

## FEMA v/s FERA

<b>BASIS FOR COMPARISON</b>	<b>FERA</b>	<b>FEMA</b>
<b>Meaning</b>	An act promulgated, to regulate payments and foreign exchange in India, is FERA.	FEMA an act initiated to facilitate external trade and payments and to promote orderly management of the forex market in the country.
<b>Enactment</b>	Old	New
<b>Number of sections</b>	81	49
<b>Introduced when</b>	Foreign exchange reserves were low.	Foreign exchange position was satisfactory.
<b>Approved</b>	It was approved by the parliament in 1973	It was approved by the parliament in 1999
<b>Basis for determining residential status</b>	Citizenship	More than 6 months stay in India
<b>Violation</b>	Criminal offence	Civil offence
<b>Punishment for contravention</b>	Imprisonment	Fine or imprisonment (if fine not paid in the stipulated time)
<b>Approach towards forex transactions</b>	Rigid	Flexible