



REGULATORY UPDATES

Time-Sensitive Compliance Window Under Regulation 11 of the Foreign Exchange Management (Overseas Investment) Regulations, 2022

The RBI has provided a significant yet time sensitive window for companies to regularize delayed overseas investment filings under Regulation 11 of the Foreign Exchange Management (Overseas Investment) Regulations, 2022.

This regulation which came into effect on August 22, 2022, offers two categories of relief for delayed filings related overseas investments. These compliance windows are crucial for companies with pending or missed filings.

And while it's not a new update — it came into effect on August 22, 2022 — the window for many Indian entity or resident individual to ensure pending compliances is fast closing.

CATEGORY I: RELIEF FOR POST-AUGUST 22, 2022 DELAYS

REGULATION 11(1):- Rolling 3 Years window for delayed filings post August 22, 2022

If an Indian entity or resident individual has failed to undertake any of the following filings that became due on or after August 22, 2022, it may still regularize such delay by submitting the requisite documents and paying the applicable Late Submission Fee (LSF) within three years from the original due date of the respective filing:

- Submission of evidence of investment (e.g share certificate)
- Filing of form FC (for overseas direct investment)
- Filing of Annual performance report (APR)
- Form regarding Disinvestment or restructuring

Example:- If an APR was due on 31st December 2024, it can still be filed by 31st December 2027 with a Late Submission Fee.

CATEGORY II: ONE-TIME RELIEF FOR PRE-AUGUST 22, 2022 DELAYS

REGULATION 11(2):- One time opportunity for Pre-2022 Delays

If the Indian entity or resident individual has failed to undertake any of the following filings that were due **prior to August 22, 2022**, it has a **one-time opportunity** to regularize such non-compliances **by August 21, 2025**, without undergoing the compounding process, by paying the applicable **Late Submission Fee (LSF)**:

- Submission of evidence of investment (e.g Share Certificate)
- Overseas investment filings like Form ODI (Form FC)
- Annual performance report under previous ODI regime

Conclusion:

The RBI has provided a valuable but time-bound opportunity to regularize delayed overseas investment filings under Regulation 11.

- For delays **on or after August 22, 2022**, filings can be completed within **3 years** from the original due date with payment of Late Submission Fee (LSF).
- For delays **before August 22, 2022**, a one-time window is open until **August 21, 2025**, to rectify pending filings without compounding.


Indian entity or resident individual are strongly advised to review their overseas investment compliances and take timely corrective action to avoid regulatory consequences.


DISCLAIMER: - The summary information herein is based on the Foreign Exchange Management (Overseas Investment) Regulations, 2022. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.

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