

MAJOR CHANGES IN FC(R) AMENDMENT RULES, 2019



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INTRODUCTION

- 1.01** The Central Government vide Notification No. G.S.R.199(E) dt. 07/03/2019 has made amendment in Foreign Contribution (Regulation) Rules, 2011. These rules shall be called the Foreign Contribution (Regulation) Amendment Rules, 2019. There are considerable changes in the Rules as well as in the Forms. In this issue the major changes made in the Rules have been discussed. The amended Rules are provided in **Annexure 1**.

CHANGES PERTAINING TO BANK ACCOUNTS

- 2.01** In the Rule 2 after clause (a) a new clause (aa) regarding the definition of Bank Account has been inserted. The amendment is as under:

“(aa) “bank account” means a bank account in a core banking compliant bank, which is integrated with the Public Financial Management System (PFMS)”;

It may be noted that the Ministry of Home Affairs, Foreigners Division had issued a notification No. 2/21022/58(951)/2017/FCRA(MU) dated 21.12.2017, regarding integration of bank accounts under FCRA 2010 with PFMS. In other words under FCRA 2010 both designated bank account and multiple bank account are required to be registered with a bank which is integrated with the Public Financial Management System (PFMS). This change in the Rule is technical in nature and will not have any fresh impact on the FC registered organisation. The complete list of banks under PFMS is provided in **Annexure 2**.

- 2.02** Opening of utilization bank account is now required to be intimated in Form FC-6D in place of Form FC-6.
- 2.03** The changes in FC Receipt cum utilization bank account (Designated bank account) is now required to be intimated in Form FC-6C in place of Form FC-6.

SUMMARY OF OLD AND NEW FORMS

3.01 The amended rules have changed the old forms and the form numbers also have changed at some places, a summary of the old and new forms is as under:

Existing Form	New Form	Particulars
FC-1	FC-1	Refer para 3.02 above
FC-2	FC-2	Intimation - Foreign Hospitality
FC-3	FC-3A	Registration
	FC-3B	Prior Permission
	FC-3C	Renewal
FC-4	FC-4	Annual Return
FC-5	FC-5	Transfer to Unregistered Persons
FC-6	FC-6A	Change of Name/address within the state
	FC-6B	Change in aims and objectives
	FC-6C	Change of FC Designated Bank Account
	FC-6D	Opening of FC Utilization Account
	FC-6E	Change in more than 50% of the key members of the organization

SIGNATURE IN THE FORMS

4.01 Earlier the forms had to be signed by the Chief Functionary. Now the forms can be signed by chief functionary/Chairperson/President/Secretary/ CEO/ MD.

SUMMARY OF CHANGE IN FEES

5.01 The amended rules have changed the fees structure for filing of various forms, a summary of the old and new fee is as under:

Type of Application	Old fee	New Fee
Registration	2000	5000
Prior Permission	1000	3000
Renewal	500	1500
Delayed Renewal	500	5000

ONLINE FILING OF FORM 1 & FORM 2

- 6.01** Form FC-1 and FC-2 need to be applied online; earlier, it was not mandated by the rules even though practically, it was being applied online. There is no change in the content of Form FC-1
- 6.02** Form FC-1 pertains to intimation regarding the following:
- (i) Receipt of foreign contribution by way of gift from relative
 - (ii) Foreign Contribution (Articles) Account
 - (iii) Foreign Contribution (Securities) Account
 - (iv) Receipt of foreign contribution by a candidate for Election
- 6.03** Form FC-2 pertains to intimation regarding receipt of foreign hospitality. The following are the changes made in Form 2:
- Pan made mandatory
 - Aadhar number is optional
 - Details of Hospitality availed during last 3 years
 - Details of denial of Foreign Hospitality earlier
- 6.04** It may also be noted that a delayed intimation regarding foreign hospitality is also permissible, for foreign hospitality availed in case of emergent medical aid situation, intimation to be given on plain paper to the Secretary, Ministry of Home Affairs at the address mentioned in FORM FC-2, within sixty days of such receipt of foreign hospitality.

NEW FORM FC-3A

7.01 The Application form for obtaining FC registration is FC-3A, earlier it was a part of Form FC-3 which was a combined form for registration, prior permission and renewal.

The key changes in the new FC-3A Form are as under:

- PAN of Key Functionaries is inserted and has been made mandatory
- Details of Designated Bank Account also include email of the Bank/ Branch and date of opening Account.
- A declaration has to be given whether the association was already registered under FC & the registration is cancelled or deemed to have been ceased in the past.
- Requires the amount of expenditures incurred in last three year towards activities for which registration is applied for.

NEW FORM FC-3B

8.01 The Application form for obtaining prior permission is FC-3B, earlier it was a part of Form FC-3 which was a combined form for registration, prior permission and renewal.

The key changes in the new FC-3B Form are as under:

- PAN of Key Functionaries is inserted and has been made mandatory
- Details of Designated Bank Account also include email of the Bank/ Branch and date of opening Account.
- Applicant seeking Prior Permission for more than 50 Lakhs has to mandatorily enclose Audit statement and Activity reports of Last 3 years; earlier, this was mandated only in case of Registration. ***In other words, a new organization before completing three years can apply for prior permission only upto Rs 50 lakh.***

NEW FORM FC-3C

9.01 The Application form for obtaining renewal is FC-3C, earlier it was a part of Form FC-3 which was a combined form for registration, prior permission and renewal. The

key changes in the new FC-3C Form are as under:

- PAN of Key Functionaries is inserted and has been made mandatory
- Details of Designated Bank Account also include email of the Bank/ Branch and date of opening Account.
- Addition clause requiring information regarding cancellation of FCRA registration in the past
- Details of Amount received in FC for the last 3 years has been added now.
- Details of Change in key functionaries like date, reasons for change has been added.

EXTENSION OF TIME FOR DELAYED

FILING OF RENEWAL APPLICATION

10.01 As per Section 16 of FCRA, 2010 every person who has been granted a certificate of registration under Section 12 thereof shall have such certificate renewed within six months before the expiry of the period of the certificate. Further, under Rule 12(8) a delayed submission of the renewal application was also permissible upto 4 months from the date of the expiry of the Registration Certificate. The amended rule 12(8) now allows filing of application upto 1 year from the date of the expiry of the Registration Certificate.

10.02 Further, fees for such late filing of renewal application has been fixed of Rs. 5000/ This fee is in addition to the normal fees of Rs. 1500/- charged for processing of renewal of application. It may also be noted that application for renewal shall be made in Form FC-3C earlier it was Form 3.

CHANGES IN FORM FC-4

11.01 The Form FC-4 which is used for filing the Annual FC return as undergone considerable changes, which are as under:

- Amended FC-4 requires further details of individual donor wise contribution, activities/projects for which FC was utilized, purchase of assets (including details of movable & immovable), as well as FC transfer to other organizations.
- A new requirement is to provide details of other receipts from projects or activities. Here number of details like name and location of the project/activity, year of commencement is required to be provided. Here income out of FC project assets and other such project income would have to be reported. It may be noted that under explanation 2 to section 2(h) of FCRA 2010 any other income derived out of foreign contribution including interest is also treated as foreign contribution.
- The donor wise details of foreign fund received require additional requirement to specify the specific activity/project for which such contributions are received.
- Details of utilization is required to be under four different sub-heads :
 - i) Details on the basis of each project/activity with its address & location and bifurcating the receipts in between cash and in kind and also as previous balance, received during the year, utilized & balance.
 - ii) Amount of utilization as per aim & object & on Admin expenses.
 - iii) Utilisation on purchase of assets with details of movable & immovable assets with purpose & amount.
 - iv) Details of FC transferred to other associations with date & purpose.
- Details of unutilized foreign contribution is required to be bifurcated into Fixed deposit, cash in hand, balance in FC designated bank a/c & in utilization bank a/c.
- Earlier details were required only for foreigners working but the amended Rules provides for information on foreigners as a key functionary, working & associated.
- Additional information is required for land & building remains unused for more than two years with reason for unutilisation.
- Details of bank account requires further information i.e phone no, email id of the concerned bank a/c as well as date of opening of bank a/c.

CHANGES IN FORM FC-5

12.01 The FC-5 Form is regarding transfer or FC fund to organisations not registered under FCRA. The key changes in the new FC-5 Form are as under:

- Darpan ID of transferor association is optional.
- Details of Designated Bank Account also include email of the Bank/ Branch and date of opening Account.
- Additional column of details of recipient, in case recipient is an individual.
- Date of Opening Bank Account of the recipient.
- **Signature in the form** : Earlier the form has to be signed by the Chief Functionary. Now the form can be signed by chief functionary / Chairperson/President/ Secretary/ CEO/MD.

NEW FORM FC-6A

13.01 The Application form intimating the change in registered office within the state is FC-6A, earlier it was a part of Form FC-6 which was a combined form. There are no changes in the new FC-6A Form except that Darpan ID is optional.

NEW FORM FC-6B

14.01 The Application form intimating the change in objects of the association is FC-6B, earlier it was a part of Form FC-6 which was a combined form. There are no changes in the new FC-6B Form except that Darpan ID is optional.

NEW FORM FC-6C

15.01 The Application form intimating the change in designated cum utilisation Bank Account

is FC-6C, earlier it was a part of Form FC-6 which was a combined form. There are no changes in the new FC-6C Form except:

- Darpan ID is optional.
- Details of Designated Bank Account: email of the Bank/ Branch and Date of opening Account has been added.

NEW FORM FC-6D

16.01 The Application form intimating the opening of utilisation Bank Account is FC-6D, earlier it was a part of Form FC-6 which was a combined form. There are no changes in the new FC-6D Form except that Darpan ID is optional.

NEW FORM FC-6E

17.01 The Application Form for intimating the change in key members of the organisation is FC-6E, earlier it was a part of Form FC-6 which was a combined form. There are no changes in the new FC-6E Form except:

- That Darpan ID is optional.
- PAN of Key Functionaries mandatory

FCRA RULES AMENDMENT 2019 NOTIFICATION**MINISTRY OF HOME AFFAIRS
NOTIFICATION**

New Delhi, the 7th March, 2019

G.S.R. 199(E).- 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:-

1. Short title and commencement. - (1) These rules may be called the Foreign Contribution (Regulation) Amendment Rules, 2019.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Foreign Contribution (Regulation) Rules, 2011, -
 - (i) in rule 2, in sub-rule 1, after clause (a), the following clause shall be inserted, namely:- “(aa) “bank account” means a bank account in a core banking compliant bank, which is integrated with the Public Financial Management System (PFMS)”;
 - (ii) in rule 6, after the word “Government”, the following words shall be inserted, namely:- “by uploading details electronically online”;
 - (iii) in rule 7, in sub-rule (1), after the word “apply”, the following words shall be inserted, namely:- “electronically online”;
 - (iv) in rule 9, -
 - (a) in sub-rule (1), -
(A) for clause (a), the following clause shall be substituted, namely:-
“(a) An application for certificate of registration by a person under sub-section (1) of section 11, for acceptance of foreign contribution shall be made electronically online in Form FC-3A and an application for obtaining prior permission by a person under sub-section (2) of section 11, for acceptance of foreign contribution, shall be made electronically online in Form FC-3B.”;

- (B) in clause (e), for the letters and figure “FC-6”, the letters and figure “FC-6D” shall be substituted;
- (b) in sub-rule (2), in clause (e), for the letters and figure “FC-6”, the letters and figure “FC-6D” shall be substituted;
- (c) in sub-rule (4), -
- (A) in clause (a), for the letters, figures, brackets and words “Rs.1000/- (One Thousand only)”, the letters, figures, brackets and words “Rs.3000/- (Three Thousand rupees only)” shall be substituted;
- (B) in clause (b), for the figures, brackets and words “2000/- (Two Thousand only)”, the letters, figures, brackets and words “Rs.5000/- (Five Thousand rupees only)” shall be substituted;
- (v) in rule 12, -
- (a) in sub-rule (2), for the words, letters and figures “to the Central Government in Form FC-3”, the words, letters and figures “to the Central Government electronically online in Form FC-3C” shall be substituted;
- (b) in sub-rule (4), for the letters, figures, brackets and words “Rs.500/- (Five Hundred only)”, the letters, figures, brackets and words “Rs.1500/- (One Thousand Five Hundred rupees only)” shall be substituted;
- (c) in sub-rule (8),-
- (A) after the words “requisite fee”, the letters, figures, brackets and words “and with late fee of Rs.5000/- (Five Thousand rupees only)” shall be inserted;
- (B) for the words “four months” the words “one year” shall be substituted;
- (vi) in rule 17A, -
- (a) the words, letters and figure “in Form FC-6” shall be omitted;
- (b) in item (i), after the word “Act”, the words, letters and figures “in Form FC-6A” shall be inserted;
- (c) in item (ii), after the word “authorities”, the words, letters and figures “in Form FC-6B” shall be inserted;

(d) in item (iii), -

(A) after the word “number”, the words, letters and figures “in Form FC-6C” shall be inserted;

(B) the word “and” occurring at the end shall be omitted;

(e) after item (iii), the following item shall be inserted, namely:-

“(iiia) bank and/or branch of the bank for the purpose of utilising the foreign contribution after it has been received in Form FC-6D; and ”;

(f) in item (iv), after the word “Act”, the words, letters and figures “in Form FC-6E” shall be inserted;

(vii) for forms FC-1 to FC-6, the following forms shall be substituted, namely:-

LIST OF BANKS INTEGRATED WITH PFMS

- 1 ABU DHABI COMMERCIAL BANK
- 2 ALLAHABAD BANK
- 3 ALLAHABAD UP GRAMIN BANK
- 4 ANDHRA BANK
- 5 ANDHRA PRAGATHI GRAMEENA BANK
- 6 AXIS BANK
- 7 BANK OF BAHRAIN AND KUWAIT
- 8 BANK OF BARODA
- 9 BANK OF INDIA
- 10 BANK OF MAHARASHTRA
- 11 BASSEIN CATHOLIC CO-OP.BANK LTD.
- 12 BOMBAY MERCANTILE CO-OP.BANK LTD.
- 13 CANARA BANK
- 14 CATHOLIC SYRIAN BANK LTD.
- 15 CENTRAL BANK OF INDIA
- 16 CITIBANK
- 17 CITY UNION BANK LTD
- 18 CORPORATION BANK
- 19 DCB BANK LIMITED
- 20 DENA BANK
- 21 DEUTSCHE BANK
- 22 DHANLAXMI BANK LTD
- 23 HDFC BANK LTD
- 24 HSBC
- 25 ICICI BANK LTD
- 26 IDBI BANK LTD
- 27 INDIAN BANK
- 28 INDIAN OVERSEAS BANK
- 29 INDUSIND BANK LIMITED
- 30 JHARKHAND GRAMIN BANK
- 31 KARNATAKA BANK
- 32 KARUR VYSYA BANK
- 33 KOTAK MAHINDRA BANK
- 34 MADHYA BIHAR GRAMIN BANK
- 35 MANIPUR STATE CO-OP.BANK LTD.

- 36 NEW INDIA CO-OPERATIVE BANK LTD
- 37 NKGSB CO-OP BANK LTD
- 38 ORIENTAL BANK OF COMMERCE
- 39 PUNJAB AND SIND BANK
- 40 PUNJAB NATIONAL BANK
- 41 RBL BANK
- 42 SOUTH INDIAN BANK
- 43 STANDARD CHARTERED BANK
- 44 STATE BANK OF INDIA
- 45 SYNDICATE BANK
- 46 TAMILNAD MERCANTILE BANK LTD
- 47 THE COSMOS CO-OPERATIVE BANK LTD.
- 48 THE FEDERAL BANK LTD
- 49 THE JAMMU AND KASHMIR BANK LTD
- 50 THE KALUPUR COMMERCIAL CO. OP. BANK LTD.
- 51 THE LAKSHMI VILAS BANK LTD
- 52 THE SARASWAT CO-OPERATIVE BANK LTD
- 53 THE SHAMRAO VITHAL CO-OPERATIVE BANK LIMITED
- 54 TJSB SAHAKARI BANK LIMITED
- 55 UCO BANK
- 56 UNION BANK OF INDIA
- 57 UNITED BANK OF INDIA
- 58 VIJAYA BANK
- 59 YES BANK LTD

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