

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

- An association granted prior permission or registration under the repealed Foreign Contribution (Regulation) Act, 1976 shall be deemed to have been registered or granted prior permission, as the case may be, under the Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) and such registration shall be valid for a period of 5 years from the 1st May, 2011, i.e., up to the 30th April, 2016.
- Every certificate of registration granted under FCRA, 2010 shall be valid for a period of five years from the date of its issue.
- Every certificate of registration shall have to be renewed. The application for renewal is to be made online in Form FC-3 along with the prescribed fee, 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 accompanied by the requisite fee, 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.
- An association granted prior permission or registration under the FCRA, 2010 should receive the foreign contribution in the same exclusive designated Bank Account mentioned in the order granting prior permission or registration. This account number would be the same as has been intimated by the organisation in their application for prior permission/registration. Deposit of any local fund in this bank account is not allowed. One or more accounts in one or more scheduled banks may be opened for utilizing the foreign contribution provided that no funds other than foreign contribution shall be received or deposited in such account or accounts. Section 17 of the FCRA, 2010 may please be referred.
- Foreign contribution cannot be mixed with local 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.
- 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 50% 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 arising out of it 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 should maintain a separate set of accounts 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.
- 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 1st day of April each year, and every such yearly account is to be submitted online, 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 31st December. A copy of a statement of account from the bank where the exclusive foreign contribution account is maintained by the person, 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.

The annual return in Form FC-4 shall reflect the foreign contribution received in the exclusive bank account and include the details in respect of the funds transferred to other bank accounts for utilisation.

- 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 I&E statement or R&P account or balance sheet is not required to be uploaded.
- Associations granted registration or prior permission are required to place audited statement of accounts on receipt and utilisation of the foreign contribution, including income and expenditure statement, receipt and payment account and balance sheet for every financial year beginning on the first day of April within nine months of the closure of the financial year on its official website or on the website as specified by the Central Government.
- Associations receiving foreign contribution in a quarter of the financial year shall place details of foreign contribution received on its official website or on the website as specified by the Central Government within fifteen days following the last day of the quarter in which it has been received clearly indicating the details of donors, amount received and date of receipt.
- No FC should be transferred to an association which has not obtained either prior permission or registration under FCRA or to any person or association, prohibited under FCRA from receiving any FC. However, if the foreign contribution is proposed to be transferred to a person who has not been granted a certificate of registration or prior permission by the Central Government, the person concerned may apply online in Form FC-5 for permission to the Central Government to transfer a part of the foreign contribution, not exceeding ten per cent, of the total value of the foreign

contribution received. The donor shall not transfer any foreign contribution until the Central Government has approved the transfer. Any transfer of foreign contribution shall be reflected in the returns in Form FC-4 by the transferor and the recipient.

- Intimation for Change of name, address, registration, nature of activities or aims and objectives of an association, replacing 50% or more of the office bearers of the association, bank and/or bank account number and opening of bank account for utilisation of foreign contribution should be intimated online in Form FC-6 and uploading requisite documents within 15 days of effecting the change.
- 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.

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 recruitment.
6. The NPO shall collect the information of beneficiaries of funds and to 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.
