



## **Foreign Investment Reporting and Management System (FIRMS)**

### **Frequently Asked Questions**

**Step by step procedure for the FIRMS application is provided in two user manuals. Please read the same before making any filing on FIRMS application**

- i. User Manual on Entity Master
- ii. User Manual on SMF FIRMS Application

#### **Q1. What is the difference between an Entity user and a Business User?**

A1. Both types of Users are designed for specific purposes. Entity User is a user representing an entity, which has received foreign investment and is required to provide details of foreign investment, including indirect foreign investment, in the Entity Master. Submission of Entity Master does not entail submission of regulatory filings under FEMA, 1999.

Business User is a user who will be making a filing through a Single Master Form (SMF), in compliance with the provisions of FEMA, 1999. Whereas the Entity user credentials are entity specific, business user credentials can be obtained by any individual/ entity who is required to make a filing in SMF.

#### **Q2. Which authorization letter is to be used for Entity User and Business User registration and the documents that needs to be attached?**

A2. There are separate authorization letter formats for registration of Entity User and Business User. Format of authorization letters and other necessary documents are prescribed in the respective User Manuals. Where the Business User is filing in the capacity of an individual, the authority letter need not be on any letterhead. The user may self-authorize and may strike out whichever fields are not applicable.

#### **Q3. Where would I receive login credentials for Entity User or Business user?**

A3. Login credentials would be received in your registered email id.

#### **Q4. What should I do if I am getting the error “Username already present in DB”?**

A4. The user can try using a different username and then submit the request for registration.

#### **Q5. How shall a newly incorporated entity or the entity receiving foreign investment for the first time enter data in the Entity Master?**

A5. For such cases, the Entity User registration shall be made as per the prescribed procedure. While filling the details in the Entity Master, the user may enter the latest paid-up capital on a fully diluted basis and all other details may be entered as 0 (zero).

**Q6. How do I attach three documents viz. authorization letter, copy of PAN card and reasons for not making registration in the initial window for entity user registration.**

A6. Scan all the three documents together as a single .pdf file and upload at the attachment “authority letter.”

**Q7. What is the maximum attachment size?**

A7. Maximum attachment size is ‘1 MB’ for all attachments in FIRMS application. Kindly refrain from attaching bulky documents and include only the relevant extracts, wherever required.

**Q8. I have registered as an Entity User but cannot see the option for filing SMF.**

A8. Please refer to Q1. For filing in SMF, one must register as a Business User, which is a separate login from Entity User. Step by step procedure for registration of Business User is prescribed in the User Manual on SMF FIRMS Application.

**Q9. I have filled incorrect details in the Entity Master and want to rectify it.**

A9. For changes in the Entity Master/ queries related to changes in the Entity Master, you may contact the respective Regional Office of RBI, under whose jurisdiction the registered office of the entity is situated. Contact details/ E-mail id of RBI's Regional Offices are available on the home page of FIRMS portal in the Contact Details document. No such requests should be directly sent to the FIRMS Helpdesk.

**Q10. I want to change the Entity User and the person authorised for my entity.**

A10. Entity User credentials are entity specific and not person specific. The entity may authorise any person. The username cannot be changed as it is the primary identifier in the FIRMS application. Entity Users have an option to modify their existing e-mail id and contact number in FIRMS as explained in Section 4.7 of the User Manual for Entity Users. For any other changes in the Entity Master/ queries related to changes in the Entity Master, the entity may contact the respective Regional Office of RBI, under whose jurisdiction the registered office of their entity is situated.

**Q11. Whom should I contact with respect to Business User registration and forms filed in Single Master Form (SMF)?**

A11. You may contact your Authorised Dealer (AD) Bank. Business User registrations and forms filed in SMF are processed at the AD Bank level.

**Q12. Do I need to provide account number in the authorization letter for Business User?**

A12. Yes, account number of the user is to be provided along with authorized signatory for that account.

**Q13. I cannot find the IFSC code of my Bank at the Business User registration page.**

A13. Only select branches of AD banks that are authorized for processing registrations and SMF in FIRMS. Hence, users may either select an existing IFSC code or contact your bank/ branch for further clarification.

**Q14. Which entity do I need to select at the time of Business User registration?**

A14. The entity for which the reporting is being made and may result in change of shareholding pattern has to be selected (i.e., the Indian investee company is to be selected at the time of Business User registration).

For example, if a resident A has sold shares of an Indian investee company B to a non-resident and has to file Form FC-TRS in SMF, then resident A has to register as a Business User and select the CIN pertaining to Indian investee company B.

**Q15. How can I select CIN/ LLPIN of the entity for Business User registration?**

A15. Users can use the search icon against the CIN label and enter the CIN/LLPIN number to select the desired entity.

**Q16. I cannot find the CIN/LLPIN of my entity at the Business User registration page.**

A16. Business User registration can be completed only in such cases where the Indian Investee Entity is itself registered in FIRMS as an Entity. Hence, if a record of your desired Investee Entity is unavailable while registering for BU, kindly contact the respective entity for necessary action at their end.

**Q17. I have applied for Business User registration but have not received login credentials.**

A17. The processing of Business User registration requests usually takes around 2-3 working days and are processed at your AD Bank level. Please contact your AD bank to which the registration request was forwarded. If the issue persists, you may write to [fedsupport@rbi.org.in](mailto:fedsupport@rbi.org.in) along with your username.

**Q18. I have submitted the Business user registration, but my AD bank cannot see in its queue.**

A18. All submitted registrations are reflected in the AD bank's queue on an immediate basis. However, if your registration is not being reflected, you may write to [fedsupport@rbi.org.in](mailto:fedsupport@rbi.org.in), mentioning your username and the AD Bank details.

**Q19. I am unable to view/ file forms LLP1 and LLP2 using my existing Business User login. What should I do?**

A19. From June 23, 2024, users filing forms pertaining to an LLP have to apply for a new LLP - Business User registration. For this, separate LLP and INVI radio buttons have been provided in the Business User Registration Form for using for forms pertaining to LLPs & INVIs.

For using any other type of form, use existing Business User login/ create a new login using 'No' option against LLP and INVI radio buttons.

**Q20. Is Entity Master submission necessary before requesting for Business User registration for Form InVi?**

A20. No separate Entity Master registration is required for filing Form InVi if the Entity Master for the entity was already submitted earlier. The applicant may directly request for Business User registration as per the instructions in the User Manual for SMF-FIRMS Application.

**Q21. Can I use my Business User login for submission of Form InVi?**

A21. Form InVi is only meant for the Investment Vehicles and is not available for all applicants. Hence, a separate Business User registration as per the User Manual is required for submission of such returns.

**Q22. What is regulatory time period for filing of Forms in SMF?**

A22. You may refer to Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, for necessary guidance.

**Q23. Whether Advance Remittance Form (ARF) is required to be filed in SMF?**

A23. With the introduction of SMF, ARF has been discontinued (with effect from September 01, 2018).

**Q24. Are forms already submitted on E-Biz required to be re-filed on FIRMS?**

A24. Forms submitted on E-Biz would be processed on E-Biz. Please contact your AD bank/ Regional Office of RBI for further guidance.

**Q25. I have filled the Entity Master in the first window, however certain filings were further made in E-Biz but are not included in the Entity Master. What should I do?**

A25. In such cases before making any filing in SMF, the details must be updated in the Entity Master. Corrections in Entity Master can be made by the respective entity as per Q9 above.

**Q26. I am filing a form in SMF but the pre transaction values in shareholding pattern are not correct.**

A26. The pre transaction values in the shareholding pattern are fetched from the details available in the Entity Master (which in turn has to be kept updated on an ongoing basis by the entities themselves). Hence, in such cases where the pre transaction values in shareholding pattern are not correct, you may approach your investee entity for necessary action.

**Q27. What can be done to ensure that the correct post transaction shareholding pattern is reflected properly in the SMF?**

A27. Please choose the field correctly '*whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern: \**'. Please refer to shareholding pattern section of the User Manual on SMF FIRMS Application.

**Q28. What is the formula for calculating the percentage foreign investment in an entity in the FIRMS application?**

A28. Percentage of foreign investment =

$$\frac{\text{Value of total foreign investment} \\ \text{(On fully diluted basis)}}{\text{Total paid up capital (resident + non-resident)} \\ \text{(On fully diluted basis)}} \times 100$$

**Q29. What is the value of paid-up capital on fully diluted basis, wherever applicable, to be entered while filing returns in SMF?**

A29. The value for paid up capital on fully diluted basis to be entered is the post transaction paid up capital on a fully diluted basis and is utilized for calculation of post transaction foreign investment in the entity.

**Q30. I have filed an SMF in FIRMS but have not received any acknowledgement.**

A30. All forms/ SMFs are processed in FIRMS at AD bank level. Hence, you may contact the AD bank to which the reporting was made (as per the IFSC code chosen at the time of Business User registration).

**Q31. Can I do resubmission of a return which got rejected on SMF?**

A31. Resubmission on SMFs are presently not permitted in the system. Hence, all forms have to be either acknowledged or completely rejected. For rejected forms, one can always file a fresh SMF for reconsideration of their respective AD Bank.

**Q32. Who is responsible for accuracy of data being submitted through a SMF?**

A32. The onus of providing correct data (that is complete in all respects) lies on the applicant making such filing. Hence, kindly ensure that all data entered in the SMF are checked and verified before submission. Further, in case of any inadvertent omission/ entry of incorrect data in the SMF, users may contact their AD Bank immediately.

**Q33. How can I report transfer of shares in case of buyback/ capital reduction?**

A33. Transfer of shares through buyback/ capital reduction may be reported through Form FCTRS.

**Q34. What are the list of documents to be attached at the time of submission of SMF in FIRMS?**

A34. Please refer to Annex III of the User Manual for SMF-FIRMS Application for necessary guidance.

**Q35. I have more than 1000 shareholders to whom bonus or rights issue is made. How do I make filing in FC-GPR-SMF?**

A35. FC-GPR is required to be filed where the foreign investment is reckoned as an FDI i.e., only for those non-resident investors where the original investment is FDI. File form FC-GPR in SMF accordingly.

**Q36. I need to file Form ESOP for different schemes and different grant prices.**

A36. At present, only one scheme details can be entered in a form. Multiple Form ESOPs are required to be filed for different grant prices/ different schemes. Further, upon exercise of such options and allotment of shares, Form FC-GPR is to be filed.

**Q37. At the AD level, I am unable to see the filed attachments but the applicant is insisting that they have attached the necessary documents. How to proceed?**

A37. In such cases, clear the cached memory and then re-open the form. Logging into FIRMS through other web-browsers (latest version) may also rectify this issue. However, in spite of the above steps, if the issue still persists, kindly send a mail to [fedsupport@rbi.org.in](mailto:fedsupport@rbi.org.in)

**Q38. Whom can I contact for queries of technical nature?**

A38. For queries of technical nature, such as Login ids not received, account blocked, application not received, user credentials not working, etc., e-mails may be sent to [fedsupport@rbi.org.in](mailto:fedsupport@rbi.org.in) mentioning your username and registered email id.

**Q39. I need certain additional clarifications regarding the FIRMS portal, whom do I contact?**

A39. Two detailed User Manuals are hosted on the FIRMS website viz., User Manual for Entity Master and User Manual for SMF-FIRMS, both of which provides detailed procedures for registration, reporting and processing of applications/ SMFs (along with individual data field descriptions). In addition to the above, FAQs are also hosted on the website for further clarification and guidance.

However, for additional clarifications/ guidance applicants may first approach their respective AD bank. Contact details of AD banks are provided in the "Contact Details" document hosted on FIRMS homepage.

Applicants may also approach the respective Regional Office of RBI (along with comments of your AD Bank) for resolution of any other issues pertaining to FIRMS/ Reporting under FEMA, 1999. The contact details of RBI Regional offices is also provided under the link "Contact Details" on FIRMS website.

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