

FOREIGN CONTRIBUTION (REGULATION) AMENDMENT RULES, 2012 - AMENDMENT IN RULE 15, INSERTION OF RULE 6A AND SUBSTITUTION OF RULE 24

NOTIFICATION NO. GSR 292(E), DATED 12-4-2012

In exercise of the powers conferred by section 48 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010), the Central Government hereby makes the following rules further to amend the Foreign Contribution (Regulation) Rules, 2011, namely:-

Short title and commencement

1. (1) These rules may be called the Foreign Contribution (Regulation) Amendment Rules, 2012.

(2) They shall come into force on the date of their publication, in the Official Gazette.

2. In the Foreign Contribution (Regulation) Rules, 2011, (hereinafter referred to as the principal rules), after rule 6, the following rule shall be inserted, namely:-

"6A. *When articles gifted for personal use do not amount to foreign contribution.*—Any article gifted to a person for his personal use whose market value in India on the date of such gift does not exceed rupees twenty-five thousand shall not be a foreign contribution within the meaning of sub-clause (i) of clause (h) of sub-section (1) of section (2)."

3. In the principal rules, in rule 15, in sub-rule (1), for the words "banking authority", the word "bank" shall be substituted.

4. In the principal rules, for rule 24, the following rule shall be substituted, namely :-

"24. *Procedure for transferring foreign contribution to any unregistered person.*—(1) A person who has been granted a certificate of registration or prior permission under section 11 and intends to transfer part of the foreign contribution received by him to a person who has not been granted a certificate of registration or prior permission under the Act, may transfer such foreign contribution to an extent not exceeding ten per cent of the total value thereof and for this purpose, make an application to the Central Government in Form FC-10.

(2) Every application made under sub-rule (1) shall be accompanied by a declaration to the effect that

(a) the amount proposed to be transferred during the financial year is less than ten per cent of the total value of the foreign contribution received by him during the financial year;

(b) the transferor shall not transfer any amount of foreign contribution until the Central Government approves such transfer.

(3) A person who has been granted a certificate of registration or prior permission under section 11 shall not be required to seek the prior approval of the Central Government for transferring the foreign contribution received by him to another person who has been granted a certificate of registration or

prior permission under the Act provided that the recipient has not been proceeded against under any of the provisions of the Act.

(4) Both the transferor and the recipient shall be responsible for ensuring proper utilisation of the foreign contribution so transferred and such transfer of foreign contribution shall be reflected in the returns in Form FC-6 to be submitted by both the transferor and the recipient."