



RBI'S SINGLE REPORTING FORM

June 2018

The Reserve Bank of India (“**RBI**”) issued a notification on June 7, 2018 proposing integration of multiple foreign investment reporting formats into a combined online single master form (“**SMF**”). More specifically, SMF combines reporting forms currently used for issue, transfer, disinvestment of capital instruments, capital contribution, depository receipts, convertible notes, employee stock options and downstream investment. A draft format has been released (accessible [here](#)) and the final one is yet to be notified. Once notified, Indian entities (companies, limited liability partnerships and investment vehicles) with foreign investment shall be required to comply with their applicable reporting obligations using SMF.

A brief overview of the reporting process and SMF as applicable to an Indian company with foreign investment is provided below.

1. Reporting process: The new reporting regime shall apply prospectively and past filings continue to remain valid. Indian companies with foreign investment need not revise their filings with RBI for existing foreign investment, and new SMF reporting triggers when there is a change. However, RBI seeks to collate details of existing foreign investment. The objective is to streamline the interim process, and accordingly, requires Indian companies with foreign investment to update requisite details in a prescribed “entity master form” (accessible [here](#)). This form will be hosted on RBI’s website from June 28 till July 12, 2018, and defaulting companies shall be considered in breach of the Foreign Exchange Management Act (“**FEMA**”) as well as cannot submit SMF in future when reporting obligation arises. The entity master form *inter alia* requires the following data:

- corporate identification number, name, date of incorporation and registered office address
- permanent account number allotted by income-tax department
- RBI issued registration number for earlier foreign direct investment
- disclosure of any investigation by any investigative agency for violation of foreign exchange law
- details of main business activity, industrial classification code, and whether it is greenfield or brownfield
- details of share capital and shareholding pattern on a fully diluted basis (i.e. assuming convertible securities are converted into shares)
- total foreign investment in the company from direct investment and any other source

2. Form details: The details required in SMF are mostly similar to the existing information required for reporting issue and transfer of capital by an Indian company with foreign investment. This is because SMF only consolidates and subsumes various applicable forms for different kinds of foreign investment. Under the old reporting regime, equity capital infusion was reported under FC-GPR and transfer of shares in FC-TRS. SMF incorporates both the forms and their old content like particulars of issue/transfer, details of foreign shareholder, valuation and pricing, and remittance details. Thus, information required remains largely unchanged, except the following which are new additions and will apply in specific cases:

- details of tranche payments where partly paid up shares or share warrants are issued
- details of deferred consideration, tranches, escrow arrangement and indemnification in case of share transfer involving these elements
- relevant extracts of share transfer contract (if any) while reporting transfer
- acknowledgement letter of foreign investment from initial non-resident investor where shares are transferred from non-resident to resident

Similar mandatory attachments as required for old filings like foreign inward remittance certificate and KYC, valuation certification from chartered accountant, etc. must be attached with SMF filing. In addition to the old attachments, SMF mandates attaching a certificate from practicing company secretary for every kind of filing including issue and transfer reportings. This certificate must be in prescribed format and affirm compliance with Companies Act and FEMA.

Apart from issue and transfer of capital reporting, SMF introduces two new reporting requirements – (i) downstream investment reporting when an Indian company with foreign investment invests further in another Indian entity, and (ii) any investment in an investment vehicle (such as real estate trust, funds, etc.). Hence, Indian companies must assess the applicability of these new conditions and comply.

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