



LexArticle

March 04, 2015, New Delhi, INDIA

Reporting under FDI Scheme on the e-Biz platform

International Financial Services Centre to be set up

If you have questions or would like additional information on the material covered in this Newsletter, please contact the authors:

- Alfred Adebare, Of Counsel
(aadebare@lexcounsel.in)

LexCounsel, Law Offices C-10,
Gulmohar Park New Delhi 110 049,
INDIA. Tel.:+91.11.4166.2861
Fax:+91.11.4166.2862

Recommended by:

Reporting under FDI Scheme on the e-Biz platform

With a view to promoting ease of reporting of foreign direct investment (FDI) transactions, the Reserve Bank of India (RBI), under the e-biz project of the Government of India has, vide A.P (DIR Series) Circular No.77 dated February 12, 2015, enabled filing of the following returns on a new e-filing platform:

- Advance Remittance Form (ARF) - used to report FDI inflow to RBI not later than 30 days from the receipt of consideration for issue of shares/convertible debentures/other FDI compliant instruments under the FDI scheme; and
- FC-GPR Form – used to report the issue of FDI compliant instruments to the overseas investor against the above mentioned FDI inflow.

The reporting platform (<https://www.ebiz.gov.in/home>) enables the Indian company to login into the e-biz portal using a user-specific id and password, download the reporting forms (ARF and FCGPR), complete and then upload the same onto the portal using its digitally signed certificates. Authorised Dealer Banks (ADs) will be required to download the completed forms, verify the contents from the available documents, if necessary by calling for additional information from the customer and then upload the same for RBI to process and allot the Unique Identification Number (UIN). The e-biz platform for filing ARF and FC-GPR is already operational with effect from February 19, 2015.

International Financial Services Centre to be set up

CHAMBERS
ASIA



In March, the RBI will notify an international financial services centre (IFSC) under the Foreign Exchange Management Act, 1999 (FEMA), to be set up in Gandhinagar, Gujarat. The notification will make regulations relating to financial institutions (or their branches) set up in the IFSC. Such financial institutions (or their branches) set up in the IFSC will be treated as non-resident Indian entities located outside India, and will conduct business in such foreign currency and with such entities, whether resident or non-resident, as the regulatory authority may determine. Also, subject to certain provisions, nothing contained in any other regulations will apply to a unit located in IFSC. The respective regulatory authority will develop the regulatory framework for provisions of financial services in IFSC. The Government of India would permit the Insurance Regulatory Development Authority (IRDA) to allow insurers (life, non-life and health insurers) including foreign insurer or re-insurers to set up branches in IFSC. Similarly, RBI would permit the setting up of IFSC Banking Units (IBUs) by banks. The RBI has also formulated a draft scheme for the setting up of IBUs by banks. The Securities and Exchange Board of India (SEBI) will allow setting up of exchanges and allow other activities for fund raising, merchant banking, brokerage, fund management, private equity, etc. Activities like currency derivatives, NIFTY futures, depository receipts, etc. will take place on the exchanges like any other IFSC.

Corporate Law Update

- MCA notifies new Form: The Ministry of Corporate Affairs has notified a new form – GNL-4 – for providing additional information or documents called for by the Registrar of Companies in respect of an application, e-form or document electronically filed with the MCA. A copy of Form No. GNL-4 is available on the MCA website.
- Companies (Appointment and Qualification of Directors) Rules, 2014 amended: This allows foreign directors in Indian companies where Form DIR-12 (Particulars of appointment of directors and changes among them) has already been filed, to authorise (in writing) a practicing chartered accountant or cost accountant in practice or company secretary in practice or any other resident director of the Indian company to sign Form DIR-11 (Notice of resignation of a director to the Registrar) and file the same on his behalf intimating the reasons for his resignation.

Feedback

Disclaimer: LexCounsel provides this e-update on a complimentary basis solely for informational purposes. It is not intended to constitute, and should not be taken as, legal advice, or a communication intended to solicit or establish any attorney-client relationship between LexCounsel and the reader(s). LexCounsel shall not have any obligations or liabilities towards any acts or omission of any reader(s) consequent to any information contained in this e-newsletter. The readers are advised to consult competent professionals in their own judgment before acting on the basis of any information provided hereby.