



REVISED FLAIR SYSTEM & UNDERTAING FLA FORM

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M/S. JAYANTILAL THAKKAR ASSOCIATES

CERTAIN OTHER ASPECTS

- CHECK REVISED FORMATS FOR AUTHORITY AND VERIFICATION LETTERS
- THERE IS NO REJECTION AS IT IS SELF VALIDATED FORM AND DETAILS SUBMITTED GETS ACCEPTED.
- REGISTRATION IS FAST AND UNLIKE EMF WHERE THERE WAS WAITING TIME SINCE IT PASSED THROUGH AD BANKER
- QUERIES FOR TECHNICAL AS WELL AS PECULIAR ISSUES CAN BE EMAILED AT SURVEYFLA@RBI.ORG.IN
- AUTHORISED SIGNATORY CAN BE CHANGED BY DEACTIVATING USER AND REQUEST FOR ACTIVATING NEW USER.
- CAN BE SAVED AS DRAFT AND SUBMITTED LATER
- RESET WILL RESET THE ENTIRE FORM

CERTAIN OTHER ASPECTS

- WEBSITE GETS LOGGED OUT AFTER 10 MINUTES OR SO
- BACK WILL GO TO THE DASHBOARD
- ALWAYS SAVE AS DRAFT AFTER EACH TAB
- NO NEED TO ATTACH ANY OTHER DOCUMENT OTHER THAN 2 REQUIRED – ONE CONVERTED PDF AND OTHER SIGNED AND SCANNED PDF. (THEY HAVE ALSO MENTIONED JPEG FORMAT IN ANNOUNCEMENT SECTION)
- THE HOLDER OF LA IS RESPONSIBLE FOR INCORRECT INFORMATION AKIN TO SMF / EMF PORTAL

CERTAIN OTHER ASPECTS

- PENALTY PROVISIONS ARE APPLICABLE UNDER SEC 11(3) OF FEMA ACT, 1999.
- DELAYED FILING IS COMPOUNDABLE OFFENCE. AS PER THE COMPOUNDING GRID THE COMPOUNDING FEE IS LEVIABLE AT RS. 10,000/- UNDER 1 PARAGRAPH 9(2) OF SCHEDULE I OF FEMA 20/2000 (NOW 20(R))
- LETS GO TO FORM NOW...

DISTINGUISHED QUESTIONS IN FAQ

- FAQ MENTIONS FOLLOWING IS REQUIRED TO FILE FLAIR:
 - A COMPANY WITHIN THE MEANING OF SECTION 1(4) OF THE COMPANIES ACT, 2013.
 - A LIMITED LIABILITY PARTNERSHIP (LLP) REGISTERED UNDER THE LIMITED LIABILITY PARTNERSHIP ACT, 2008
 - OTHERS [INCLUDE SEBI REGISTERED ALTERNATIVE INVESTMENT FUNDS (AIFS), PARTNERSHIP FIRMS, PUBLIC PRIVATE PARTNERSHIPS (PPP) **ETC.**]
- WHAT IS THE MEANING OF 'ETC' ABOVE? WHETHER INDIVIDUALS ARE INCLUDED?
- NO ODI / FDI IN THE COMPANY AT YEAR END – THEN FLAIR NOT REQUIRED TO BE FILED.

DISTINGUISHED QUESTIONS IN FAQ

- **Q 8.** WHAT IS MEANT BY “RESIDENCE OF ENTERPRISES”?
- **ANS:** AN ENTERPRISE IS SAID TO HAVE A CENTRE OF ECONOMIC INTEREST AND TO BE A RESIDENT UNIT OF A COUNTRY (ECONOMIC TERRITORY) WHEN THE ENTERPRISE IS ENGAGED IN A **SIGNIFICANT** AMOUNT OF PRODUCTION OF GOODS AND/OR SERVICES IN THAT CENTRE OR WHEN IT **OWNS** LAND OR BUILDINGS LOCATED IN THAT CENTRE. THE ENTERPRISE **MUST MAINTAIN** AT LEAST ONE PRODUCTION ESTABLISHMENT IN THE COUNTRY **AND** MUST **PLAN TO OPERATE** THE ESTABLISHMENT **INDEFINITELY** OR OVER A LONG PERIOD OF TIME.
- WHERE IS THE RELEVANCE OF THIS QUESTION IN THE FORM ?? NOT KNOWN

DISTINGUISHED QUESTIONS IN FAQ

- **Q 9.** WHAT IS DIRECT INVESTMENT?
- **ANS:** DIRECT INVESTMENT IS A CATEGORY OF INTERNATIONAL INVESTMENT IN WHICH A RESIDENT ENTITY IN ONE ECONOMY [DIRECT INVESTOR (DI)] ACQUIRES A **LASTING INTEREST** IN AN ENTERPRISE RESIDENT IN ANOTHER ECONOMY [DIRECT INVESTMENT ENTERPRISE (DIE)]. IT CONSISTS OF TWO COMPONENTS, VIZ., EQUITY CAPITAL AND OTHER CAPITAL

DISTINGUISHED QUESTIONS IN FAQ

- **Q 11.** WHAT IS “OTHER CAPITAL UNDER DIRECT INVESTMENT”?
- **ANS:** THE OTHER CAPITAL COMPONENT (RECEIVABLES AND PAYABLES, EXCEPT EQUITY AND PARTICIPATING PREFERENCE SHARES INVESTMENT) OF DIRECT INVESTMENT COVERS THE OUTSTANDING LIABILITIES OR CLAIMS ARISING DUE TO BORROWING AND LENDING OF FUNDS, INVESTMENT IN DEBT SECURITIES, TRADE CREDITS, FINANCIAL LEASING, SHARE APPLICATION MONEY ETC., BETWEEN DIRECT INVESTORS AND **DIES AND BETWEEN TWO DIES THAT SHARE THE SAME DIRECT INVESTOR.** NON-PARTICIPATING PREFERENCE SHARES OWNED BY THE DIRECT INVESTOR ARE TREATED AS DEBT SECURITIES & SHOULD BE INCLUDED IN ‘OTHER CAPITAL’.

DISTINGUISHED QUESTIONS IN FAQ

- ANS TO Q32: OTHER CAPITAL IS A DEBT WHICH IS TO BE REPORTED AS FOLLOWS;
- (A) OTHER CAPITAL, ITEM 2.1 & 2.2 OF SECTION III (1.B FDI) INCLUDES ALL OTHER LIABILITIES AND CLAIMS AT NOMINAL VALUE, EXCEPT EQUITY AND PARTICIPATING PREFERENCE SHARES, (I.E. TRADE CREDIT, LOAN, DEBENTURES, NON-PARTICIPATING SHARE CAPITAL, OTHER ACCOUNTS RECEIVABLE AND PAYABLES ETC.) OF INDIAN REPORTING COMPANY WITH ITS DIRECT INVESTORS HOLDING MORE THAN 10 PER CENT EQUITY.
- (B) OTHER CAPITAL, ITEM 2.1 & 2.2 OF SECTION III (2.B DIRECT INVESTMENT) INCLUDES ALL OTHER LIABILITIES AND CLAIMS AT NOMINAL VALUE, EXCEPT EQUITY AND PARTICIPATING PREFERENCE SHARES, (I.E. TRADE CREDIT, LOAN, DEBENTURES, NON-PARTICIPATING SHARE CAPITAL, OTHER ACCOUNTS RECEIVABLE AND PAYABLES ETC.) OF INDIAN REPORTING COMPANY WITH NON-RESIDENT INVESTORS HOLDING LESS THAN 10 PER CENT EQUITY **AND INDIRECT RELATED PARTIES (FELLOW ENTERPRISE OR ULTIMATE PARENT COMPANY OR GROUP COMPANY ETC.).**

DISTINGUISHED QUESTIONS IN FAQ

- Q20 OF FAQ MENTIONS : WHAT SHOULD WE INCLUDE IN 5. SALES AND PURCHASE (IN SECTION II)?
- ANS: IN THESE FIELDS, YOU ARE REQUIRED TO PROVIDE THE INFORMATION RELATING TO ALL PURCHASES (**INCLUDING CAPITAL** AND REVENUE OF GOODS AND SERVICES)/ SALES MADE DOMESTICALLY AS WELL AS FOREIGN DURING THE REFERENCE PERIOD (APRIL - MARCH).
- DOES IT MEAN CAPITAL PURCHASES ARE ALSO REQUIRED TO BE MENTIONED?
- ENTITIES ARE REQUIRED TO PROVIDE **THE MONTH AND YEAR OF RECEIVING FDI FIRST TIME** IRRESPECTIVE OF NUMBER OF INVESTORS REPORTED.

DISTINGUISHED QUESTIONS IN FAQ

- Q23. WHICH WILL BE THE DATE OF FIRST RECEIPT OF FDI RECEIVED?
- **SETTLEMENT DATE/ALLOTMENT DATE** AND NOT THE DATE OF RECEIPT OF FUNDS

- **Q 26.** WHERE SHOULD WE REPORT FULLY/PARTIALLY/NON-CONVERTIBLE DEBENTURES ISSUED TO THE NON-RESIDENTS IN FLA RETURN?
- **ANS: FULLY/PARTIALLY/NON-CONVERTIBLE DEBENTURES ARE TREATED AS DEBT SECURITIES.** (A) IF THE **DEBENTURES (OF ANY TYPE)** ARE HELD BY FOREIGN INVESTOR, THE AMOUNT SHOULD BE REPORTED AT.....
- ANY DOMESTIC LIABILITIES OR ASSETS (EVEN IF IT FOREIGN CURRENCY) SHOULD NOT BE REPORTED IN THE FLAIR.

THANK YOU