

## FEMA Updates for the month of November 2020

Contributed by  
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### I. Export Data Processing and Monitoring System (EDPMS) Module for 'Caution/De-caution Listing of Exporters' – Review

Vide AP (DIR Series) Circular No. 03 dated October 9, 2020, RBI made changes to the process of caution listing / de-caution listing of exporters. Prior to such change, the process of caution listing / de-caution listing was automated in EDPMS wherein if any shipping bill is open for realization for a period of more than 2 years, the concerned exporter will automatically be caution listed. At the same time, AD Bank can recommend caution listing before said 2-year period based on any other ground. Now, the automated process is withdrawn and any caution / de-caution listing by RBI will be based on recommendations by AD Bank.

### II. Update on Compounding Orders issued under FEMA Regulations

#### a. M/s ILJIN Electric Co. Ltd. Korea (Delhi Project Office)

Regulation	Regulation 5(ii) of Notification No. FEMA.22/2000-RB dated May 3, 2000, Regulation 4(f) of Notification No. FEMA.22(R)/RB-2016 dated March 31, 2016 read with Annex D of Regulation 4(l) of Notification No. FEMA.22(R)/RB-2016 dated March 31, 2016 and Regulation 8 of Notification No. FEMA.22/2000-RB dated 3rd May 2000 (as amended from time to time)
Contravention	<ul style="list-style-type: none"><li>i. Undertaking a project in India by a person resident outside India without permission of RBI</li><li>ii. Usage of funds for another project instead of approved project</li><li>iii. Transfer of assets at more than book value from one project to another project without permission of RBI</li></ul>
Date of Order	November 8, 2019
Amount of Contravention	INR 30.46 Crore
Compounding Fee	INR 23.28 Lacs

#### b. New Zealand Tourism Board

Regulation	Regulation 2(e), 5 (iii) of Notification No. FEMA 22 /2000-RB dated May 03, 2000 (as amended from time to time) and Regulation 2(e), 4(l), 4(d)(l) of Notification No. FEMA 22(R)/
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	2016-RB dated March 31, 2016 (as amended from time to time).
Contravention	<ul style="list-style-type: none"> <li>i. Undertaking commercial activity in India by a liaison office of a person resident outside India which is not allowed</li> <li>ii. Non submission of Annual Activity Certificate (AAC) by liaison office</li> <li>iii. Continuation of liaison activities in India after the expiry of permission granted without applying for extension</li> </ul>
Date of Order	January 10, 2020
Amount of Contravention	INR 135.72 Crore
Compounding Fee	INR 2.41 Crore

**c. Mr Rakesh Kumar, New Delhi**

Regulation	Para 10 of Schedule 2 to Notification No. FEMA.5/2000-RB dated May 3, 2000.
Contravention	Non conversion of Foreign Currency Non-Resident (Bank) / FCRN-B fixed deposits into resident fixed deposits after the account holder turned to be resident as per FEMA
Date of Order	January 10, 2020
Amount of Contravention	INR 5.70 Crore
Compounding Fee	INR 1.20 Crore