

INTRODUCTION OF SINGLE MASTER FORM BY RESERVE BANK OF INDIA FOR REPORTING FOREIGN INVESTMENT IN THE COMPANY

BACKGROUND

The present system of reporting total foreign investment in India made by a person residing outside India through eligible capital instruments in the investee company or investments in other investment vehicles, involves filing of numerous forms like Advance Reporting Form (ARF) & FC-GPR with Reserve Bank of India ('RBI') via various reporting platforms . This renders it as a disintegrated reporting structure.

INTRODUCTION OF SINGLE MASTER FORM (SMF)

On 7th June 2018, the RBI has notified that it will be introducing an online Single Master Form ('SMF') to replace the multiple forms which are in use at present for reporting Foreign Direct Investment ('FDI'), compliances and transactions.

Before the SMF is introduced, the RBI is asking entities which have foreign investment to prepare themselves for uploading details of their total foreign investment till date in the format attached hereto.

This format has to be filled and submitted to the RBI during the period from 28th June 2018 to 12th July 2018.

The integration of the extant reporting structures is a positive move made by RBI to simplify and rationalize reporting for foreign investment in India. It is also aimed at ensuring that there is consistency and accuracy of data on foreign investments reported.

CONSEQUENCES OF NON-COMPLIANCE

It has stated in its notification that if an Indian entity fails to comply with this prerequisite then it shall not be able to receive foreign investment (including indirect foreign investment) in future and it will be considered to be non-compliant with Foreign Exchange Management Act, 1999 (FEMA) and regulations made thereunder.

Therefore, to ensure that your business remains FEMA compliant and is also able to receive FDI in the future, we highly recommend that you ensure compliance by submitting the attached file during the period from 28th June 2018 to 12th July 2018.

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HOW OCTAGONA CAN ASSIST

We will be glad to comply with this new requirement and complete this assignment for you at a cost of INR 20,000/- (Indian Rupees Twenty Thousand Only) +GST.

Please feel free to contact the Ms. Drishti Sharma, Practicing Company Secretary, via email on d.sharma@octagona.com.
