

FOREIGN CONTRIBUTION (REGULATION) RULES, 1976

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FOREIGN CONTRIBUTION (REGULATION) RULES, 1976

5-8-1976

1. Short title and commencement :-

(1) These rules may be called the Foreign Contribution (Regulation) Rules, 1976.

(2) They shall come into force on the 5th day of August, 1976.

2. Definitions :-

In these rules, unless the context otherwise requires,-

(a) "Act" means the Foreign Contribution (Regulation) Act, 1976;

(b) "Form" means a form appended to these rules;

(c) "section" means a section of the Act;

¹ (d) "year" means the accounting year commencing from the 1st day of April and ending on 31st day of March of the next calendar year.]

1. Inserted by the Foreign Contribution (Regulation) Amendment

Rules, 1991, w.e.f. 1-4-1991.

3. Application for obtaining prior permission to receive foreign contribution or foreign hospitality :-

An application for obtaining prior permission of the Central Government to-

(a) receive foreign contribution under sub-section (1) of section 5 , or clause (a) of sub- section (2) of that section, shall be made in Form FC-1;

(aa) receive foreign contribution under proviso to sub-section (1) of section 6 , or under sub-section (1A) of that section or clause (b) of section 10 , shall be made in Form FC-I A;

(b) accept foreign hospitality under section 9 , or clause (d) of section 10 , shall be made in Form FC-2.

3A. Application for registration :-

An application for registration of an association referred to in sub-section (1) of section 6 for acceptance of foreign contribution shall be made in Form FC-8.

4. Intimation regarding receipt of foreign contribution or scholarship or stipend or any payment of a like nature or foreign hospitality :-

An intimation as to the receipt of-

¹[(a) foreign contribution by an association referred to in sub-sections (1) and (1A) of section 6 shall be given every year beginning on the 1st day of April in Form FC-3 in duplicate within ² [four months] of the closure of the year : Provided that a nil report shall also be furnished. The intimation to be furnished for the year beginning on the 1st day of April, 1991, shall also include the receipt and utilisation of foreign contribution during the period commencing from January 1, 1991 and ending on March 31, 1991;]

(b) foreign contribution by a candidate for election, referred to in sub-section (2) of section 6 , shall be given in Form FC-4 within fifteen days from the date on which he is duly nominated as a candidate for election;

(c) any scholarship, stipend or any payment of a like nature, from any foreign source in relation to which an intimation is required to be given under sub-section (1) of section 7 , shall be given in Form FC-5, within thirty days of receipt of such scholarship, stipend or

payment of a like nature : Provided that where the person receiving the scholarship, stipend or any payment of a like nature is residing outside India, the intimation shall be given within sixty days from the date of receipt of such scholarship, stipend or other payment of a like nature;

(d) foreign hospitality, referred to in the proviso to section 9 , shall be given on plain paper within thirty days from the date of receipt of such hospitality specifying the particulars as to the receipt of such hospitality and the source from which and the manner in which such hospitality was received.

1. Substituted by the Foreign Contribution (Regulation) Amendment Rules, 1991, w.e.f. 1-4-1991.

2. Substituted for "sixty days" by the Foreign Contribution (Regulation) Amendment Rules, 1996, w.e.f. 27-12-1996.

5. Information of receipt of scholarship, stipend or any payment of a like nature, when not necessary. :-

It shall not be necessary for a citizen of India to give any intimation under section 7 regarding receipt of scholarship, stipend or any payment of a like nature from any foreign source, if the value of such scholarship, stipend or other payment does not exceed, during a n academic year, rupees thirty-six thousand. Explanation : In calculating the value,- (a) the amount received by the citizen for the purchase of books, clothing and equipment and for sight-seeing in a foreign country or territory shall be taken into account; but (b) the amount spent in travel by air in economy class from India to a foreign country or territory and back to India from such foreign country or territory, and the amount spent by the foreign source in respect of such citizen towards tuition and other fees, shall not be taken into account.

6. Authority to whom an application or intimation to be sent :-

Any application or intimation referred to in rule 3, rule 3A or rule 4, as the case may be, shall be made or given to the Secretary to the Government of India in the Ministry of Home Affairs, New Delhi, and such application or intimation shall be sent by registered post.

7. Manner of service of prohibitory order or any other order or direction :-

A prohibitory order under section 12 or any other order or direction made or issued under the Act, shall be served on the person concerned in the following manner, that is to say,-

(a) by delivering or tendering it to that person or to his duly authorised agent; or

(b) by sending it to him by registered post with acknowledgement due to the address of his last known place of residence or the place where he carries on, or is known to have last carried on, business, or the place where he personally works for gain or is known to have last worked for gain, and in case the person is an organisation or an association, to the last known address of the office of such organisation or association;

(c) if it cannot be served in any of the manner aforesaid, by affixing it on the outer door or some other conspicuous part of the premises in which that person resides, or carries on, or is known to have last carried on, business, or personally works for gain, or is known to have last worked personally for gain, and in case the person is an organisation or an association, on the outer door or some other conspicuous part of the premises in which the office of that organisation or association is located, or is known to have been last located, and the written report whereof should be witnessed by at least two persons. Maintenance of accounts.

8. Maintenance of accounts :-

(1) A separate set of accounts and records shall be maintained, exclusively for foreign contribution received and utilised,-

(a) in Form FC-6, where the foreign contribution relates only to articles as referred to in item (i) of sub-clause (c) of clause (1) of section 2 ;

(b) in the cash book and ledger account on double entry basis, where the foreign contribution relates to currency received and utilised, and a separate bank account shall be maintained in respect of such contribution ;

(c) in Form FC-7, where the foreign contribution relates to foreign securities.

(2) Every account specified in sub-rule (1) shall be maintained on an yearly basis, commencing on the 1st day of ¹[April] each year and every such yearly account, duly certified by a chartered accountant in ²[Form FC-3 along with a balance sheet and statement of receipt and payment] shall be furnished, in duplicate, to the Secretary to the Government of India, in the Ministry of

Home Affairs, New Delhi, within³ [four months] of the closure of the year. Explanation . 'In this rule, "chartered accountant" has the meaning assigned to it in the Chartered Accountants Act, 1949

1. Substituted for "January" by the Foreign Contribution (Regulation) Amendment Rules, 1991, w.e.f. 1-4-1991.
2. Substituted for "FC-9", the Foreign Contribution (Regulation) Amendment Rules, 1991.
3. Substituted for "sixty days" by the Foreign Contribution (Regulation) Amendment Rules, 1996, w.e.f. 27-12-1996.

9. Limits up to which an officer, not below the rank of an Assistant Sessions Judge may make adjudication of confiscation :-

An officer referred to in clause (b) of section 19 may adjudge confiscation in relation to any article or currency seized under section 16 , if the value of such article or the amount of such currency exceeds one thousand rupees but does not exceed fifty thousand rupees.