

The Foreign Contribution (Management and Control) Bill, 2005

A BILL

to consolidate the law relating to the acceptance and utilisation of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilisation of foreign contribution or foreign hospitality for anti-national activities, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the **Fifty-fifth** Year of the Republic of India as follows: -

CHAPTER I PRELIMINARY		
	<p>1. (1) This Act may be called the Foreign Contribution (Management and Control) Act, 2005.</p> <p>(2) It extends to the whole of India, and it shall also apply to-</p> <p>(a) citizens of India outside India; and</p> <p>(b) associates branches or subsidiaries, outside India, of companies or bodies corporate, registered or incorporated in India.</p> <p>(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint: Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.</p>	Short title, extent, application and commencement
Definitions	<p>2. (1) In this Act, unless the context otherwise requires, -</p> <p>(a) “association” means an association of individuals, whether incorporated or not, having an office in India and includes a society, whether registered under the Societies Registration Act, 1860, or not, and any other organisation, by whatever name called but does not include any corporation established by or under any Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 or a society owned or controlled by the Central Government or a State Government;</p> <p>(b) “candidate for election” means a person who has been duly nominated as a candidate for election to any Legislature;</p> <p>(c) “certificate” means certificate of registration granted under sub-section (3) of section 12;</p> <p>(d) “company” shall have the meaning assigned to it under clause (17) of section 2 of the Income Tax Act, 1961;</p> <p>(e) “foreign company” means any company or association or body of individuals incorporated outside India and includes –</p> <p>(i) a foreign company within the meaning of section 591 of the Companies Act, 1956;</p>	<p>21 of 1860</p> <p>1 of 1956</p> <p>43 of 1961</p> <p>1 of 1956</p>

- (ii) a company which is a subsidiary of a foreign company;
- (iii) the registered office or principal place of business of a foreign company referred to in clause (i) or company referred to in clause (ii);
- (iv) a multi-national corporation.

Explanation.- For the purposes of this clause, a corporation incorporated in a foreign country or territory shall be deemed to be a multi-national corporation if such corporation, -

(a) has a subsidiary or a branch or a place of business in two or more countries or territories; or

(b) carries on business, or otherwise operates, in two or more countries or territories;

(f) “foreign contribution” means the donation, delivery or transfer made by any foreign source,-

(i) of any article, not being an article given to a person as a gift for his personal use, if the market value, in India, of such article, on the date of such gift, is not more than ten thousand rupees, as the Central Government may, from time to time, specify by rules made by it in this behalf;

(ii) of any currency, whether Indian or foreign;

(iii) of any foreign security as defined in clause (o) of section 2 of the Foreign Exchange Management Act, 1999.

Explanation 1. - A donation, delivery or transfer of any article, currency or foreign security referred to in this clause by any person who has received it from any foreign source, either directly or through one or more persons, shall also be deemed to be foreign contribution within the meaning of this clause.

Explanation 2. - The interest accrued on the foreign contribution deposited in any bank referred to in sub-section (2) of section 17 or any other income derived from the foreign contribution or interest thereon shall also be deemed to be foreign contribution within the meaning of this clause.

Explanation 3. - Any amount received, by any person from any foreign source in India, by way of fee for attending any conference held in India or as subscription for a journal or printed material published in India or as tuition fee for studies in an educational institution in India or in lieu of services rendered by such person, shall be excluded from the foreign contribution within the meaning of this clause.

(g) “foreign hospitality” means any offer, not being a purely casual one, made by a foreign source for, -

(i) providing a person with the costs of travel to any foreign country or territory or with free boarding, lodging, transport or medical treatment;

(ii) giving any amount to a person in lieu of free boarding, lodging, transport or medical treatment referred to in sub-clause (i);

	<p>(h) “foreign source” includes, -</p> <p>(i) the Government of any foreign country or territory and any agency of such Government;</p> <p>(ii) any international agency, not being the United Nations or any of its specialised agencies, the World Bank, International Monetary Fund or such other agency as the Central Government may, by notification, specify in this behalf;</p> <p>(iii) a foreign company;</p> <p>(iv) a corporation, not being a foreign company, incorporated in a foreign country or territory;</p> <p>(v) a multi-national corporation referred to in sub-clause (iv) of clause (d);</p> <p>(vi) is a company within the meaning of the Companies Act, 1956, and more than one-half of the nominal value of its share capital is held, either singly or in the aggregate, by one or more of the following, namely:-</p> <p>(A) Government of a foreign country or territory;</p> <p>(B) citizens of a foreign country or territory;</p> <p>(C) corporations incorporated in a foreign country or territory;</p> <p>(D) trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory;</p> <p>(E) foreign company;</p> <p>(vii) a trade union in any foreign country or territory, whether or not registered in such foreign country or territory;</p> <p>(viii) a foreign trust by whatever name called, or a foreign foundation which is either in the nature of a trust or is mainly financed by a foreign country or territory;</p> <p>(ix) a society, club or other association of individuals formed or registered outside India;</p> <p>(x) a citizen of a foreign country;</p> <p>(i) “Legislature” means -</p> <p>(A) either House of Parliament;</p> <p>(B) the Legislative Assembly of a State, or in the case of a State having a Legislative Council, either House of the Legislature of that State;</p> <p>(C) Legislative Assembly of a Union territory constituted under the Government of Union Territories Act, 1963;</p> <p>(D) Legislative Assembly for the National Capital Territory of Delhi referred to in the Government of National Capital Territory of Delhi Act, 1991;</p> <p>(E) Municipal Corporations in metropolitan areas as defined in the Code of Criminal Procedure, 1973;</p> <p>(F) District Councils and Regional Councils in the States of Assam, Meghalaya, Tripura and Mizoram as provided in the Sixth Schedule to the Constitution; or</p> <p>(E) any other elective body as may be notified by the Central</p>	<p>1 of 1956.</p> <p>20 of 1963</p> <p>1 of 1992</p> <p>2 of 1974.</p>
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	<p>Government, as the case may be;</p> <p>(j) “notification” means notification published in the Official Gazette and the expression “notify” shall be construed accordingly;</p> <p>(k) “person” includes-</p> <p>(i) an individual;</p> <p>(ii) a Hindu undivided family;</p> <p>(iii) an association;</p> <p>(iv) a company;</p> <p>(l) “political party” means-</p> <p>(i) an association or body of individual citizens of India-</p> <p>(A) registered with the Election Commission of India as a political party under section 29A of the Representation of the People Act, 1951; or</p> <p>(B) which has set up candidates for election to any Legislature, but is not so registered or deemed to be registered under the Election Symbols (Reservation and Allotment) Order, 1968;</p> <p>(C) which has set up candidates for election to any Legislature, but is not registered or deemed to be registered;</p> <p>(ii) a political party mentioned in column 2 of Table 1 and Table-2 to the notification of the Election Commission of India No.56/J&K/96, dated the 5th August, 1996, as in force for the time being;</p> <p>(m) “prescribed” means prescribed by rules made under this Act;</p> <p>(n) “prescribed authority” means an authority specified as such by rules made by the Central Government under this Act;</p> <p>(o) “registered newspaper” means a newspaper registered under the Press and Registration of Books Act, 1867;</p> <p>(p) “Registering Authority” means an authority specified as such by rules made by the Central Government under this Act;</p> <p>(q) “relative” has the meaning assigned to it in clause (41) of section 2 of the Companies Act, 1956;</p> <p>(r) “scheduled bank” shall have the meaning assigned to it under clause (e) of section 2 of the Reserve Bank of India Act, 1934;</p> <p>(s) “specified area” means any State/Union Territory or part thereof and border districts/coastal districts/tribal districts/tribal areas, as may be notified as such by the Central Government;</p> <p>(t) “subsidiary” and “associate” shall have the meanings respectively assigned to them in the Companies Act, 1956;</p> <p>(u) “trade union” means a trade union registered under the Trade Unions Act, 1926.</p> <p>(2) Words and expressions used herein and not defined in this Act but defined in the Representation of the People Act, 1950 or the Representation of the People Act, 1951 or the Foreign Exchange Management Act, 1999 shall have the same meanings respectively assigned to them in those Acts.</p>	<p>43 of 1951.</p> <p>25 of 1867.</p> <p>1 of 1956.</p> <p>2 of 1934.</p> <p>1 of 1956.</p> <p>16 of 1926.</p> <p>43 of 1950</p> <p>43 of 1951.</p> <p>42 of 1999.</p>
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	CHAPTER II REGULATION OF FOREIGN CONTRIBUTION AND FOREIGN HOSPITALITY	
Prohibition to accept foreign contribution	<p>3. (1) No foreign contribution shall be accepted by any</p> <ul style="list-style-type: none"> (a) candidate for election, (b) correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper, (c) Judge, Government servant or employee of any corporation, (d) member of any Legislature, (e) political party or office-bearer thereof. (f) organisation of a political nature as may be specified under sub-section (1) of section 5 by the Central Government; (g) association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode; (h) correspondent or editor of the association or company referred to in clause (g). <p>Explanation. - In clause (c) and section 6, the expression “corporation” means a corporation owned or controlled by Government and includes a Government company as defined in section 617 of the Companies Act, 1956.</p> <p>(2) (a) No person, resident in India, and no citizen of India resident outside India, shall accept any foreign contribution, or acquire or agree to acquire any currency from a foreign source, on behalf of any political party, or any person referred to in sub-section (1), or both.</p> <p>(b) No person, resident in India, shall deliver any currency, whether Indian or foreign, which has been accepted from any foreign source, to any person if he knows or has reasonable cause to believe that such other person intends, or is likely, to deliver such currency to any political party or any person referred to in sub-section (1), or both.</p> <p>(c) No citizen of India resident outside India shall deliver any currency, whether Indian or foreign, which has been accepted from any foreign source, to-</p> <ul style="list-style-type: none"> (i) any political party or any person referred to in sub-section (1), or both; or (ii) any other person, if he knows or has reasonable cause to believe that such other person intends, or is likely, to deliver such currency to a political party or to any person referred to in sub-section (1), or both. <p>(3) No person receiving any currency, whether Indian or foreign, from a foreign source on behalf of any person or class of persons, referred to in section 9, shall deliver such currency -</p> <ul style="list-style-type: none"> (a) to any person other than a person for which it was received, <p>or</p> <ul style="list-style-type: none"> (b) to any other person, if he knows or has reasonable cause to 	1 of 1956.

	believe that such other person intends, or is likely, to deliver such currency to a person other than the person for which such currency was received.	
Persons to whom section 3 shall not apply.	<p>4. Nothing contained in section 3 shall apply to the acceptance, by any person specified in that section, of any foreign contribution where such contribution is accepted by him, -</p> <p>(a) by way of salary, wages or other remuneration due to him or to any group of persons working under him, from any foreign source or by way of payment in the ordinary course of business transacted in India by such foreign source; or</p> <p>(b) by way of payment, in the course of international trade or commerce, or in the ordinary course of business transacted by him outside India; or</p> <p>(c) as an agent of a foreign source in relation to any transaction made by such foreign source with the Central Government; or</p> <p>(d) by way of a gift or presentation made to him as a member of any Indian delegation, provided that such gift or present was accepted in accordance with the rules made by the Central Government with regard to the acceptance or retention of such gift or presentation; or</p> <p>(e) from his relative; or</p> <p>(f) by way of remittance received, in the ordinary course of business through any official channel, post office, or any authorised person in foreign exchange under the Foreign Exchange Management Act, 1999.</p>	42 of 1999.
Procedure to notify an organisation of a political nature.	<p>5. (1) The Central Government may, having regard to the activities of the organisation or the ideology propagated by the organisation or the programme of the organisation or the association of the organisations with the activities of any political party, by an order published in the Official Gazette, specify such organisation as an organisation of a political nature not being a political party, referred to in clause (f) of sub-section (1) of section 3.</p> <p>(2) Before making an order under sub-section (1), the Central Government shall give the organisation in respect of whom the order is proposed to be made a notice in writing informing it of the ground or grounds, on which it is proposed to be specified an organisation of political nature under that sub-section:</p> <p>Provided that the Central Government may, by rules made by it, specify the ground or grounds on which an organisation shall be specified as an organisation of a political nature.</p> <p>(3) The organisation to whom a notice has been served under sub-section (2), may, within a period of thirty days from the date of the notice, make a representation to the Central Government</p>	

	<p>giving reasons for not specifying such organisation as an organisation under sub-section (1):</p> <p>Provided that the Central Government may entertain the representation after the expiry of the said period of thirty days, if it is satisfied that the organisation was prevented by sufficient cause from making the representation within thirty days.</p> <p>(4) The Central Government may, if it considers it appropriate, forward the representation referred to in sub-section (3) to any authority to report on such representation.</p> <p>(5) The Central Government shall, after considering the representation and the report of the authority referred to in sub-section (4), specify such organisation as an organisation of a political nature not being a political party and make an order under sub-section (1) accordingly.</p>	
Restriction on acceptance of foreign hospitality.	<p>6. No member of a Legislature or office-bearer of a political party or Judge or Government servant or employee of any corporation shall, while visiting any country or territory outside India, accept, except with the prior permission of the Central Government, any foreign hospitality:</p> <p>Provided that it shall not be necessary to obtain any such permission for an emergent medical aid needed on account of sudden illness contracted during a visit outside India, but, where such foreign hospitality has been received, the person receiving such hospitality shall give, within one month from the date of receipt of such hospitality an intimation to the Central Government as to the receipt of such hospitality, and the source from which, and the manner in which, such hospitality was received by him.</p>	
Prohibition to transfer foreign contribution to other person.	<p>7. No person who -</p> <p>(a) is either registered and granted a certificate or granted prior permission under Chapter III of this Act; and</p> <p>(b) receives any foreign contribution,</p> <p>shall transfer such foreign contribution to any other person unless such other person is also either registered and granted a certificate or granted prior permission under Chapter III of this Act.</p>	
Restriction to utilise foreign contribution for administrative purpose.	<p>8. (1) Every person who is registered and granted a certificate or granted prior permission under this Act and receives any foreign contribution, -</p> <p>(a) shall utilise such contribution for the purposes for which the contribution has been received;</p> <p>(b) shall not defray such sum, not more than thirty per cent of such contribution as may be prescribed, to meet administrative expenses:</p> <p>(2) The Central Government may prescribe the manner in which the administrative expenses referred to in sub-section (1) shall be calculated.</p>	

<p>Power of Central Government to prohibit receipt of foreign contribution etc., in certain cases.</p>	<p>9. The Central Government may-</p> <p>(a) prohibit any person or organisation not specified in section 3, from accepting any foreign contribution;</p> <p>(b) require any person or class of persons not specified in section 11, to furnish intimation within such time and in such manner as may be prescribed as to the amount of any foreign contribution received by such person or class of persons as the case may be, and the source from which and the manner in which such contribution was received and the purpose for which and the manner in which such foreign contribution was utilised;</p> <p>(c) require any person or class of persons, not specified in section 6, to obtain prior permission of the Central Government before accepting any foreign hospitality;</p> <p>(d) require any person or class of persons, not specified in section 6, to furnish intimation, within such time and in such manner as may be prescribed, as to the receipt of any foreign hospitality, the source from which and the manner in which such hospitality was received:</p> <p>Provided that no such prohibition or requirement shall be made unless the Central Government is satisfied that the acceptance of foreign contribution by such person or class of persons, as the case may be, the acceptance of foreign hospitality by such person, is likely to affect prejudicially -</p> <p>(i) the sovereignty and integrity of India; or</p> <p>(ii) the public interest; or</p> <p>(iii) freedom or fairness of election to any Legislature; or</p> <p>(iv) friendly relations with any foreign State; or</p> <p>(v) harmony between religious, racial, social, linguistic or regional groups, castes or communities.</p>	
<p>Power to prohibit payment of currency received in contravention of the Act.</p>	<p>10. Where the Central Government is satisfied, after making such inquiry as it may deem fit, that any person has in his custody or control any article or currency, whether Indian or foreign, which has been accepted by such person in contravention of any of the provisions of this Act, it may, by order in writing, prohibit such person from paying, delivering, transferring or otherwise dealing with, in any manner whatsoever, such article or currency save in accordance with the written orders of the Central Government and a copy of such order shall be served upon the person so prohibited in the prescribed manner, and thereupon the provisions of sub-sections (2), (3), (4) and (5) of section 7 of the Unlawful Activities (Prevention) Act, 1967 shall, so far as may be, apply to, or in relation to, such article or currency and references in the said sub-sections to moneys, securities or credits shall be construed as references to such article or currency.</p>	<p>37 of 1967.</p>

	CHAPTER III REGISTRATION	
Registration of certain persons with Registering Authority.	<p>11 (1) Save as otherwise provided in this Act, no person having a definite cultural, economic, educational, religious or social programme shall accept foreign contribution unless such person obtains a certificate of registration from the Registering Authority:</p> <p>Provided that any association registered with the Central Government under section 6 of the Foreign Contribution (Regulation) Act, 1976, as it stood immediately before the commencement of this Act, shall obtain within two years of the commencement of this Act a certificate in accordance with the provisions contained in section 12:</p> <p>Provided further that any foreign contribution received by such association during the said two years shall be deemed to have been received by it under this Act.</p> <p>(2) Every person referred to in sub-section (1) may, if he is not registered with the Registering Authority under that sub-section, accept any foreign contribution only after obtaining the prior permission of the Registering Authority.</p> <p>(3) Notwithstanding anything contained in this Act, the Central Government may, by notification in the Official Gazette, specify –</p> <ul style="list-style-type: none"> (a) the person or class of persons registered under sub-section (1) who shall obtain its prior permission before accepting the foreign contribution; or (b) the area or areas in which the foreign contribution shall be accepted and utilised with the prior permission of the Central Government; (c) the purpose or purposes for which the foreign contribution shall be utilised with the prior permission of the Central Government; or (d) the source or sources from which the foreign contribution shall be accepted with the prior permission of the Central Government 	49 of 1976
Grant of certificate of registration.	<p>12. (1) An application by a person referred to in section 11(1) for grant of certificate or in section 11(2) for grant of prior permission shall be made to the Registering Authority in such form and manner and along with such fee, as may be prescribed.</p> <p>Provided that in case the Registering Authority is the Central Government, the applicant shall submit the application to the prescribed authority which shall forward the same with its recommendations to the Central Government.</p> <p>(2) On receipt of such application, the Registering Authority shall, if the application is not in the prescribed form or does not contain any of the particulars specified in that form, reject the application.</p>	

(3) If on receipt of an application for registration or prior permission and after making such inquiry as the Registering Authority deems fit, it is satisfied that –

- (a) the person making an application under sub-section (1), –
- (i) is not fictitious or benami;
 - (ii) has undertaken meaningful activity in its chosen field for the benefit of the people living in the district for which the foreign contribution is proposed to be utilised; or
 - (iii) has prepared a meaningful project for the benefit of the people living in the district for which the foreign contribution is proposed to be utilised;
 - (iv) has not indulged in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;
 - (v) has not created communal tension or disharmony in any specified area or any other part of the country;
 - (vi) has not been found guilty of diversion or mis-utilisation of its funds or
 - (vii) is not engaged or likely to engage to propagate sedition or advocate violent methods to achieve its ends;
 - (viii) is not likely to use the foreign contribution for personal use or divert it for undesirable purposes;
 - (ix) has not contravened any of the provisions of this Act;
 - (x) his certificate has neither been suspended nor cancelled earlier;
 - (xi) has not been prohibited earlier from accepting foreign contribution;
- (b) in case the person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;
- (c) in case of the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;
- (d) the acceptance of foreign contribution by the person referred to in sub-section (1) is not likely to affect prejudicially -
- (i) the sovereignty and integrity of India; or
 - (ii) the public interest; or
 - (iii) freedom or fairness of election to any Legislature; or
 - (iv) friendly relation with any foreign State; or
 - (v) harmony between religious, racial, social, linguistic, regional groups, castes or communities,
- the Registering Authority may register such person and grant him a certificate of registration or prior permission, as the case may be, subject to such terms and conditions as it may deem fit.

(4) Where the Registering Authority refuses registration or prior permission, it shall record the reasons for such refusal and furnish a copy thereof to the applicant:

	<p>(5) Any person aggrieved by the decision of the Registering Authority refusing registration or prior permission may, within thirty days on which a copy of the decision refusing registration or prior permission is received by him, appeal to the Central Government in such form and manner and along with such fee as may be prescribed.</p> <p>(6) The decision of the Central Government on such appeal shall be final.</p> <p>(7) The certificate of registration granted under sub-section (3) shall be valid for a period of five years, and the prior permission will be valid for the specific amount for the said purpose.</p>	
Suspension of certificate.	<p>13. (1) Where the Registering Authority, for reasons to be recorded in writing, is satisfied that pending consideration of the question of cancelling the certificate on any of the grounds mentioned in sub-section (1) of section 14, it is necessary so to do, it may, by order in writing, suspend the certificate for such period not exceeding ninety days as may be specified in the order.</p> <p>(2) Where the Registering Authority (not being the Central Government) orders suspension of the certificate under sub-section (1) above, shall, within a period of 10 days from the date of issue of such order, send a detailed report to the Central Government in the matter.</p> <p>(3) Every person whose certificate has been suspended shall -</p> <p>(a) not receive any foreign contribution during the period of suspension of certificate;</p> <p>(b) utilise, in the prescribed manner, the foreign contribution in his custody with the prior approval of the Registering Authority.</p>	
Cancellation of certificate	<p>14. (1) The Central Government may, if it is satisfied after making such inquiry as it may deem fit, by an order, cancel the certificate if -</p> <p>(a) the holder of the certificate has made a statement in, or in relation to, the application for the grant of registration or renewal thereof, which is incorrect or false; or</p> <p>(b) the holder of the certificate has violated any of the terms and conditions of the certificate or renewal thereof; or</p> <p>(c) in the opinion of the Registering Authority, it is necessary in the public interest to cancel the certificate; or</p> <p>(d) the holder of certificate has violated any of the provisions of this Act or rules or order made thereunder.</p> <p>(2) No order of cancellation of certificate under this section shall be made unless the person concerned has been given a reasonable opportunity of being heard.</p> <p>(3) Any person whose certificate has been cancelled under this section shall not be eligible for registration for a period of three years from the date of cancellation of such certificate.</p> <p>(4) Any person aggrieved by an order of the Central Government, canceling the certificate, may within thirty days on</p>	

	<p>which a copy of the decision canceling the certificate of registration is received by him, appeal to the Central Government in such form and manner and alongwith such fee as may be prescribed.</p>	
<p>Management of foreign contribution of person whose certificate has been cancelled.</p>	<p>15. (1) The foreign contribution in the custody of every person whose certificate has been cancelled under section 14 shall vest in such authority as may be prescribed.</p> <p>(2) The authority referred to in sub-section (1) shall manage the foreign contribution of the persons referred to in sub-section (1) in such manner and subject to such conditions as may be prescribed.</p>	
<p>Renewal of certificate.</p>	<p>16. (1) Every person who has been granted a certificate under section 12 shall have such certificate renewed within two years before the expiry of the period of the certificate.</p> <p>(2) The application for renewal of the certificate shall be made to the Registering Authority in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(3) The Registering Authority may renew the certificate subject to such terms and conditions as it may deem fit and grant a certificate of renewal for a period of five years.</p>	
	<p>CHAPTER IV ACCOUNTS, INTIMATION, AUDIT AND DISPOSAL OF ASSETS ETC.</p>	
<p>Foreign contribution through scheduled bank.</p>	<p>17. (1) No scheduled bank shall allow credit of foreign contribution to the account or withdrawal of foreign contribution from the account of a person referred to in section 11, unless such person has obtained a certificate of registration or prior permission under section 12.</p> <p>(2) Every person who has been granted a certificate of registration or prior permission under section 12 shall receive foreign contribution in a single account only through such one of the branches of a scheduled bank in the State as it may specify in his application for grant of certificate of registration or prior permission:</p> <p>Provided that such person may open one or more accounts in one or more scheduled banks for utilising the foreign contribution received by him:</p> <p>Provided further that no funds other than foreign contribution shall be received or deposited in such account or accounts.</p> <p>(3) Every scheduled bank receiving foreign contribution under sub-section (2) shall intimate in such manner and at such interval as may be prescribed, to the Registering Authority the details of all foreign contribution received in the account referred to in sub-section (2) and amount transferred to the account or accounts referred to in the first proviso to sub-section (2) or withdrawn from such account or accounts.</p>	

Intimation.	18. Every person who has been granted certificate of registration or prior permission under the Act shall give, within such time and in such manner as may be prescribed, an intimation to the Central Government, the prescribed authority, and such other authority as may be specified by the Central Government, as to the amount of each foreign contribution received by it, the source from which and the manner in which such foreign contribution was received, and the purposes for which, and the manner in which such foreign contribution was utilised by him.	
Maintenance of accounts.	19. Every person who has been granted certificate of registration or prior permission under this Act shall maintain, in such manner as may be prescribed, - (a) an account of any foreign contribution received by him; and (b) a record as to the manner in which such contribution has been utilised by him.	
Audit of accounts.	20. Where any person who has been granted certificate of registration or prior permission under this Act fails to furnish any intimation under this Act within the time specified therefor or the intimation so furnished is not in accordance with law or if, after inspection of such intimation, the Registering Authority has any reasonable cause to believe that any provision of this Act has been, or is being, contravened, that Authority may, by general or special order, authorise such gazetted officer, holding a Group A post, as it may think fit, to audit any books of account kept or maintained by such person and thereupon every such officer shall have the right to enter in or upon any premises at any reasonable hour, before sunset and after sunrise, for the purpose of auditing the said books of account: Provided that any information obtained from such audit shall be kept confidential and shall not be disclosed except for the purposes of this Act.	
Intimation by candidate for election.	21. Every candidate for election, who had received any foreign contribution, at any time within one hundred and eighty days immediately preceding the date on which he is duly nominated as such candidate, shall give, within such time and in such manner as may be prescribed, an intimation to the prescribed authority as to the amount of foreign contribution received by him, the source from which, and the manner in which, such foreign contribution was received and the purposes for which and the manner in which such foreign contribution was utilised by him.	
Disposal of assets created out of foreign contribution	22. The Central Government may, having regard to the nature of assets created out of the foreign contribution received under this Act, by notification, specify such assets which shall be disposed of and in such manner as it may, from time to time, determine after following the procedure as may be prescribed by it.	

	CHAPTER V INSPECTION, SEARCH AND SEIZURE	
Inspection of accounts or records.	<p>23. If the Central Government has, for any reason, to be recorded in writing, any ground to suspect that any provision of this Act has been or is being, contravened by-</p> <ul style="list-style-type: none"> (a) any political party, or (b) any person, or (c) any organisation, or (d) any association, <p>it may, by general or special order, authorise such gazetted officer, holding a Group A post, as it may think fit (hereinafter referred to as the authorised officer), to inspect any account or record maintained by such political party, person, organisation or association, as the case may be, and thereupon every such authorised officer shall have the right to enter in or upon any premises at any reasonable hour, before sunset and after sunrise, for the purpose of inspecting the said account or record.</p>	
Seizure of accounts or records.	<p>24. If, after inspection of an account or record referred to in section 23, the authorised officer has any reasonable cause to believe that any provision of this Act or of any other law relating to foreign exchange has been, or is being, contravened, he may seize such account or record and produce the same before the court, authority or tribunal in which any proceeding is brought for such contravention:</p> <p>Provided that the authorised officer shall return such account or record to the person from whom it was seized if no proceeding is brought within six months from the date of such seizure for the contravention disclosed by such account or record.</p>	
Seizure of article or currency received in contravention of the Act.	<p>25. If any gazetted officer, authorised in this behalf by the Central Government, by general or special order, has any reason to believe that any person has in his possession or control any article exceeding the value specified in sub-clause (i) of clause (f) of sub-section (1) of section 2 or currency whether Indian or foreign, in relation to which any provision of this Act has been or is being, contravened, he may seize such article or currency.</p>	
Disposal of seized article or currency.	<p>26. (1) The Central Government, may, having regard to the value of article or currency their vulnerability to theft or any relevant consideration, by notification, specify such article or currency which shall, as soon as may be after their seizure, be disposed of by such officer and in such manner, as the Central Government may, from time to time, determine after following the procedure hereinafter specified.</p> <p>(2) The article or currency seized shall be forwarded without unnecessary delay to the officer-in-charge of the nearest police station.</p>	

	<p>(3) Where any article or currency has been seized and forwarded to the officer-in-charge of the nearest police station, the officer referred to in sub-section (1) shall prepare an inventory of such article or currency containing such details relating to their description, value or such other identifying particulars as the officer referred to in that sub-section may consider relevant to the identity of the article or the currency and make an application to any Magistrate for the purposes of certifying the correctness of the inventory so prepared.</p> <p>(4) Where an application is made under sub-section (2), the Magistrate shall, as soon as may be, allow the application.</p> <p>(5) Notwithstanding anything contained in the Indian Evidence Act, 1872 or the Code of Criminal Procedure, 1973, every court trying an offence under this Act, shall treat the inventory, as certified by the Magistrate, as primary evidence in respect of such offence.</p> <p>(6) Every police officer acting under sub-section (1) shall forthwith report the seizure to the Court of Session or Assistant Session Judge having jurisdiction for adjudging the confiscation under section 30.</p>	<p>1 of 1872. 2 of 1974.</p>
Seizure to be made in accordance with Code of Criminal Procedure, 1973.	27. The provisions of the Code of Criminal Procedure, 1973 shall apply in so far as they are not inconsistent with the provisions of this Act to all seizures made under this Act.	2 of 1974.
	<p>CHAPTER VI ADJUDICATION</p>	
Confiscation of article or currency obtained in contravention of the Act.	28. Any article or currency which is seized under section 25 shall be liable to confiscation if such article or currency has been adjudged under section 29 to have been received or obtained in contravention of this Act.	
Adjudication of confiscation.	<p>29. (1) Any confiscation referred to in section 28 may be adjudged-</p> <p>(a) without limit, by the Court of Session within the local limits of whose jurisdiction the seizure was made; and</p> <p>(b) subject to such limits as may be prescribed, by such officer, not below the rank of an Assistant Sessions Judge, as the Central Government may, by notification in the Official Gazette, specify in this behalf.</p> <p>(2) When an adjudication under sub-section (1) is concluded by the Court of Session or Assistant Sessions Judge, as the case may be, the Sessions Judge or Assistant Sessions Judge may make such order as he thinks fit for the disposal by confiscation or delivery of seized article or currency, as the case may be, to any person claiming to be entitled to possession thereof or otherwise, or which has been used for the commission of any offence under this Act.</p>	

Procedure for confiscation	30. No order of adjudication of confiscation shall be made unless a reasonable opportunity of making a representation against such confiscation has been given to the person from whom any article or currency has been seized.	
	CHAPTER VII APPEAL AND REVISION	
Appeal	<p>31. (1) Any person aggrieved by any order made under section 29 may prefer an appeal,-</p> <p>(a) where the order has been made by the Court of Session, to the High Court to which such Court is subordinate; or</p> <p>(b) where the order has been made by any officer specified under clause (b) of section 29, to the Court of Session within the local limits of whose jurisdiction such order of adjudication of confiscation was made, within one month from the date of communication to such person of the order:</p> <p>Provided that the appellate court may, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the said period of one month, allow such appeal to be preferred within a further period of one month, but not thereafter.</p> <p>(2) Any organisation referred to in clause (f) of sub-section (1) of section 3, or any person or association referred to in section 6 or section 9, aggrieved by an order made in pursuance of section 5 or by an order of the Central Government refusing to give permission, or by any order made by the Registering Authority being the Central Government under sub-section (2) or sub-section (4) of section 12, or sub-section (1) of section 14, as the case may be, may, within sixty days from the date of such order, prefer an appeal against such order to the High Court within the local limits of whose jurisdiction the appellant ordinarily resides or carries on business or personally works for gain, or, where the appellant is an organisation or association, the principal office of such organisation or association is located.</p> <p>(3) Every appeal preferred under this section shall be deemed to be an appeal from an original decree and the provisions of Order XLI of the First Schedule to the Code of Civil Procedure, 1908, shall, as far as may be, apply thereto as they apply to an appeal from an original decree.</p>	5 of 1908.
Revision of orders by Central Government or prescribed authority.	<p>32. (1) The Registering Authority, may, either of its own motion or on an application by the person registered under this Act, for revision, call for the record of any proceeding under this Act in which any such order has been passed by it and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such order thereon as it thinks fit.</p> <p>(2) The Registering Authority shall not of its own motion revise any order under this section if the order has been made more than one year previously.</p>	

	<p>(3) In the case of an application for revision under this section by the person referred to in sub-section (1), the application must be made within one year from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier:</p> <p>Provided that the Registering Authority may, if it is satisfied that such person was prevented by sufficient cause from making the application within that period, admit an application made after the expiry of that period.</p> <p>(4) The Registering Authority shall not revise any order where an appeal against the order lies but has not been made and the time within which such appeal may be made has not expired or such person has not waived his right of appeal.</p> <p>(5) Every application by such person for revision under this section shall be accompanied by such fee, as may be prescribed.</p> <p>Explanation. - An order by the Registering Authority declining to interfere shall, for the purposes of this section, be deemed not to be an order prejudicial to such person.</p>	
	<p>CHAPTER VIII OFFENCES AND PENALTIES</p>	
<p>Making of false statement, declaration or delivering false accounts.</p>	<p>33. Any person, subject to this Act, who commits any of the following offences, that is to say, -</p> <p>(a) in any intimation, book or declaration made or signed by him, or of the contents of which it is his duty to ascertain the accuracy, knowingly makes, or is privy to the making of, any false or fraudulent statement; or</p> <p>(b) in any intimation, book or declaration of the description mentioned in clause(a) knowingly makes, or is privy to the making of, any omission, with intent to defraud; or</p> <p>(c) knowingly and with intent to defraud, suppresses, defaces, alters or makes away with any document which it is his duty to preserve or produce; or</p> <p>(d) where it is his official duty to make a declaration respecting any matter, knowingly makes a false declaration; or</p> <p>(e) obtains for himself, or for any other person, any advantage or privilege by a statement which is false, and which he either knows or believes to be false or does not believe to be true, or by making or using a false entry in any book or record, or by making any document containing a false statement, or by omitting to make a true entry or document containing a true statement shall, on conviction by a court, be liable to suffer imprisonment for a term which may extend to five years or such less punishment as is in this Act mentioned.</p>	
<p>Penalty for article or currency obtained in contravention of section 10.</p>	<p>34. If any person, on whom any prohibitory order has been served under section 10, pays, delivers, transfers or otherwise deals with, in any manner whatsoever, any article or currency, whether Indian or foreign, in contravention of such prohibitory order, he shall be</p>	

	<p>punished with imprisonment for a term which may extend to three years, or with fine, or with both; and notwithstanding anything contained in the Code of Criminal Procedure, 1973, the court trying such contravention may also impose on the person convicted an additional fine equivalent to the market value of the article or the amount of the currency in respect of which the prohibitory order has been contravened by him or such part thereof as the court may deem fit.</p>	2 of 1974.
<p>Punishment for contravention of any provision of the Act.</p>	<p>35. Whoever accepts, or assists any person, political party or organisation in accepting, any foreign contribution or any currency from a foreign source, in contravention of any provision of this Act or any rule or order made thereunder, shall be punished with imprisonment for a term which may extend to five years, or with fine, or with both.</p>	
<p>Power to impose additional fine where article or currency is not available for confiscation</p>	<p>36. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Court trying a person, who, in relation to any article or currency, whether Indian or foreign, does or omits to do any act which act or omission would render such article or currency liable to confiscation under this Act, may, in the event of the conviction of such person for the act or omission aforesaid, impose on such person a fine not exceeding five times the value of the article or currency or one thousand rupees, whichever is more, if such article or currency is not available for confiscation, and the fine so imposed shall be in addition to any other fine which may be imposed on such person under this Act.</p>	2 of 1974.
<p>Penalty for offences where no separate punishment has been provided.</p>	<p>37. Whoever fails to comply with any provision of this Act for which no separate penalty has been provided in this Act shall be punished with imprisonment for a term which may extend to one year, or with fine, or with both.</p>	
<p>Penalty for second and subsequent offence.</p>	<p>38. Notwithstanding anything contained in this Act, whoever, having been convicted of any offence under section 36 or section 38, in so far as such offence relates to the acceptance or utilisation of foreign contribution, is again convicted of such offence shall not accept any foreign contribution for a period of three years from the date of the subsequent conviction.</p>	
<p>Offences by companies.</p>	<p>39. (1) Where an offence under this Act or any rule or order made thereunder has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:</p> <p>Provided that nothing contained in this sub-section shall render such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had</p>	

	<p>exercised all due diligence to prevent the commission of such offence.</p> <p>(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or any rule or order made thereunder has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.</p> <p>Explanation.- For the purposes of this section,-</p> <p>(a) “company” means any body corporate and includes a firm, society, trade union or other association of individuals; and</p> <p>(b) “director”, in relation to a firm, society, trade union or other association of individuals, means a partner in the firm or a member of the governing body of such society, trade union or other association of individuals.</p>	
Bar to prosecution of offences under the Act.	40. No court shall take cognisance of any offence under this Act, except with the previous sanction of the Central Government or any officer authorised by that Government in this behalf.	
	<p>CHAPTER IX</p> <p>MISCELLANEOUS</p>	
Power of Central Government and prescribed authority to call for information or document.	<p>41. Any officer referred to in section 23 who is authorised in this behalf by the Central Government, may, during the course of any inspection of any account or record maintained by any political party, person, organisation or association in connection with the contravention of any provision of this Act, -</p> <p>(a) call for information from any person for the purpose of satisfying himself whether there has been any contravention of the provisions of this Act or rule or order made thereunder.</p> <p>(b) require any person to produce or deliver any document or thing useful or relevant to such inspection;</p> <p>(c) examine any person acquainted with the facts and circumstances of the case.</p>	
Investigation into cases under the Act.	42. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence punishable under this Act may also be investigated into by such authority as the Central Government may specify in this behalf and the authority so specified shall have all the powers which an officer-in-charge of a police station has while making an investigation into a cognisable offence.	2 of 1974.
Returns by prescribed authority to Central Government.	43. The prescribed authority shall furnish to the Central Government at such time and in such form and manner such returns and statements as may be prescribed.	

Protection of action taken in good faith.	44. No suit or other legal proceedings shall lie against the Central Government or the prescribed authority or any of its officers in respect of any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of the provisions of this Act or, any rule or order made thereunder.	
Power of Central Government to give directions.	45. The Central Government may give such directions as it may deem necessary – (a) to the prescribed authority, or any other authority or any person or class of persons regarding the carrying into execution of the provisions of this Act, and (b) as to the manner in which foreign contribution shall be received and the purpose for which such foreign contribution shall be utilised by any person; and the prescribed authority, or any authority or any person or class of persons shall comply with such directions.	
Delegation of powers.	46. The Central Government may, by notification, delegate, subject to such conditions and limitations as may be specified in the notification, such of its powers and functions under this Act (except the power to make rules) as it may deem necessary to the prescribed authority or any other authority.	
Power to make rules.	47. (1) The Central Government may, by notification, make rules for carrying out the purposes of this Act. (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:- (a) the value of the article not exceeding ten thousand rupees under sub-clause (i) of clause (f) of section 2; (b) the authority which may be specified as prescribed under clause (n) of section 2; (c) acceptance or retention of gift or presentation under clause (d) of section 4; (d) ground or grounds on which an organisation may be specified as an organisation of political nature under sub-section (2) of section 5; (e) the percentage of administrative expenses not exceeding thirty per cent as may be prescribed under sub-section (1) of section 8; (f) the manner in which the administrative expenses shall be calculated under sub-section (2) of section 8; (g) the time within which and the manner in which any person or class of persons or an association may be required to furnish intimation regarding the amount of foreign contribution received under clause (b) of section 9; (h) the time within which and the manner in which any person or class of persons may be required to furnish intimation regarding foreign hospitality under clause (d) of section 9;	

	<p>(i) the manner in which the copy of written order of the Central Government shall be served upon any person under section 10;</p> <p>(j) the form and particulars to be contained in the application for grant of certificate of registration or grant of prior permission under sub-section 1 of section 12;</p> <p>(k) the fee to be accompanied by the application under sub-section (1) of section 12;</p> <p>(l) the form and manner in which the aggrieved person may appeal under sub-section (5) of section 12;</p> <p>(m) fee for appeal under sub-section (5) of section 12;</p> <p>(n) the manner of utilising the foreign contribution under clause (b) of sub-section (2) of section 13;</p> <p>(o) the form and manner in which the aggrieved person may appeal under sub-section (4) of section 14;</p> <p>(p) fee for appeal under sub-section (4) of section 14;</p> <p>(q) the authority with whom the foreign contribution to be vested under sub-section (1) of section 15;</p> <p>(r) the manner in which and subject to conditions with which the foreign contribution shall be managed under sub-section (2) of section 15;</p> <p>(s) the form and the manner in which the application for a renewal of certificate of registration shall be made under sub-section (2) of section 16;</p> <p>(t) the fee to be accompanied by the application for renewal of certificate under sub-section (2) of section 16;</p> <p>(u) the manner in which and the interval at which the details of all foreign contribution received by every scheduled bank to be intimated under sub-section (3) of section 17;</p> <p>(v) the manner in which person who has been granted certificate of registration or granted prior permission under this Act shall submit intimation under section 18;</p> <p>(w) the manner in which account of any foreign contribution and the manner in which such contribution has been utilised shall be maintained under section 19;</p> <p>(x) the manner by which a candidate for election shall give intimation under section 21;</p> <p>(y) the manner in which assets shall be disposed of by the Central Government under section 22;</p> <p>(z) the limits subject to which any confiscation referred to in section 28 may be prescribed under clause (b) of section 29;</p> <p>(za) the fee to be accompanied by every application for revision under sub-section (5) of section 32;</p> <p>(zb) the form and manner in which and the time within which returns and statements to be furnished by the prescribed authority under section 43;</p> <p>(zc) any other matter which is required to be, or may be prescribed.</p>	
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Orders and rules to be laid before Parliament.	48. Every order under section 5 and every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or rule or both Houses agree that the order or rule should not be made, the order or rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order or rule.	
Power to exempt in certain cases.	49. If the Central Government is of opinion that it is necessary or expedient in the interests of the general public so to do, it may, by order and subject to such conditions as may be specified in the order, exempt any person or association (not being a political party), organisation or any individual (not being a candidate for election) from the operation of all or any of the provisions of this Act and may, as often as may be necessary, revoke or modify such order.	
Act not to apply to certain Government transactions	50. Nothing contained in this Act shall apply to any transaction between the Government of India and the Government of any foreign country or territory.	
Application of other laws not barred.	51. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.	
Power to remove difficulties.	52. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty: Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act. (2) Every order made under this section shall be laid, as soon, as may be after it is made, before each House of Parliament.	
Repeal and saving.	53. (1) The Foreign Contribution (Regulation) Act, 1976 (hereinafter referred to as the repealed Act) is hereby repealed. (2) Notwithstanding such repeal,- (a) anything done or any action taken or purported to have been done or taken under the repealed Act shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act; (b) any organisation of a political nature, not being a political	49 of 1976

<p>party, to whom the prior permission was granted under section 5 of the repealed Act, shall continue to be the organisation of a political nature, not being a political party, under clause (f) of sub-section (1) section 3 of this Act, till such permission is withdrawn by the Central Government;</p> <p>(c) permission to accept foreign hospitality granted under section 9 of the repealed Act shall be deemed to be the permission granted under section 6 of this Act until such permission is withdrawn by the Central Government;</p> <p>(d) any association prohibited from accepting any foreign contribution under clause (a) of section 10 of the repealed Act, in so far as it is not inconsistent with the provisions of this Act, shall be deemed to be an association prohibited from accepting any foreign contribution under section 9 of this Act;</p> <p>(e) permission obtained under clause (b) of section 10 of the repealed Act shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to be the permission until such permission is withdrawn by the Central Government;</p> <p>(f) any order issued under section 12 of the repealed Act shall be deemed to be an order issued under section 10 of this Act;</p> <p>(g) any order issued under section 31 of the repealed Act exempting any association or any individual shall be deemed to be an order under section 49 of this Act till such order is varied or revoked.</p> <p>(3) Save as provided in sub-section (2), mention of particular matters in that sub-section shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeal.</p>	10 of 1897
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