



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.



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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