

9. प्रवर्तन निदेशालय के अन्वेषण पर वचनबद्ध :

मैं/हम यह और वचन देते हैं कि नियम 4 में विहित शमन प्राधिकारी को लिखित में तुरंत सूचित करेंगे यदि प्रवर्तन निदेशालय द्वारा मेरे/हमारे विरुद्ध कोई अन्वेषण कार्यवाही आरंभ की जाती है या न्यायनिर्णायक प्राधिकारी द्वारा तत्पश्चात् किसी भी समय, किंतु मेरे/हमारे द्वारा फाईल किए गए शमन आवेदन के संबंध में शमन आदेश जारी होने की तारीख को या उससे पूर्व न्यायनिर्णयन आदेश पारित किया जाता है।

10. मामले से सुसंगत कोई अन्य जानकारी :

मैं/हम घोषणा करते हैं कि ऊपर दी गई विशिष्टियां मेरी/हमारी सर्वोत्तम जानकारी और विश्वास के अनुसार सत्य और सही हैं और मैं/हम मेरे/हमारे मामले के शमन के संबंध में शमन प्राधिकारी के किसी निदेश/आदेश को स्वीकार करने के लिए तैयार हूँ/हैं।

तारीख :

(आवेदक के हस्ताक्षर)

[फा. सं. 1/10/2023-ई एम]

सुरभि जैन, संयुक्त सचिव

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 12th September, 2024.

G.S.R. 566 (E).—In exercise of the powers conferred by clause (b) of sub-section (2) of section 46 read with sub-section (1) of section 15 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of the Foreign Exchange (Compounding Proceedings) Rules, 2000, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely: -

1. **Short title and commencement.** - (1) These rules may be called the Foreign Exchange (Compounding Proceedings) Rules, 2024.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.** - (1) In these rules, unless the context otherwise requires, -

- (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
- (b) “authorised officer” means an officer authorised under rule 3;
- (c) “applicant” means a person who makes an application under sub-rule (4) of rule 4 or, as the case may be, sub-rule (4) of rule 5 to the compounding authority;
- (d) “compounding order” means an order issued for compounding a contravention as specified in sub-section (1) of section 15 of the Act;
- (e) “prescribed Form” means the Form annexed to these rules;
- (f) “section” means a section of the Act.

(2) Words and expressions used in these rules and not defined but defined in the Act, shall have the meanings respectively assigned to them in the Act.

3. **Compounding authority.** - The Director of Enforcement or any of the following officers authorised by the Central Government shall be the compounding authority for the purposes of these rules, namely :-

- (a) an officer of the Directorate of Enforcement not below the rank of Deputy Director or Deputy Legal Adviser; or
- (b) an officer of the Reserve Bank not below the rank of the Assistant General Manager.

4. **Compounding authorities of Reserve Bank to compound various contraventions.** - (1) If any person contravenes any provision of the Act, other than a contravention of clause (a) of section 3 thereof,-

- (a) in a case, where the sum involved in such contravention does not exceed sixty lakh rupees, an officer not below the rank of the Assistant General Manager of the Reserve Bank;
- (b) in a case, where the sum involved in such contravention does not exceed two and a half crore rupees, an officer not below the rank of the Deputy General Manager of the Reserve Bank;
- (c) in a case, where the sum involved in such contravention does not exceed five crore rupees, an officer not below the rank of the General Manager of the Reserve Bank; and
- (d) in a case, where the sum involved in such contravention is above five crore rupees, an officer not below the rank of the Chief General Manager of the Reserve Bank,

may compound such contravention in accordance with the provisions of these rules.

(2) Nothing contained in sub-rule (1) shall apply to a contravention committed by any person within a period of three years from the date on which a similar contravention committed by him was compounded under these rules.

Explanation.- For the purposes of this rule, any second or subsequent contravention committed after the expiry of a period of three years from the date on which the contravention was previously compounded shall be deemed to be a first contravention.

(3) Every officer of the Reserve Bank specified under sub-rule (1) shall exercise the powers to compound any contravention subject to the direction, control and supervision of the Governor of the Reserve Bank.

(4) Every application for compounding any contravention under this rule shall be made in the prescribed Form to the Foreign Exchange Department, Reserve Bank, along with a fee of ten thousand rupees plus goods and services tax, as applicable, by demand draft, or National Electronic Fund Transfer (NEFT), or other permissible electronic or online modes of payment, in favour of the compounding authority.

5. **Compounding authorities of Directorate of Enforcement to compound various contraventions.** - (1) If any person contravenes the provisions of clause (a) of section 3 of the Act,-

- (a) in a case, where the sum involved in such contravention is five lakh rupees or below, by the Deputy Director of the Directorate of Enforcement;
- (b) in a case, where the sum involved in such contravention is more than five lakh rupees but less than ten lakh rupees, by the Additional Director of the Directorate of Enforcement;
- (c) in a case, where the sum involved in the contravention is ten lakh rupees or more but less than fifty lakh rupees, by the Special Director of the Directorate of Enforcement;
- (d) in a case, where the sum involved in the contravention is fifty lakh rupees or more but less than one crore rupees, by the Special Director along with the Deputy Legal Adviser of the Directorate of Enforcement; and
- (e) in a case, where the sum involved in such contravention is one crore rupees or more, by the Director of Enforcement along with the Special Director of the Directorate of Enforcement,

may compound such contravention in accordance with the provisions of these rules.

(2) Nothing contained in sub-rule (1) shall apply to a contravention committed by any person within a period of three years from the date on which a similar contravention committed by him was compounded under these rules.

Explanation.- For the purposes of this rule, any second or subsequent contravention committed after the expiry of a period of three years from the date on which the contravention was previously compounded shall be deemed to be a first contravention.

(3) Every officer of the Directorate of Enforcement specified under sub-rule (1) shall exercise the powers to compound any contravention subject to the direction, control and supervision of the Director of Enforcement.

(4) Every application for compounding any contravention under this rule shall be made in the prescribed Form to the Director, Directorate of Enforcement, New Delhi along with a fee of ten thousand rupees plus goods and services tax, as applicable, by demand draft, or National Electronic Fund Transfer (NEFT), or other permissible electronic or online modes of payment, in favour of the compounding authority.

6. **Discontinuation of adjudication.** - Where any contravention is compounded before the adjudication of such contravention under section 16, no inquiry or further inquiry shall be initiated or continued, as the case may be, for adjudication of such contravention against the person in relation to whom that contravention is so compounded.

7. **Discharge on compounding of contravention.** - Where the compounding of any contravention is made after making of a complaint under sub-section (3) of section 16, such compounding shall be brought by the compounding authority specified in rule 4 or rule 5, in writing, to the notice of the Adjudicating Authority and on such notice, the person in relation to whom the contravention is so compounded shall be discharged.

8. **Procedure for compounding.** - (1) The compounding authority may, in addition to the particulars provided in the prescribed Form, call for any information, record or any other documents relevant to the compounding proceeding to be placed before it and may, if necessary, require the applicant to take such action as may be necessary with respect transactions involved in the contravention.

(2) The compounding authority shall, on receipt of the application in the prescribed Form complete in all respects at the Reserve Bank or, as the case may be, the Directorate of Enforcement, after affording an opportunity of being heard to the applicant, pass compounding order as expeditiously as possible but not later than one hundred and eighty days from the date of receipt of such application.

9. **Contraventions not to be compounded in certain cases.** - No contravention shall be compounded, -

- (a) where the amount involved is not quantifiable; or
- (b) where the provisions of section 37A of the Act are applicable; or
- (c) where the Directorate of Enforcement is of the view that the proceeding relates to a serious contravention suspected of money-laundering, terror financing or affecting the sovereignty and integrity of the nation, the compounding authority shall not proceed with the matter and shall remit the case to the appropriate Adjudicating Authority for adjudicating contravention under section 13; or
- (d) where the Adjudicating Authority has already passed an order imposing penalty under section 13 of the Act; or
- (e) where the compounding authority is of the view that the contravention involved requires further investigation by the Directorate of Enforcement to ascertain the amount of contravention under section 13 of the Act.

10. **Payment of amount compounded.** - The sum for which the contravention is compounded as specified in the compounding order under sub-rule (2) of rule 8, shall be paid by demand draft or National Electronic Fund Transfer (NEFT), or Real Time Gross Settlement (RTGS), or such other permissible electronic or online modes of payment, in favour of the compounding authority within fifteen days from the date of the compounding order for such contravention.

11. **Consequences of failure in paying sum compounded.** - In case a person fails to pay the sum compounded in accordance with rule 10 within the time specified in that rule, he shall be deemed to have never made an application for compounding of any contravention under these rules, and the provisions of the Act for contravention shall apply to him.

12. **Contents of order of Compounding Authority.** - (1) Every compounding order shall specify the provisions of the Act or the rules or the regulations, directions, requisitions or orders made thereunder in respect of which contravention has taken place along with details of the alleged contravention.

(2) Every compounding order shall be dated and signed by the compounding authority under his seal.

13. **Copy of compounding order.** - One copy each of the compounding order passed under sub-rule (2) of rule 8 shall be provided to the applicant and the Adjudicating Authority.

14. **Continuation of pending proceedings.** - Any compounding application pending before the compounding authority, on the date of commencement of these rules, shall be governed by the provisions of the Foreign Exchange (Compounding Proceedings) Rules, 2000 superseded herein.

Form

[See rules 4(4), 5(4) and 8]

(The Form shall be accompanied by copy of the memorandum of contravention(s) issued, if any)

1. Name of the applicant

(in block letters)

2. Details of the applicant

(a) Full address:

(b) Phone No:

(c) E-mail ID:

(if the applicant is a person other than an individual, also provide name, address, phone no., email ID and designation of the authorised representative of the applicant)

(d) Income Tax PAN:

(e) ECS mandate:

(i) Name of the Party (Beneficiary)	-
(ii) PAN	-
(iii) Particulars of the Bank Account	-
A. Name of the Bank	-
B. Name of the Branch	-
Address:	
Telephone No:	-
C. Type of Account	- SAVINGS ☐ CURRENT ☐
D. Account No. :	- (As appearing on the cheque book issued by the Bank)
E. The 9 Digit MICR Code Number:	- (As appearing on the cheque book issued by the Bank)
F. IFSC Code	- (As appearing on the cheque book issued by the Bank)

(iv) Checklist for Attachments (kindly tick):

Photocopy of PAN Card

☐

Photocopy of a cancelled blank cheque

☐

(v) I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold the user institution responsible.

Date :

Signature of the Authorised Signatory

Place :

(Name of the Authorised Signatory)

Official Stamp

- (f) Goods and Services Tax Identification Number:
3. Whether the applicant is resident in India or resident outside India (please refer to section 2(v) of the Act):
4. Whether any notice has been issued under rule 4 of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules, 2000: Yes/No
- If yes, then furnish the following details:
- (a) Name of the adjudicating authority, if any:
- (b) Date of issue of notice (attach a copy of the notice):
- (c) Whether the notice mentions that the contravention attracts the provisions contained in section 37A, or clause (a) of section 3 of the Act? Yes/No
- (d) Whether an adjudication order has already been passed by the adjudicating authority? Yes/No
5. Specific details of the contravention (according to sub-section (1) of section 13 of the Act):
- (a) Act:
- (b) Rules:
- (c) Regulations:
- (d) Notifications:
- (e) Order issued in exercise of the powers under the Act:
- (f) Condition subject to which an authorisation was issued by the Reserve Bank:
6. Whether a compounding order had been passed against an application submitted previously by the applicant for compounding under these rules? Yes/ No
- If yes, kindly furnish the following details about the previous compounding order:
- (a) Date of application for compounding:
- (b) Contravention(s) sought to be compounded:
- (c) Date of compounding order:
- (d) Date of certificate issued by Reserve Bank on payment of amount imposed:
7. Brief facts of the case:
8. Details of fee for application of compounding:
9. Undertaking on Directorate of Enforcement investigation:
- I/We further undertake to immediately inform in writing, the compounding authority prescribed in rule 4, if any investigation proceedings are initiated by the Directorate of Enforcement against me/us or the adjudication order is passed by the adjudicating authority at any time hereafter, but on or before the date of issuance of the compounding order in respect of the compounding application filed by me/us.
10. Any other information relevant to the case:
- I/We declare that the particulars given above are true and correct to the best of my/our knowledge and belief and that I/we am/are willing to accept any direction/order of the compounding authority in connection with compounding of my/our case.

Date:

(Signature of applicant)

[F. No. 1/10/2023-EM]
SURBHI JAIN, Jt. Secy.