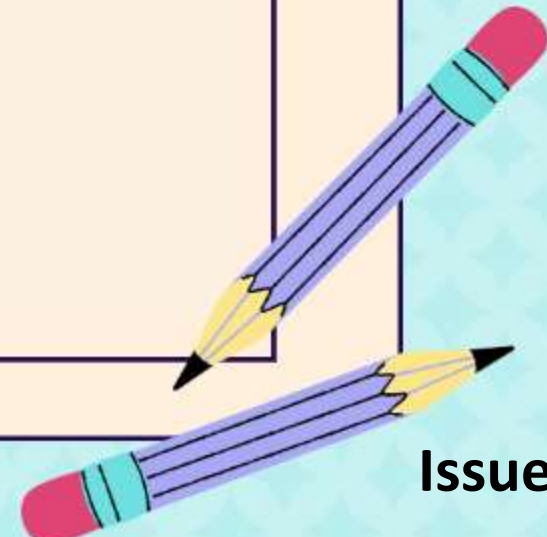




**FEMA ke FUNDAE**

**Compounding of  
Contraventions under  
FEMA  
(Part 2 of 4)**

**#FamiliarwithFEMA**



Topics already covered in Part 1 :-

- What is Compounding
- Compounding Applicability and Non applicability
- Authorization to Compound Contraventions

For Part 1, refer the below link:-

<https://jainshrimal.com/compounding-of-contraventions-under-fema/>

OR

<https://www.linkedin.com/feed/update/urn:li:activity:7077190941660356608>



Jetha

Okay! Mr. FEMA Gyani I understood what is compounding, now can you tell me how can I apply for compounding?

You have to submit a **compounding application** together with the prescribed **fees of Rs.5000/-** by way of a **demand draft** in favor of Reserve Bank of India along with other relevant documents.



The FEMA Gyani

Can you tell me what all information is to be given in the application and what are all the documents that need to be submitted?

Yes Jetha. Sure



Jetha



The FEMA Gyani



## Documents to be submitted to RBI

Application as per the prescribed format

Copy of Cancelled Cheque

Copy of PAN Card

Undertaking of Directorate of Enforcement(DOE) Investigations (Format prescribed by RBI)



The FEMA Gyani

Details of contravention relating to FDI/ECB/ODI and Liaison and branch office

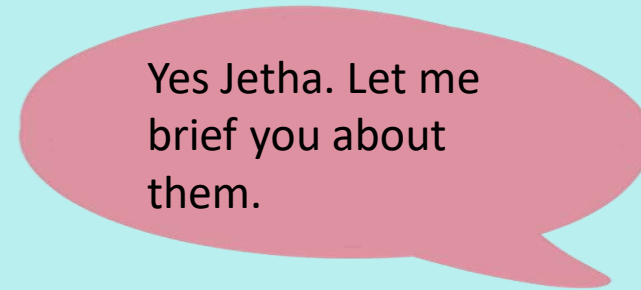
Copy of Memorandum of Association and Articles of Association

Electronic Clearance System(ECS) Mandate Form (Format prescribed by RBI)



**Jetha**

I understood most of the documents Mr. FEMA Gyani, but can you explain undertaking of DOE Investigations, ECS Mandate Form and Details of contravention relating to FDI/ECB/ODI and Liaison and branch office.



Yes Jetha. Let me brief you about them.



**The FEMA Gyani**



**The FEMA Gyani**

**Undertaking of DOE Investigation** is a **declaration** by the party that they are not under the investigation of Directorate of Enforcement or have filed appeal to Special Director (Appeals) or the Appellate Tribunal.

**ECS Mandate Form** contains details of the party's bank account which is used in case where the application is rejected to refund the application fee.

**Details of contravention relating to FDI/ECB/ODI and Liaison and branch office** contains all the details of the contravention committed by the assessee whether it is related to FDI/ECB/ODI/ Liaison/ branch office, etc.



**Jetha**

Okay, Mr FEMA Gyani that is a lot of documentation, therefore I was wondering what happens if we forget to submit any document? Does our application gets rejected?

No Jetha. RBI allows some reasonable time to submit the complete information and if the information is still not submitted within the specified time then the application is not taken for processing and is returned.



**The FEMA Gyani**

Okay. Got it. What happens after the application is submitted to the RBI?

After the compounding application is received by the RBI, it studies the application and other submissions and evaluates whether contravention is quantifiable. Then on the basis of that, amount of penalty is calculated.



**Jetha**



**The FEMA Gyani**



In the next part, we will cover **how the penalty amount is calculated**

**To be continued  
next WEDNESDAY...**



# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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