



Restriction on Foreign Hospitality (Sec. 6)

Prior permission of CG is required

- Member of Legislature
- Office bearer of Political parties
- Judges
- Govt. servants
- Employees of PSU

Exception

intimation to CG within 1 month, for emergent medical aid of > ₹ 1 lakh

Foreign Contribution

- A** Article – except gift for personal use upto ₹ 1 lakh
- C** Currency – whether Indian or foreign
- S** Security

Prohibited to accept FC (Sec. 3)

- Member of Legislature
- Office bearer of Political parties
- Judges
- Govt. servants
- Employees of PSU
- Political party
- Organisation of political nature
- Persons associated with newspapers
- Radio or TV companies or persons associated with them

Exception (Sec. 4)

- Salary
- Business
- Commission
- Gift
- Relative (if > 10 lakh, intimate CG within 3 months)
- Scholarship
- Official channel

Registration with CG (Sec. 11)

Persons having cultural, economic, educational, religious or social programme

Registration

(3 years' experience & spent ₹ 15 lakh for society)

Prior Permission

(Reasonable project for society)



Conditions (Sec. 12)

- Not **fictitious**
- Not Prosecuted for **conversion of religious faith**
- Not Prosecuted for **communal tension**
- Not engaged in **sedition**
- Not guilty for **diversion of funds**
- Not likely to **use FC for personal gains**
- Not **contravened this Act**
- Not **prohibited** – sec. 3
- Not convicted or **no pending prosecution**
- Acceptance of FC **not likely to prejudice integrity of India**, public interest, national interest, harmony etc.
- Acceptance of FC **shall not lead to incitement of offence** or not endanger safety of any person



Procedure

- Open A/C with SBI (Sansad Marg Branch, New Delhi)
- Application to CG
- If application is proper, CG to approve it within 90 days
- Prior permission is valid for the specific purpose or amount
- Registration is valid for **5 years** → to be renewed within 6 months before expiry → if sufficient cause, can be renewed within 1 year of expiry
- CG to renew within 90 days which is also valid for 5 years

(Sec. 7)

Not to transfer FC to any other person

(Sec. 8)

- ❖ Not to use FC for any other purpose
- ❖ Not to use FC for speculative purpose like investment in shares or mutual funds
- ❖ For using > 20% of FC towards administrative expenses, prior approval of CG is required

Surrender (Sec. 14A)

CG may permit any person to surrender the certificate

FC to be managed by concerned bank

Cancellation (Sec. 14)

- CG may cancel the certificate if –
- False information in application for registration
 - Violation of terms of registration
 - Violated provisions of Act
 - Necessary in public interest
 - No activity for benefit of society for 2 years

No registration or prior permission for next **3 years**

Suspension (Sec. 13)

Pending consideration of cancellation, CG may suspend registration for 180 + 180 days

effect

- Not receive FC
- Only 25% of FC in custody can be utilised after CG's approval

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