



Press Release
08.07.2022

The Adjudicating Authority of Directorate of Enforcement (ED) has adjudicated a Shaw Cause Notice issued to M/s Amnesty India International Pvt. Ltd.(AIPL) and its CEO Shri Aakar Patel for contravention of the provisions of The Foreign Exchange Management Act, 1999 (FEMA) and imposed penalty to the tune of Rs. 51.72 Crore and Rs 10 Crore respectively.

ED, had initiated investigation under FEMA on the basis of information that Amnesty International, UK had been remitting huge amount of foreign contribution through its Indian entities (non-FCRA companies) following FDI route, in order to evade Foreign Contribution Regulation Act (FCRA) to expand its NGO activities in India, despite of denial of prior registration or permissions to Amnesty International India Foundation Trust (AIIFT) and other trusts under FCRA by Ministry of Home Affairs, Govt. of India.

The Shaw Cause Notice (SCN) issued by ED had charged that during the period between November, 2013 and June, 2018, remittance which was received by AIPL and claimed as receipt for Business/Management Consultancy and Public Relation Services for export of services to foreign beneficiary is nothing but amount borrowed from overseas remitter, thereby violating the FEMA provisions.

After getting detailed reply from AIPL and following principal of natural justice, the Adjudicating Authority of ED has held that AIPL is an umbrella entity under M/s. Amnesty International Ltd., UK, which was declared to be set up for the cause of social activities in India. However, AIPL has involved in many activities which are not relevant to their declared commercial business, and circumventing model has been applied by them to route the foreign funds in the guise of business activities to escape FCRA scrutiny. All contentions and submission from AIPL regarding the claim of the remittance towards the export of services to Amnesty International have been dismissed, in the absence of concrete evidence. Consequently, it is held that the funds that have arrived to the hands of AIPL through inward remittances to the tune of Rs 51,72,78,111.87 is nothing but the fund lent by Amnesty International to AIPL to ensure its objectives in the territorial jurisdiction of India, which is not accordance with the provisions of Regulation 3 of Foreign Exchange Management (borrowing and lending in Foreign Exchange) Regulations, 2000. Accordingly, penalty to the tune of Rs. 51.72 Crore on AIPL and Rs. 10 Crore on Shri Aakar Patel have been imposed under the provisions of FEMA.
