

## **CHARTER FOR THE BANKS**

Banks have given a very crucial role in ensuring that the provisions of the Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011) are scrupulously followed by the associations who have been granted prior permission/registration under FCRA, 2010 as also by all other person(s), as defined in the Act. No bank should credit any foreign contribution to the account of an association/NGO unless it produces documentary evidence of having obtained registration/prior permission from the Central Government for the same. In case any foreign contribution is credited to the account of an NGO/Association/Trust directly, the bank should not allow utilization of such fund and inform the NGO/Association/Trust concerned to obtain necessary permission/registration from the Central Government for the same. Simultaneously, the bank should inform the Deputy Secretary (FCRA), Ministry of Home Affairs, Govt. of India, New Delhi about such receipt. Non-compliance of the above by the bank will constitute a violation and will render the defaulting bank liable for appropriate action by the Reserve Bank of India. Attention of the Banks is drawn specifically to the following provisions of FCRA, 2010 and FCRR, 2011:

“Section 17: (1) Every person who has been granted a certificate or given prior permission under Section 12 shall receive foreign contribution in a single account only through such one of the branches of a bank as he may specify in his application for grant of certificate;

Provided that such person may open one or more accounts in one or more banks for utilising the foreign contribution received by him.

Provided further that no funds other than foreign contribution shall be received or deposited in such account or accounts.

(2) Every bank or authorised person in foreign exchange shall report to such authority as may be specified-

(a) 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.

“Section 18: - (1) Every person who has been granted a certificate or given prior approval under this Act shall give, within such time and in such manner as may be prescribed, an intimation to the Central Government, and such other authority as may be specified by the Central Government, as to the amount of each foreign contribution received by it, the source from which and the manner

in which such foreign contribution was received, and the purposes for which, and the manner in which such foreign contribution was utilised by him.

(2) Every person receiving foreign contribution shall submit a copy of a statement indicating therein the particulars of foreign contribution received duly certified by officer of the bank or authorised person in foreign exchange and furnish the same to the Central Government along with the intimation under sub-section(1).”

“Rule-16: - Reporting by banks of receipt of foreign contribution:-

(1) Every bank shall send a report to the Central Government within thirty days of any transaction in respect of receipt of foreign contribution by any person who is required to obtain a certificate of registration or prior permission under the Act, but who was not granted such certificate or prior permission as on the date of receipt of such remittance.

(2) The report referred to in sub-rule(1) shall contain the following details:-

- (a) Name and address of the donor.
- (b) Name and address of the recipient.
- (c) Account number.
- (d) Name of the Bank and Branch.
- (e) Amount of foreign contribution (in foreign currency as well as Indian Rupees).
- (f) Date of receipt.
- (g) Manner of receipt of foreign contribution (cash/cheque/electronic transfer etc.).

(3) The bank shall send a report to the Central Government within thirty days from the date of such last transaction in respect of receipt of any foreign contribution in excess of one crore rupees or equivalent thereto in a single transaction or in transactions within a duration of thirty days, by any person, whether registered or not under the Act and such report shall include the following details:-

- (a) Name and address of the donor.
- (b) Name and address of the recipient.
- (c) Account number.
- (d) Name of the Bank and Branch.
- (e) Amount of foreign contribution (in foreign currency as well as Indian Rupees).
- (f) Date of receipt.
- (g) Manner of receipt of foreign contribution (cash/cheque/electronic transfer etc.).”