

Foreign Contribution (Regulation) Act, 2010

Chapter 3 - CHAPTER 3 : REGISTRATION

SECTION 11 : Registration of certain persons with Central Government(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 Central Government: Provided that any association registered with the Central Government under Sec. 6 or granted prior permission under that section of the Foreign Contribution (Regulation) Act, 1976 (49 of 1976), as it stood immediately before the commencement of this Act, shall be deemed to have been registered or granted prior permission, as the case may be, under this Act and such registration shall be valid for a period of five years from the date on which this section comes into force. (2) Every person referred to in sub-sec. (1) may, if it is not registered with the Central Government under that sub-section, accept any foreign contribution only after obtaining the prior permission of the Central Government and such prior permission shall be valid for the specific purpose for which it is obtained and from the specific source: Provided that if the person referred to in sub-secs. (1) and (2) has been found guilty of violation of any of the provisions of this Act or the Foreign Contribution (Regulation) Act, 1976 (49 of 1976), the unutilised or un received amount of foreign contribution shall not be utilised or received, as the case may be, without the prior approval of the Central Government. (3) Notwithstanding anything contained in this Act, the Central Government may, by notification in the Official Gazette, specify- (i) the person or class of persons who shall obtain its prior permission before accepting the foreign contribution; or (ii) the area or areas in which the foreign contribution shall be accepted and utilised with the prior permission of the Central Government; or (iii) the purpose or purposes for which the foreign contribution shall be utilised with the prior permission of the Central Government; or (iv) the source or sources from which the foreign contribution shall be accepted with the prior permission of the Central Government. SECTION 12 : Grant of certificate of registration(1) An application by a person, referred to in Sec. 11 for grant of certificate or giving prior permission, shall be made to the Central Government in such form and manner and along with such fee, as may be prescribed. (2) On receipt of an application under sub-sec. (1), the Central Government shall, by an order, if the application is not in the prescribed form or does not contain any of the particulars specified in that form, reject the application. (3) If on receipt of an application for grant of certificate or giving prior permission and after making such inquiry as the Central Government deems fit, it is of the opinion that the conditions specified in sub-sec. (4) are satisfied, it may, ordinarily within ninety days from the date of receipt of application under sub-sec. (1), register such person and grant him a certificate or give him prior permission, as the case may be, subject to such terms and conditions as may be prescribed: Provided that in case the Central Government does not grant, within the said period of ninety days, a certificate or give prior permission, it shall communicate the reasons therefor to the applicant: Provided further that a person shall not be eligible for grant of certificate or giving prior permission, if his certificate has been suspended and such suspension of certificate continues on the date of making application. (4) The following shall be the conditions for the purposes of sub-sec. (3), namely:- (a) the person making an application for registration or grant of prior permission under sub-sec. (1),- (i) is not fititious or benami; (ii) has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another; (iii) has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country; (iv) has not been found guilty or diversion or mis-utilisation of its funds; (v) is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends; (vi) is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes; (vii) has not contravened any of the provisions of this Act; (viii) has not been prohibited from accepting foreign contribution; (b) the person making an application for registration under sub-sec. (1) has undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilised; (c) the person making an application for

giving prior permission under sub-sec. (1) has prepared a reasonable project for the benefit of the society for which the foreign contribution is proposed to be utilised; (d) 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 pending against him; (e) in case 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; (f) the acceptance of foreign contribution by the person referred to in sub-sec. (1) is not likely to affect prejudicially- (i) the sovereignty and integrity of India; or (ii) the security, strategic, scientific or economic interest of the State; or (iii) the public interest; or (iv) freedom or fairness of election to any Legislature; or (v) friendly relation with any foreign State; or (vi) harmony between religious, racial, social, linguistic, regional groups, castes or communities; (g) the acceptance of foreign contribution referred to in sub-sec. (1),- (i) shall not lead to incitement of an offence; (ii) shall not endanger the life or physical safety of any person. (5) Where the Central Government refuses the grant of certificate or does not give prior permission, it shall record in its order the reasons therefor and furnish a copy thereof to the applicant: Provided that the Central Government may not communicate the reasons for refusal for grant of certificate or for not giving prior permission to the applicant under this section in cases where is no obligation to give any information or documents or records or papers under the Right to Information Act, 2005 (22 of 2005). (6) The certificate granted under sub-sec. (3) shall be valid for a period of five years and the prior permission shall be valid for the specific purpose or specific amount of foreign contribution proposed to be received, as the case may be.

SECTION 13 : Suspension of certificate(1) Where the Central Government, 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-sec. (1) of Sec. 14, it is necessary so to do, it may, by order in writing, suspend the certificate for such period not exceeding one hundred and eighty days as may be specified in the order. (2) Every person whose certificate has been suspended shall - (a) not receive any foreign contribution during the period of suspension of certificate: Provided that the Central Government, on an application made by such person, if it considers appropriate, allow receipt of any foreign contribution by such person on such terms and conditions as it may specify; (b) utilise, in the prescribed manner, the foreign contribution in his custody with the prior approval of the Central Government.

SECTION 14 : Cancellation of certificate(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- (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 (b) the holder of the certificate has violated any of the terms and conditions of the certificate or renewal thereof; or (c) in the opinion of the Central Government, it is necessary in the public interest to cancel the certificate; or (d) the holder of certificate has violated any of the provisions of this Act or rules or order made thereunder; or (e) if the holder of the certificate has not been engaged in any reasonable activity in its chosen field for the benefit of the society for two consecutive years or has become defunct. (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. (3) Any person whose certificate has been cancelled under this section shall not be eligible for registration or grant of prior permission for a period of three years from the date of cancellation of such certificate.

SECTION 15 : Management of foreign contribution of person whose certificate has been cancelled(1) The foreign contribution and assets created out of the foreign contribution in the custody of every person whose certificate has been cancelled under Sec. 14 shall vest in such authority as may be prescribed. (2) The authority referred to in sub-sec. (1) may, if it considers necessary and in public interest, manage the activities of the person referred to in that sub-section for such period and in such manner, as the Central Government may direct and such authority may utilise the foreign contribution or dispose of the assets created out of it in case adequate funds are not available for running such activity. (3) The authority referred to in sub-sec. (1) shall return the foreign contribution and the assets vested upon it under that sub-section to the person referred to in the said sub section if such person is subsequently registered under this Act.

SECTION 16 : Renewal of certificate(1) Every person who has been granted a certificate under Sec. 12 shall have such certificate renewed within six months before the expiry of the period of the certificate. (2) The application for renewal of the certificate shall be made to the Central Government in such form and manner and accompanied by such fee as may be prescribed. (3) The Central Government shall renew the certificate, ordinarily within ninety days from the date of receipt of application for renewal of certificate subject to such terms and conditions as it may deem fit and grant a certificate of renewal for a

period of five years: Provided that in case the Central Government does not renew the certificate within the said period of ninety days, it shall communicate the reasons therefor to the applicant. Provided further that the Central Government may refuse to renew the certificate in case where a person has violated any of the provisions of this Act or rules made thereunder.

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