

## Foreign Contribution (Regulation) Act, 1976

### Section 2 - Definitions

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(1) In this Act, unless the context otherwise requires,--

(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 (21 of 1860), or not, and any other organisation, by whatever name called;

(b) "candidate for election" means a person who has been duly nominated as a candidate for election to any Legislature;

(c) "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, does not exceed one thousand rupees;

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

(iii) of any foreign security as defined in clause (i) of section 2 of the Foreign Exchange Regulation Act, 1973 (46 of 1973);

1 [Explanation.-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;]

(d) "foreign hospitality" means any offer, not being a purely casual one, made by a foreign source for providing a person with the costs of travel to any foreign country or territory or with free board, lodging, transport or medical treatment;

(e) "foreign source" includes--

(i) the Government of any foreign country or territory and any agency of such Government,

(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 in the Official Gazette, specify in this behalf,

(iii) a foreign company within the meaning of section 591 of the Companies Act, 1956, (1 of 1956), and also includes--

(a) a company which is a subsidiary of a foreign company, and

(b) a multi-national corporation within the meaning of this Act,

(iv) a corporation, not being a foreign company, incorporated in a foreign country or territory,

(v) a multi-national corporation within the meaning of this Act,

(vi) a company within the meaning of the Companies Act, 1956 (1 of 1956), if 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:--

(a) Government of a foreign country or territory,

(b) citizens of a foreign country or territory,

(c) corporations incorporated in a foreign country or territory,

(d) trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory,

(vii) a trade union in any foreign country or territory, whether or not registered in such foreign country or territory,

(viii) a foreign trust by whatever name called, or a foreign foundation which is either in the nature of trust or is mainly financed by a foreign country or territory.

(ix) a society, club or other association of individuals formed or registered outside India,

(x) a citizen of a foreign country, but does not include any foreign institution which has been permitted by the Central Government, by notification in the Official Gazette, to carry on its activities in India;

(f) "Legislature" means--

(i) either House of Parliament,

(ii) 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,

(iii) Legislative Assembly of a Union territory constituted under the Government of Union Territories Act, 1963 (20 of 1963),

(iv) the Metropolitan Council of Delhi constituted under section 3 of the Delhi Administration Act, 1966 (19 of 1966),

(v) Municipal Corporations in metropolitan areas as defined in the Code of Criminal Procedure, 1973 (2 of 1974),

(vi) District Councils and Regional Councils in the States of Assam and Meghalaya and in the Union territory of Mizoram as provided in the Sixth Schedule to the Constitution, or

(vii) any other elective body as may be notified by the Central Government, as the case may be;

2 [(g) "political party" means-

(i) an association or body of individual citizens of India--

(1) which is, or is deemed to be, registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968, as in force for the time being; or

(2) 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;

(ii) a political party mentioned in column 1 of Table I to the notification of the Election Commission of India No. 56/J&K/84, dated the 27th September, 1984, as in force for the time being;]

(h) "prescribed" means prescribed by rules made under this Act;

(i) "registered newspaper" means a newspaper registered under the Press and Registration of Books Act, 1867 (25 of 1867);

(j) "subsidiary" and "associate" have the meanings, respectively, assigned to them in the Companies Act, 1956 (1 of 1956);

(k) "trade union" means a trade union registered under the Trade Unions Act, 1926 (16 of 1926).

Explanation.-For the purposes of this Act, 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.

(2) Words and expressions used herein and not defined but defined in the Foreign Exchange Regulation Act, 1973 (46 of 1973), have the meanings respectively assigned to them in that Act.

(3) Words and expressions used herein and not defined in this Act or in the Foreign Exchange Regulation Act, 1973 (46 of 1973), but defined in the Representation of the People Act, 1950 (43 of 1950), or the Representation of the People Act, 1951 (43 of 1951), have the meanings respectively assigned to them in such Act.

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1. Inserted by Act of 1985, sec. 2 w.r.e.f. 20-10-1984.

2. Substituted by Act 1 of 1985, sec. 2, for clause (g) w.r.e.f. 20-10-1984.