



**S.C.SHARADA  
& ASSOCIATES**  
COMPANY SECRETARIES

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# STREAMLINING OF FEMA REPORTING

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# Changes notified through updated User Manual

## Highlights of changes notified

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Contact details can be changed for Business User from User Profile

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Clarification on the validity of Valuation Report

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In case of reclassification of FPI as FDI, original as well as excess investment to be reported

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# Highlights Contd..

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LSF payments can now be made beyond 1 PM .

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Intimation to RBI about LSF Payment can be made beyond 2 hours from making the payment

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In case of MOA subscription- Board resolution and MOA copy to be attached.

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Minor change in declarations for FCTRS

## Exercise of ESOPs by PROI

PROI- to whom X number of ESOPs have been issued by Indian Company

### A. Direct allotment by the Company without ESOP Trust in place

Sl. No	Scenario	Reporting Requirement
1	Pays exercise price for X Shares to the Company	FCGPR to be filed by Indian Company
2	IC sells portion of X shares (Y) to recover exercise price. IC then allots X-Y shares to PROI	FCGPR for the X-Y shares allotted
3	IC sells Y shares to recover exercise price. IC Sells X-Y shares and remits sale proceeds to PROI	<b>FC-TRS</b> to be filed for X-Y shares sold on behalf of IC

## B. Exercise of options through ESOP Trust Route

Sl. No	Scenario	Reporting Requirement
1.	Pays exercise price for X shares to ESOP Trust. The Trust transfers the shares to PROI	FC-TRS reporting by Trustee
2.	Pays exercise price for X shares to ESOP Trust but the Trust does not transfer shares. Holds shares on behalf of PROI as their beneficial owner.	FC-TRS reporting by Trustee (though no actual transfer of shares)
3.	Trust sells portion of X shares (Y). Trust transfers X-Y shares to PROI	FC-TRS reporting by Trustee
4.	Trust sells portion of X shares (Y). Trust holds X-Y shares on behalf of PROI	FC-TRS reporting by Trustee
5.	Trust sells Y shares. Trust sells X-Y shares instead of transferring to PROI. Remits sale proceeds to PROI	FC-TRS reporting by Trustee

## DI reporting guidelines

**Entity A** – Indian Company which is FOCC

Sl. No	Scenario	Reporting Requirement
1	<p>Shares of another Indian Company are issued to Entity A</p> <p style="text-align: center;"><b>OR</b></p> <p>Entity A contributes to Capital of LLP</p>	DI Reporting to be done
2	Entity A purchases shares of another Indian Company by acquiring shares from a Resident Shareholder	DI Reporting to be done. (No FCTRS since its between two residents)
3	<p>Entity A Purchases shares of another Indian Company by acquiring shares from a PROI</p> <p style="text-align: center;"><b>OR</b></p> <p>Entity A acquires cap.contr of LLP from PROI</p>	<p>DI Reporting + FC-TRS since PROI is involved</p> <p>DI Reporting + Form LLP-II since PROI is involved in Transfer</p>
4	<p>Entity A sells shares held by it an Indian Company to PROI</p> <p style="text-align: center;"><b>OR</b></p> <p>Entity A transfers its cap contr in LLP to PROI</p>	<p>FCTRS</p> <p>Form LLP-II</p>

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# Thank You

CS Rajeswari J Pai

