

Government of India
Ministry of Home Affairs
Foreigners-II Division
(Monitoring Unit)

F.No.-11/21022/5B(219)/2024-FCRA(MU)



गृह मंत्रालय
भारत सरकार
मेजर ध्यान चन्द राष्ट्रीय स्टेडियम
नई दिल्ली-110002
MINISTRY OF HOME AFFAIRS
GOVERNMENT OF INDIA
MAJOR DHYAN CHAND NATIONAL STADIUM
NEW DELHI - 110002

08, August, 2024

To

Flt Lt Maneesh Kushwaha (Retd.)
Assistant General Manager, Govt. & Institutional Banking,
ICICI Bank, NBCC Place, Pragati Vihar, New Delhi-110003

Subject: Clarification for proceeds on FDs in FCRA Utilization Account.

Dear Sir,

With reference to your letter no. ICICI/FCRA/Queries/May24 dated 29th May, 2024 on the above-mentioned subject requesting to clarify whether the proceeds on FDs which are created out of foreign contribution can be credited to FCRA Utilization Account and in this reference attention invited to FCRA charter for the banks as available in FCRA portal. This charter spelt out the operational arrangement with reference to the Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) to be undertaken by Banks. As per para 9 of FCRA Charter for the Banks available on the FCRA portal-

"Attention has also been drawn to the provisions of Section 2(1)(h)-Explanation 2 & Explanation 3. Any kind of interest or income that is derived from the foreign contribution or interest again becomes part of foreign contribution. Therefore, it will be credited back into the foreign contribution account to be utilized strictly as per the provisions of the FCRA, 2010."

Besides other provisions the charter also indicated illustrative list of contributions which are 'Foreign Contribution' as defined under the FCRA 2010.

2. From the foregoing it can be concluded that fixed deposits created or investment in financial instruments out of Foreign Contribution in FCRA utilization account, on maturity or returns of such investments/FDs shall be credited into a FCRA utilization account of the association maintained in any bank provided such investment made by the association is not falling under the category of speculative activities as defined in rule 4 of the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011).

This issues with the approval of the competent authority.

(A.K. Mitra)
Deputy Secretary(MU)