



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/FED/2025-26/32

A.P. (DIR Series) Circular. No 04/2025-26

April 24, 2025

To,

All Authorised Dealer Category-I banks and Authorised banks

Madam / Sir,

**Amendments to Directions - Compounding of Contraventions under FEMA,
1999**

Attention of Authorised Dealer (AD) Category - I banks is invited to

- i. Directions for compounding of contraventions under FEMA, 1999, issued vide [A.P. \(DIR Series\) Circular No. 17/2024-25 dated October 1, 2024](#) and
- ii. [Master Directions on compounding of contraventions under FEMA, 1999, dated April 22, 2025](#)

2. On a review, it is decided that the following clause shall be inserted as Para 5.4.II.vi in aforementioned Master Directions.

“vi. Subject to satisfaction of the compounding authority, based on the nature of contravention, exceptional circumstances/ facts involved in case, and in wider public interest, the maximum compounding amount imposed may be capped at INR 2,00,000/- for contravention of each regulation/ rule (applied in a compounding application) with respect to contraventions under row 5 of the above computation matrix.”

3. The aforesaid [Master Directions](#) shall accordingly be updated to reflect the above change.

4. All AD Category-I banks and Authorised banks may bring the guidelines contained in this circular to the notice of their constituents.

विदेशी मुद्रा विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400 001, भारत

Foreign Exchange Department, Central Office, Central Office Building., Shahid Bhagat Singh Road, Fort, Mumbai-400 001, India

टेलीफोन/Tel. No.022-22601000 फैक्स/Fax No. 022- 22665330 अमर भवन फोन 022-22603000 फैक्स 22694935, ईमेल: helpfed@rbi.org.in

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5. 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) and/or without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully,

(Dr. Aditya Gaiha)
Chief General Manager in Charge

विदेशी मुद्रा विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400 001, भारत

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