INDIALAW

Foreign Exchange and FDI Compliance

Foreign Exchange and FDI Compliance Law Firm in India for FEMA and RBI Matters

PRACTICE PROFILE • OCTOBER 2026

Overview

We provide specialized legal and regulatory support for transactions and operations governed by India's foreign exchange laws, primarily under the Foreign Exchange Management Act, 1999 (FEMA) and its associated rules, regulations, and directions issued by the Reserve Bank of India (RBI). Our services are designed for Indian businesses receiving foreign investment, foreign companies investing in India, and individuals or entities engaging in cross-border transactions.

Our team advises on inbound and outbound investments, foreign direct investment (FDI) structuring, sectoral caps, and pricing guidelines. We also assist with regulatory filings, reporting obligations, and representations before RBI and Authorized Dealer (AD) banks. In addition, we provide risk mitigation advice in case of suspected non-compliance or when dealing with sensitive issues like delayed filings, retrospective approvals, or compounding of offences.

Our Services

- FEMA and RBI advisory on inward/outward remittances
- FDI reporting and FC-GPR/FC-TRS filings
- Structuring of foreign investments and joint ventures
- ECB, ODI, and share transfer compliance
- Liaising with AD banks and regulators on FEMA matters

Key Professionals



Dinesh Gupta

Partner

Frequently Asked Questions

Q1 **What does foreign exchange and FDI compliance work involve in India?**

It covers advisory and regulatory filings under FEMA and RBI directions for cross-border transactions, including inbound and outbound investments, foreign direct investment structuring, ECB compliance, share transfers involving non-residents, and reporting to AD banks.

Q2 **When should a business engage a FEMA compliance advisor?**

Ideally before any cross-border capital flow, whether receiving foreign investment, issuing shares to a non-resident, or remitting funds abroad. Early advice helps structure the transaction correctly and avoid delayed filings, which can trigger compounding proceedings under FEMA.

Q3 **Which regulators and statutes govern foreign investment in India?**

The primary statute is the Foreign Exchange Management Act, 1999. RBI administers FEMA through regulations, master directions, and circulars. The Department for Promotion of Industry and Internal Trade issues the consolidated FDI Policy, which is updated periodically.

Q4 **What is the typical timeline for FDI reporting after a share allotment?**

Form FC-GPR must be filed with RBI through the AD bank within 30 days of share allotment to a non-resident. The AD bank then verifies pricing, sectoral cap compliance, and KYC before forwarding it to RBI. Delays in filing attract compounding penalties.

Q5 What documents are needed to begin an FDI compliance engagement?

Typically, the company's certificate of incorporation, board and shareholder resolutions, share subscription or transfer agreements, FIRC or payment proof, valuation report from a registered valuer, and KYC documents of the foreign investor. Sector-specific approvals may also be required.

Q6 What common mistakes do companies make in FEMA compliance?

Missing statutory filing deadlines for FC-GPR or FC-TRS is the most frequent error. Others include issuing shares below the prescribed pricing guidelines, not obtaining prior government approval in restricted sectors, and failing to report downstream investments by Indian subsidiaries of foreign entities.

Related Practice Areas

Statutory And Regulatory Compliance | Food Safety and Regulatory Compliance | BIS and Standards Compliance | Legal Metrology Compliance | ESG and Sustainability Compliance | Labor and Employment Compliance