



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/220

A.P. (DIR Series) Circular No. 29

February 02, 2017

To

All Category- I Authorised Dealer Banks

Madam / Sir,

Foreign Exchange Management Act, 1999 (FEMA)
Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules) -
Compounding of Contraventions under FEMA, 1999

Attention of all the Authorised Dealer Category - I (AD Category - I) banks and their constituents is invited to [A.P. \(DIR Series\) Circular No. 117](#) and [36](#) dated April 4, 2014 and October 16, 2014 respectively, and the Foreign Exchange (Compounding Proceedings) Rules, 2000 notified by the Government of India vide G.S.R.No.383 (E) dated 3rd May 2000, as amended from time to time, regarding delegation of powers to the Regional Offices of the Reserve Bank of India to compound the contraventions of FEMA.

2. In partial modification thereof, it has been decided to delegate further powers to Regional Offices as under:

FEMA Regulation	Brief Description of Contravention
Regulation 9(2) of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in filing the Annual Return on Foreign Liabilities and Assets (FLA return), by all Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year

3. The powers to compound the contraventions at Paragraph 2 above have also been delegated to all Regional Offices (except Kochi and Panaji) without any limit on the amount of contravention.

4. Kochi and Panaji Regional offices can compound the above contraventions for amount of contravention below Rupees One hundred lakh (Rs.1,00,00,000/-) only. The contraventions of Rupees One hundred lakh (Rs.1,00,00,000/) or more under the jurisdiction of Kochi and Panaji Regional Offices will continue to be compounded at Central Office as hitherto.

5. Accordingly, applications for compounding the above contraventions as at Paragraph 2, up to the amount of contravention stated in paragraph 3 and 4 may be submitted by the concerned entities to the respective Regional Offices under whose jurisdiction they fall. For **all other** contraventions, applications may continue to be submitted to Foreign Exchange Department, 5th floor, Amar Building, Sir P.M.Road, Fort, Mumbai - 400001.

6. The above modifications will come into force with immediate effect. All other instructions on compounding shall remain unchanged. This provision is being clarified in Para 3 and 7.4 of the Master Direction on Compounding of Contraventions under FEMA, 1999.

7. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

8. The directions contained in this circular have been issued under Sections 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

(Shekhar Bhatnagar)
Chief General Manager-in-Charge