

AccountAble™

73: FC-1 for Candidates & Citizens

Oct'19

Form FC-1 is an FCRA¹ form, filed online at fcraonline.nic.in. At present, login is not required for filing this form.

This form serves as a report of foreign contribution received in kind. It must be filed by ordinary citizens and candidates for election in some cases. This is discussed below.

Form FC-1 for Election Candidates

People contesting elections to a legislature (including Panchayats and Corporations), have to report foreign contribution received in the last 180 days. Such people should fill part C. The form covers all foreign contribution (money, material or securities) received up to 180 days prior to the date of nomination. When filing the form, keep in mind the following:

1. All money and securities are foreign contribution, if you have received these from a foreign source. Foreign source includes your relatives who are now foreign citizens. The term also covers foreigners and PIOs living in India.
2. Indian subsidiaries or foreign companies are also a foreign source. Therefore, any money, gifts or securities received from such companies should be included in the form.
3. Fellowship or scholarship received from foreign non-academic institutions is foreign contribution. Fellowship received from an NGO or donor agency would be foreign contribution if funded by a foreign source. You need prior-permission to accept these.
4. Money received as fees for actual work done, or for property, goods, shares, etc.,

sold to a foreigner or foreign source in the ordinary course is not foreign contribution. This need not be reported in FC-1.

5. An article received as a gift for *your personal use* is not foreign contribution at all, if the market value of the article was Rs. 1 lakh or less.² Articles or gifts received for distribution to others or for program activities should be reported, irrespective of their value.
6. Under law, any other articles or securities should be reported in form FC-1, if these were received within 180 days before your nomination. Unfortunately, the online form doesn't allow reporting of articles or securities. If you are still keen to report these, then you can improvise by mentioning the quantity (in words) and item/security in purpose column.
7. What if you received the money as a gift from your daughter (who is a foreign citizen), and have already filed form FC-1 as an ordinary citizen? It is best if you report this again through this form, if the donation occurred within the last 180 days.
8. You also have to mention how this was utilised. Keep in mind that passing this on to an NGO without FCRA or to a politician or government officer, etc., could be viewed as a violation of FCRA.

Submitting the form

Save a screenshot before clicking on 'final submit'. Download and print a PDF copy after clicking final submit. Also note down the file number shown on the screen after final submission.

¹ Foreign Contribution Regulation Act, 2010

² Rule 6A. This is effective for gifts received on or after 6-Sep-2019. Before this date, the limit was Rs. 25,000.

Form FC-1 for Indian Citizens

Ordinary Indians (residing in India or abroad), must report gifts of money, material or securities over Rs. 1 lakh in a financial year (April-March) from a relative (PIO³ or foreigner). Such people should fill part A of form FC-1. They should choose the first option online (Online Filing for giving Intimation of receipt of foreign contribution by way of gift from relative by an individual), after clicking form FC-1. You should file the form within 30 days of receiving the contribution. They need

not file the form if the relative is living abroad but is still an Indian citizen.

The limit of Rs. 1 lakh is applicable for each relative, in one financial year. This means if five of your relatives give you Rs. 51,000 each in a financial year, you need not file form FC-1. Similarly, if a relative gives you Rs. 75,000 in March and then another Rs. 50,000 next month (April), you need not file the form.

This form is meant only when you receive foreign contribution from a relative for *yourself*. As an individual, you cannot accept any foreign contribution for program activities,

Application for giving intimation to the Central Government of Receipt of Foreign Contribution received by a candidate for Election
 [section 21 of the Foreign Contribution (Regulation) Act, 2010(42 of 2010)]

[See rule 6]

DETAILS OF THE THE APPLICANT

* Name	* Date of Birth	* Name of Father/Spouse
<input type="text"/>	<input type="text" value="dd/mm/yyyy"/>	<input type="text"/>

CONTACT DETAILS OF THE RECIPIENT

* Address		
<input type="text"/>		
* Town/City	* State	* District
<input type="text"/>	<input type="text" value="--Please select--"/>	<input type="text" value="--Please select--"/>
* Pin Code	* Telephone No. with STD Code	* E-Mail Address of the Applicant
<input type="text"/>	<input type="text" value="Ex. (std code)-(Tel. No)"/>	<input type="text" value="example@yahoo.com"/>
* Mobile No. of Applicant	* Date on which Duly Nominated	
<input type="text"/>	<input type="text" value="dd/mm/yyyy"/>	

DETAILS OF FOREIGN CONTRIBUTION RECEIVED WITH IN 180 DAYS IMMEDIATELY PRECEDING THE DATE ON WHICH DULY NOMINATED AS A CANDIDATE FOR ELECTION

* Foreign Contribution Received as	* Value in Rs.	* Purpose
<input type="text" value="--Please select--"/>	<input type="text"/>	<input type="text"/>
* Donor Name	* Donor Address	* Donor E-mail Address
<input type="text"/>	<input type="text"/>	<input type="text" value="Ex:- example@yahoo.com"/>
* Donor Nationality	* Country of Residence	* Relationship with Donor
<input type="text" value="--Please select--"/>	<input type="text" value="--Please select--"/>	<input type="text"/>
* Utilisation Details	* Signature	
<input type="text"/>	<input type="button" value="Choose File"/> no file selected	

DECLARATION

* Place	Date
<input type="text"/>	<input type="text" value="14/10/2019"/>
* Access Code	Access Code
<input type="text"/>	T242Q6C

I hereby declare that the above particulars furnished by me are true and correct.

research, etc. You will still need prior-permission for these. You should also not use this route to accept money from your relatives for passing on to NGOs or politicians, government officers, etc., in India. That may well be treated as a form of money-laundering!

Articles from Relatives

If you've received items or material from a relative, choose option 2.4 The form is fairly

simple and starts with name and contact details. Ignore the fields related to FCRA registration number, etc.

You will have to file a separate form for each relative, each type of articles, and each time these are received. For example, if your PIO's spouse has given you a solitaire ring as an anniversary gift and a car as a birthday gift, you should file the form twice. Similarly if your PIO son or daughter gives you a house in India

Application for Intimation to the Central Government of receipt of foreign contribution by way of gift from relative by an Individual

[See rule 6, 17 and 18]

DETAILS OF THE THE APPLICANT

* Full name of the Recipient <input type="text"/>	* Date of Birth <input type="text" value="dd/mm/yyyy"/>	* Name of Father/Spouse <input type="text"/>
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CONTACT DETAILS OF THE RECIPIENT

* Address <input type="text"/>		
* Town/City <input type="text"/>	* State <input type="text" value="--Please select--"/>	* District <input type="text" value="--Please select--"/>
* Pin Code <input type="text"/>	* Telephone No. of Association <input type="text" value="(std code)-(Tel. No)"/>	* E-Mail Address of the Association <input type="text" value="example@abc.com"/>
* Mobile No. of Applicant <input type="text"/>	* PAN No. of the Recipient in India <input type="text"/>	
* Amount of Foreign Contribution Received, if it exceeds Rs. 1 lakh Rupees or equivalent in a financial year <input type="text"/>	* Number of the Bank Draft or Telegraphic Transfer or other Communication including the Bank Details <input type="text"/>	

DETAILS OF THE RELATIVE

* Name <input type="text"/>	* Nationality <input type="text" value="-- Please select--"/>	* Country of Residence <input type="text" value="--Please select--"/>
* E-Mail Address <input type="text" value="ex: example@abc.com"/>	* Passport Number <input type="text"/>	* Relationship with Recipient <input type="text"/>
* Upload Signature <input type="button" value="Choose File"/> no file selected		

DECLARATION

* Place <input type="text"/>	Date <input type="text" value="14/10/2019"/>
* Enter Access Code <input type="text"/>	Access Code FP4X98Z

* I hereby declare that the above particulars furnished by me are true and correct.

⁴ Online filing for giving intimation about foreign contribution by way of (Articles) from relative by an individual

⁵ Person of Indian Origin means a person who is not an Indian citizen any longer.

as a gift, you will have to report this in form FC-1.

While calculating the value of gifts for this purpose, any article/item whose market value is Rs. 1 lakh or less should be ignored.⁶ This exemption is applicable only for gifts received by an individual for his/her *personal* use (and doesn't cover money or securities). The exemption also doesn't apply when NGOs receive materials for their own use or for distributing to community members.

You should also give the mode of utilisation. It is advisable not to pass on these articles to an NGO without FCRA or to a politician or government officer, etc.

Securities from Relatives

If you've received shares or bonds as a gift from a relative (foreign citizen), choose option 3.⁷ The form is simple and starts with name and contact details, along with PAN.

You will have to file a separate form for each relative, each type of security, and each time these are received. For example, if your son and daughter-in-law have gifted you shares of two companies in two instalments during the year, you will have to file eight separate forms. Market value of the securities should be reported. Also give reference to RBI reporting under FEMA.⁸ If RBI reporting is not required, then mention N.A.

You should also give the mode of utilisation of the securities. It is advisable not to pass on these securities to an NGO without FCRA or to a politician or government officer, etc.

Money from Relatives

If you've received any money as a gift from a relative, who is a foreign citizen, choose option 1.⁹ This includes money given by PIO children to their parents (who are still Indian) for medical treatment or buying a house. Money

gifts exchanged during a wedding are also covered. The form is fairly simple and starts with name, date of birth, PAN and contact details. The details of the remittance should be given. This is followed by details of the relative, including nationality, residence, passport number, and relationship with you.

The form does not ask you about how you've used the gift of money. However, if you pass this money on to an NGO without FCRA (or to a politician or government officer, etc.), it could be viewed as a violation of FCRA.

Submitting the form

Save a screenshot before clicking on 'final submit'. Download and print a PDF copy after clicking final submit. Keep this with your tax documents for future reference.

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Interpretation of law: Interpretation of law given here is of a general nature and is based on law as of 30-Sep-2019. This interpretation may not be accepted by FCRA Department or courts. Please consult your auditors or tax advisors before taking any important decisions.

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⁶ Rule 6A. The limit was Rs. 25,000 till 5-Sep-19.

⁷ Online filing for giving intimation about foreign contribution by way of Securities

⁸ If the relative is a non-resident, then you should file Form FC-TRS online at firms.rbi.org.in. This is not necessary if the relative has resident status under FEMA (even if they are a foreign source under FCRA).

⁹ Online filing for giving intimation about foreign contribution by way of gift from relative by an individual