

- e. Violations of KYC / AML norms;
- f. Delay / non / incomplete / incorrect submission of various statutory / regulatory returns / statements / documents, etc. (other than an act punishable under sub-section 2 of Section 26)
- g. Issues in maintenance of nodal/escrow accounts;
- h. Breach of limits in loading, fund transfer, etc. of PPIs;
- i. Inadequacies in storage of payment system data in India; and
- j. Any other contravention of directions / instructions – specific or general.

(ii) Compounding Authority – The CGM / Officer-in-charge, DPSS, Central Office will be the Compounding Authority for cases of compounding involving quantifiable contraventions, and ED-in-charge of DPSS will be the Compounding Authority for compounding cases involving non-quantifiable contraventions.

(iii) Eligibility for compounding:

- a. All contraventions (quantifiable or non-quantifiable) of the nature of offences mentioned in Section 26 (1), (3), (4), (5) and (6) of PSS Act, 2007, are liable to be compounded.
- b. The cases which involve money laundering, terror financing or affect sovereignty and integrity of nation, shall not be compounded by RBI.
- c. The applications submitted for compounding of eligible contraventions shall be accepted by RBI even if the same is pending before any court of law (on the basis of complaint filed by RBI).
- d. Where a contravention has been compounded by RBI, no proceeding or further proceeding shall be initiated or continued, as the case may be, against the person committing such contravention, in respect of the contravention so compounded.

(iv) Procedure for compounding:

- a. Submission of compounding application: A contravener wishing to seek compounding of eligible contraventions, shall submit an application, along with information relating to facts and circumstances resulting in commission of contravention, a copy of Memorandum and Articles of Association and latest audited balance sheet, in the prescribed format ([Appendix 2](#)) to the Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India, Central Office, Mumbai. He / she shall also give an undertaking that they are not under any enquiry / investigation / adjudication by any Law Enforcement Agency, such as Directorate of Enforcement, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc.