

RBI/2004-05/329
UBD. PCB. Cir.No.32/12.05.00/2004-05

January 05, 2005

The Chief Executive Officers of
All Primary (Urban) Co-operative banks

Dear Sir/Madam,

**Receipt of foreign contributions by Associations/organizations in India
Under Foreign Contribution(Regulation) Act, 1976**

Please refer to our circular UBD.No.BSD-I/PCB/18/12.05.00/98-99 dated January 30, 1999 advising banks to ensure compliance with the various provisions of Foreign Contribution (Regulation) Act, 1976 in connection with the foreign contribution received by associations/organizations. The banks, in particular, are required to ensure that **prior permission of Government of India** has been obtained by the recipients of donations/contributions before actually affording credits to their bank accounts.

2. In view of the severe Tsunami that affected coastal areas in Andaman & Nicobar islands, Andhra Pradesh, Tamilnadu, Pondicherry and Kerala, Central Government, Ministry of Home Affairs vide its notification No.II/21022/11(19)2004-FCRA I dated December 30, 2004 (copy enclosed) have exempted, **with immediate effect and upto 31st March 2005** all associations (other than a political party) having a definite cultural, economic, educational , religious or social programme, from the provisions of section 6(1-A) of the Act ibid to accept foreign contribution, in cash and kind, for providing relief to the Tsunami victims without obtaining **formal approval of the Central Government**, subject to the following conditions :-

- (a) Each such association would open a new bank account for this purpose;
- (b) The said account would be designated as the 'Tsunami Relief Account';
- (c) The association would receive foreign contribution only in the said designated bank account;

(d) The association would maintain a separate set of accounts and records in respect of the foreign contribution received in the said designated bank account;

(e) The association would submit its particulars in Form FC-IA to the Foreigners Division of the Ministry of Home Affairs within one week of the opening of the said designated bank accounts;

(f) The association would make an intimation regarding receipt of foreign contribution in form FC-3 and in form FC-6 in respect of articles, duly certified by a Chartered Accountant, within 4 months of the closure of the year to the Foreigners Division of the Ministry of Home Affairs in the manner prescribed in the Foreign Contribution (Regulation) Rules, 1976.

3. You are requested to issue necessary instructions immediately to your branches in the matter.

4. Please acknowledge receipt to the concerned Regional Office of RBI.

Yours faithfully,

(N.S.Vishwanathan)
Chief General Manager

Encls:1

II/21022/11(19)2004-FCRA I
Government of India
Ministry of Home Affairs
Foreigners Division

Lok Nayak Bhavan
Khan Market
New Delhi - 1100023
Dated the 30th December, 2004

ORDER

Whereas no association having definite cultural, economic, educational, religious or social programme shall accept foreign contribution unless such association registers itself with the Central Government or obtains the prior permission of the Central Government under section 6 of the Foreign Contribution (Regulation) Act, 1976, hereinafter referred to as the "Act".

2. Whereas in the aftermath of the severe Tsunami affected coastal areas in Andaman & Nicobar islands, Andhra Pradesh, Tamilnadu, Pondicherry and Kerala, a number of foreign sources have expressed a desire to send contributions, in cash and kind, to various agencies working in these areas and in other parts of the country to assist the victims of the Tsunami.

3. Whereas the immediate arrival of this assistance is of paramount importance to provide succour to the affected persons and it is in the public interest to dispense with the procedure prescribed for the acceptance of foreign contribution in the said Act, as a special case for this purpose only.

4. Now, Therefore, in exercise of the powers conferred by Section 31 of the said Act, the Central Government hereby exempts, with immediate effect and upto 31st March 2005, all association (other than a political party) having a definite cultural, economic, education, religious or social programme, from the provisions of section 6(1-A) of the Act to accept foreign contribution, in cash and kind, for

providing relief to the Tsunami victims without obtaining a formal approval of the Central Government, subject to the following conditions -

- (i) Each such association would open a new bank account for this purpose;
- (ii) The said account would be designated as the "Tsunami Relief Account";
- (iii) The association would receive foreign contribution only in the said designated bank account;
- (iv) The association would maintain a separate set of accounts and records in respect of the foreign contribution received in the said designated bank account;
- (v) The association would submit its particulars in Form FC-1A to the Foreigners Division of the Ministry of Home Affairs within one week of the opening of the said designated bank account;
- (vi) The association would make an intimation regarding receipt of foreign contribution in form FC-3 and in form FC-6 in respect of articles, duly certified by a Chartered Accountant, within 4 months of the closure of the year to the Foreigners Division of the Ministry of Home Affairs in the manner prescribed in the Foreign Contribution (Regulation) rules, 1976.

5. The forms can be downloaded from the Ministry of Home Affairs Website <http://mha.nic.in/fore.htm>.

Sd/-

(D.S.Mishra)

Joint Secretary to the Govt. of India