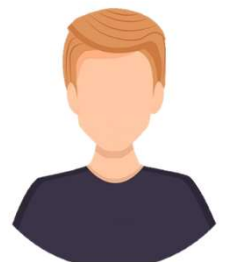
Sanjay

And how soon do we need to file this form after the transaction?



The FEMA Gyani

It is to be filled within 60-day from the date the funds are received or transferred for this disinvestment or capital adjustment.



The FEMA Gyani

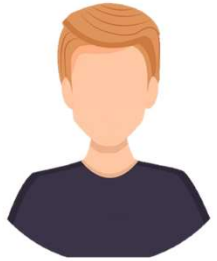




Sanjay

Got it! What if it is not filled within prescribed timeframe .

If the Form LLP 2 is not filled within prescribed timeframe, then Late submission fees will arise.



The FEMA Gyani



Sanjay

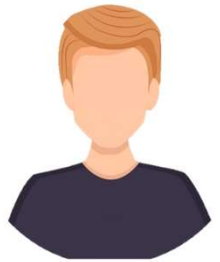
Is there any fixed amount of penalty under LSF?



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

$$\text{Rs.7,500} + (0.025\% \times A \times n)$$

"A" is the amount involved. n" is the number of years of delay



The FEMA Gyani

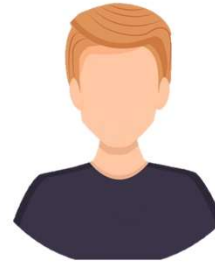
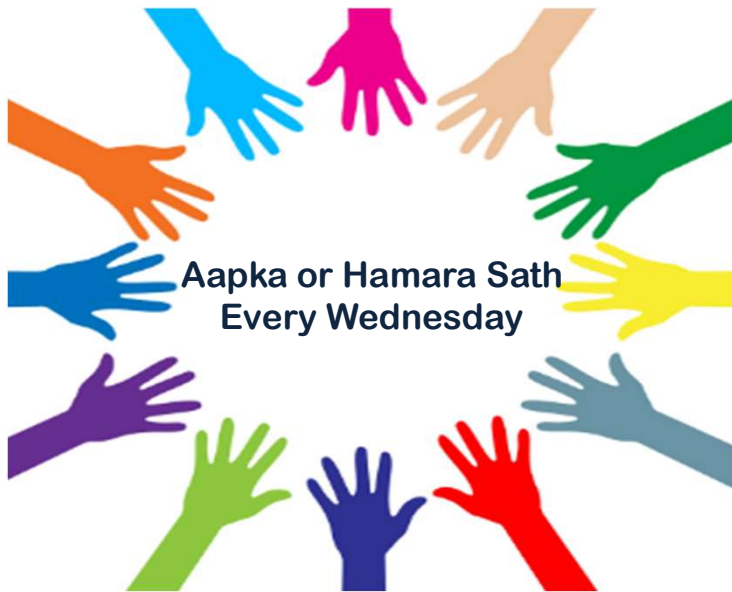
That clears it up! Thank you, FEMA Gyani. I will remember to file it within prescribed time.



Sanjay



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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WEBSITE

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International Tax Gyan
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