

Amendments to Directions – Compounding of Contraventions under FEMA, 1999

The Reserve Bank of India (RBI) vide its Notification RBI/FED/2025-26/29 A.P. (DIR Series) Circular. No 02/2025-26 dated April 22, 2025, had addressed amendments to the guidelines for compounding contraventions under the Foreign Exchange Management Act (FEMA) of 1999.

It revises a previous instruction (Circular No. 17/2024-25) by removing the linkage of the compounding amount to earlier orders, treating each application as fresh. The circular also introduces additional requirements for electronic payments related to compounding applications.

Applicants must now provide their mobile number, the specific RBI office where payment was made, and the mode of application submission (PRAVAAH/physical) to facilitate reconciliation and reduce processing delays.

These changes will be incorporated into the existing 'Directions on Compounding of Contraventions under FEMA, 1999'. Authorised Dealer Category-I banks and Authorised banks are instructed to inform their constituents about these updated guidelines.

Link - <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12838&Mode=0>