



Frequently Asked Questions (FAQs) on FLA Return

Q1. What is FLA Return?

Annual return on Foreign Liabilities and Assets (FLA) has been notified under Foreign Exchange Management Act (FEMA), 1999.

FLA is required to be submitted by July 15 every year, by all the Indian resident entities specified under the Act which have received FDI and/ or made overseas investment in any of the previous year(s), including current year.

Q2. Whether it is mandatory to give audited figures in FLA?

If the accounts are not audited before the date of submission i.e. 15th July, RBI has allowed filing of unaudited information on provisional basis by 15th July. Once the accounts are audited and there's change in the figures reported earlier, revised return is required to be filed by 30th September

Q3. Who are required to submit the FLA Return??

It is to be submitted by following Indian entities which have received Foreign Investment (FDI) and/or made Investment abroad (i.e. overseas investment) at time since the incorporation and reflecting in the accounts as on march end.

- 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.]

Q4. What is reporting period?

As per FEMA Act, the reporting period is 01st April to 31st March.

Q5. What if account closing period of the entity is different from reference period (end-March), can we report the information as per Account Closing Period?

The FEMA Act, requires the reporting to be done as on 31st March. Therefore, every entity is required to submit the FLA return shall prepare books of accounts for April-March on internal assessment for this reporting.



Q6. What if entity do not have any foreign direct investment or overseas direct investment outstanding as on end-March of the reporting year?

No, the reporting is to be done only when there is outstanding FDI or Overseas Investment as on march end.

Q7. What if the entity has not received any inward investment or made outward investment during the reporting?

Only when the entity is having any outstanding investment (inward or outward) as on march end, it is required to report the same in FLA return, whether or not such investment is received or made during the reporting period.

In other words, even if the entity has not received any fresh investment or made fresh overseas investment during the reporting period, it is required to submit FLA return.

Q8. Can we file FLA return after due date?

Yes, but prior approval of the RBI is required.

For taking approval, an email is to be sent to surveyfla@rbi.org.in. If sufficient cause is shown, the RBI grants the approval.

Q9. What will be the consequences in case we do not file the said FLA Return by 15th July?

Non-filing of the return before due date will be treated as a violation of FEMA and penalty clause may be invoked for violation of FEMA ([A.P. \(DIR Series\) Circular No. 29, dated February 02, 2017](#)).

Q10. How to file the FLA Return?

With effects from 28th June, 2019 all FLA returns are filed through web-based system of RBI known as Foreign Liabilities and Assets Information Reporting (FLAIR) system.

Portal domain: <https://flair.rbi.org.in>

For first time users, the User Registration form is to be filed to create the login credentials. (Refer RBI user manual given on Flair portal for detailed registration process).

Q11. Is it required to attach or send signed financial statements with the FLA return?

No, only reporting is to be made through web-based portal.