

## CHARTER FOR ASSOCIATIONS WHO HAVE BEEN GRANTED PRIOR PERMISSION OR REGISTRATION UNDER FCRA.

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- Registration and Prior Permission is granted for a definite cultural, economic, educational, religious or social programme under sections 11 and 12 of the FCRA, 2010. An association is granted registration for five years. The Prior permission is granted for a specific purpose/project for a specific amount from a specific source.
- Every certificate of registration shall have to be renewed before the date of expiry of its validity. The application for renewal is to be made online in Form FC-3C along with the prescribed fee to be paid through online payment gateway, six months before the date of expiry of the certificate of registration. In case, no application for renewal of registration is received or such application is not finally submitted accompanied by the requisite fee through the prescribed mode, the validity of the certificate of registration shall be deemed to have ceased from the date of completion of the period of five years from the date of the grant of registration. Such deemed to have ceased associations are not permitted to either receive or utilize foreign contribution anymore.
- An association granted prior permission or registration under the FCRA, 2010 should initially receive the foreign contribution only in the FCRA account at SBI, Main Branch located at Sansad Marg, New Delhi. This account number would be the same as has been intimated by the organisation in their application for prior permission/registration or intimated through FC-6C. Deposit of any local fund/domestic contribution in this bank account is not allowed. One or more accounts in any PFMS enabled scheduled bank may be opened for utilizing the foreign contribution. For more clarity, Section 17 of the FCRA, 2010 is reproduced as below:

*'17. (1) Every person who has been granted certificate or prior permission under section 12 shall receive foreign contribution only in an account designated as "FCRA Account" by the bank, which shall be opened by him for the purpose of remittances offoreign contribution in such branch of the State Bank of India at New Delhi, as the Central Government may, by notification, specify in this behalf:*

*Provided that such person may also open another "FCRA Account" in any of the scheduled bank of his choice for the purpose of keeping or utilising the foreign contribution which has been received from his "FCRA Account" in the specified branch of State Bank of India at New Delhi:*

*Provided further that such person may also open one or more accounts in one or more scheduled banks of his choice to which he may transfer for utilising any foreign contribution received by him in his "FCRA Account" in the specified branch*

*of the State Bank of India at New Delhi or kept by him in another “FCRA Account” in a scheduled bank of his choice:*

*Provided also that no funds other than foreign contribution shall be received or deposited in any such account.*

*(2) The specified branch of the State Bank of India at New Delhi or the branch of the scheduled bank where the person referred to in sub-section (1) has opened his foreign contribution account or the authorised person in foreign exchange, shall report to such authority as may be specified,—*

*(a) the prescribed amount of foreign remittance;*

*(b) the source and manner in which the foreign remittance was received; and*

*(c) other particulars,*

*in such form and manner as may be prescribed.*

- Foreign contribution cannot be mixed with local/domestic funds being handled by the organisation.
- An association granted prior permission or registration is required to carry out the activities, for which foreign contribution is received, in India only and the amount should not be utilised for purposes other than for which it is received.
- The FC received by the association shall not be transferred to any other association for any other purpose.
- Any fixed asset acquired out of the foreign contribution and any article received in kind from the foreign source should be in the name of the association and not in the name of any individual in the association.
- Not more than 20% of the foreign contribution shall be defrayed to meet administrative expenses of the association. What constitutes 'administrative expenses' has been defined in Rule 5 of the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011).
- Any foreign contribution or any income (interest, rent, enterprise or FD etc.) arising out of utilization of FC shall not be used for “speculative business”. What constitutes 'speculative business' has been defined in Rule 4 of FCRR, 2011.
- An association granted prior permission or registration shall maintain a separate set of accounts, assets and records, exclusively for foreign contribution received and utilised. If the foreign contribution relates only to articles/ foreign securities, the intimation shall be submitted online in Form FC-1 and such articles/ securities shall be reflected in online Annual report FC-4.

- Every account giving details of the receipt and purpose-wise utilisation of the FC, including the interest earned on the FC amount, should be maintained on an yearly basis, commencing on the 1<sup>st</sup> day of April each year, and every such yearly account is to be uploaded online only, in the prescribed Form FC- 4 and uploaded therewith the income and expenditure statement, balance sheet and statement of receipt and payment, duly certified by a chartered accountant, within nine months of the closure of the year, i.e., before 31<sup>st</sup> December on [www.fcraonline.nic.in](http://www.fcraonline.nic.in) . A copy of a statement of account from the FCRA account in SBI, New Delhi Main Branch and utilization accounts in any scheduled bank duly certified by an officer of such bank should also be uploaded. The cash book and ledger account is to be maintained on double entry basis, where the FC relates to currency received and utilised.
- An online annual return in Form FC-4 shall reflect the foreign contribution received in the FCRA account at SBI, New Delhi Main Branch and include the details in respect of other FCRA bank accounts, if any, for utilisation. No physical copy of Annual return is accepted.
- The accounting statements shall have to be preserved by the NGO/association for a period of six years.
- Even if no FC is received during a year, a 'Nil' return is required to be filed online in Form FC-4 within the prescribed time limit. However, certificate from Chartered Accountant or Income & Expenditure statement or R&P account or balance sheet is not required to be uploaded.
- Intimation for Change of name, address, registration, nature of activities or aims and objectives of an association, bank and/or bank account number and opening of bank account for utilisation of foreign contribution should be intimated online only in Form FC-6(A to E) and uploading requisite documents within 15 days of effecting the change.
- For any change (addition/deletion) of any functionary or member, the associations shall apply online through FC-6E and seek approval from Central Government.
- All associations granted registration or prior permission under FCRA, 2010 shall be required to adhere to Good practice guidelines of Financial Action Task Force (FATF) as at Annexure.

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**Good practice Guidelines to the NPOs to ensure compliance with FATF requirements.**

1. Wherever necessary, NPO shall inform the MHA (FCRA Wing) about the suspicious activities of the customer, without waiting for annual returns.
2. The Board of Directors / Chief Functionary of NPO shall issue directions regarding duties of official who shall be required to enforce these guidelines and other rules of FCRA, 2010 read with FCRR, 2011 as amended from time to time.
3. The NPO shall put its goals, objectives and activities on its website.
4. The NPO shall upload the details of key persons associated with NPOs activities on its website.
5. The NPO shall take due diligence of its employees at the time of recruitment.
6. The NPO shall maintain the information of beneficiaries of funds and upload on its website and monitor the activities of the beneficiaries. Wherever a beneficiary is a legal person, the details of beneficial owner shall also be uploaded.
7. The NPO shall ensure that the financial transactions involving more than Rs.20,000/- to be routed through Banking channels only.
8. The Board of Directors/Trustees of NPO's must ensure utilization of funds consistent with objectives as approved by MHA.
9. The Board of Directors/Trustee of NPO's shall conduct meeting once at least in six months to review the working of these instructions and shall record the minutes of these meetings.
10. The NPO shall train its staff on the FCRA and about the application of these guidelines.
11. When any transaction is under investigation by any authority, the MHA shall be informed by such NPO.

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