

**NOTIFICATION REGARDING
COMPOUNDING OF OFFENCES**

Published in the Gazette of India, Extraordinary—Part II, Section 3, Sub-section (ii)

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

New Delhi, dated the 26th August, 2011

Notification

S.O. 1976(E).- Whereas “foreign contribution” has been defined under clause (h) of sub-section (1) of Section 2 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) (hereinafter referred to as the “Act”).

Whereas “person” has been defined under clause (m) of sub-section (1) of Section 2 of the Act.

Whereas section 11 of the Act prescribes that no person, save as otherwise provided in the Act, shall accept foreign contribution unless such person obtains a certificate of registration or prior permission of the Central Government and therefore, acceptance of foreign contribution without obtaining registration or prior permission from the Central Government constitutes an offence under the Act.

Whereas sub-section (1) of section 41 of the Act prescribes that notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence punishable under this Act (whether committed by an individual or association or any officer or employee thereof), not being an offence punishable with imprisonment only, may, before the institution of any prosecution, be compounded by such officers or authorities and for such sums as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 41 of the Act, the Central Government hereby specifies that the following offences by any 'person' may, before the institution of any prosecution, be compounded for the payment of sums as penalty, as indicated against each of the offences under the Act:-

S. No.	Nature of offence	Quantum of penalty
(i)	Acceptance of cheque or draft towards foreign contribution by a 'person' without registration or prior permission of the Central Government even in cases where the cheque or draft has not been deposited in a Bank by the 'person'.	₹ 10,000/- or 2 per cent of the foreign contribution involved, whichever is higher.
(ii)	Acceptance of cheque or draft by a 'person' towards foreign contribution without registration or prior permission of the Central Government & depositing the same in a Bank notwithstanding non-utilisation of the amount of the foreign contribution.	₹ 25,000/- or 3 per cent of the foreign contribution involved, whichever is higher.
(iii)	Acceptance of foreign contribution by a 'person' without registration or prior permission of the Central Government and utilisation of the same notwithstanding any inquiry which revealed that the contribution received was not diverted towards any purpose other than the objectives or purpose for which the same was received, utilisation of the contribution was as per the objectives of receipt of the same and records of receipt and utilisation have been kept properly.	₹1,00,000/- or 5 per cent of the foreign contribution involved, whichever is higher.
(iv)	Acceptance of foreign contribution in kind by a 'person' without registration or prior permission of the Central Govt. notwithstanding that nothing adverse was reported after inquiry.	₹ 10,000/- or 2 per cent of the foreign contribution involved, whichever is higher.

(2) In exercise of the powers conferred by sub-section (1) of section 41 of the Act, the Central Government hereby specifies that the Director or Deputy Secretary in charge of the FCRA Wing of the Foreigners Division in the Ministry of Home Affairs shall be the authority for exercising the powers for compounding of an offence under the Act.

Sd/-
(G.V.V. SARMA)
Joint Secretary to the Government of India