

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1561

ANSWERED ON:09.08.2011

MONITORING FOREIGN CONTRIBUTION

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Union Government has framed new rules for monitoring foreign contributions or donations to any registered organisation in the country;
- (b) if so, the details thereof;
- (c) whether there is any provision in the new rules for suspension and cancellation of registration of such NGOs which have not been active but are somehow getting foreign donations;
- (d) if so, the details in this regard; and
- (e) the effective measures taken or proposed to be taken by the Government to ban such organisations?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN)

(a) & (b): Yes, Madam. The Union Government has framed new rules, viz., the Foreign Contribution (Regulation) Rules, 2011 under the Foreign Contribution (Regulation) Act, 2010 for monitoring receipt and utilization of foreign contributions by any person in the Country.

Both the Foreign Contribution (Regulation) Act, 2010 and foreign Contribution (Regulation) Rules 2011 have come into effect with effect from 01.05.2011. Both the Act and the rules are available in this Ministry's website www.mha.nic.in

(c) to (e): The provisions of sections 13 & 14 of the foreign Contribution (Regulation) Act, 2010 regarding suspension and cancellation of registration certificates are as under:

Section 13

(1) Where the Central Government, for reasons to be recorded in writing, is satisfied that pending consideration of the question of cancelling the certification on any of the grounds mentioned in sub-section (1) of section 14, it is necessary so to do, it may, by order in writing, suspend the certification for such period not exceeding one hundred and eighty days as may be specified in the order.

(2) Every person whose certificate has been suspended shall-

(a) not receive any foreign contribution during the period of suspension of certificate :

Provided that the Central Government, on an application made by such person, if it considers appropriate, allow receipt of any foreign contribution by such person on such terms and conditions as it may specify;

(b) utilise, in the prescribed manner, the foreign contribution in his custody with the prior approval of the Central Government.

Section 14

(1) The Central Government may, if it is satisfied after making such inquiry as it may deem fit, by an order, cancel the certificate if-

(a) the holder of the certificate has made a statement in, or in relation to, the application for the grant of registration or renewal thereof, which is incorrect or false; or

(b) the holder of the certificate has violated any of the terms and conditions of the certificate or renewal thereof; or

(c) in the opinion of the Central Government, it is necessary in the public interest to cancel the certificate; or

(d) the holder of certificate has violated any of the provisions of this Act or rules or order made thereunder; or

(e) if the holder of the certificate has not been engaged in any reasonable activity in its chosen field for the benefit of the society for

two consecutive years or has become defunct;

(2) No order of cancellation of certificate under this section shall be made unless the person concerned has been given a reasonable opportunity of being heard.

(3) Any person whose certificate has been cancelled under this section shall not be eligible for registration or grant of prior permission for a period of three years from the date of cancellation of such certificate.