

**Foreign Contributions for Quake Victims:
Associations in India can receive Funds
without Prior Permission from Government**

February 2, 2001

The Reserve Bank of India has today advised banks about the exemption granted by Ministry of Home Affairs, Central Government to all associations from provision of Foreign contribution (Regulation) Act, 1976 to accept foreign contribution, in cash or kind, to provide relief to earthquake victims without obtaining a formal approval of the Central Government. The Ministry of Home Affairs issued a notification on February 1, 2001 granting this exemption with immediate effect and up to March 31, 2001. The exemption is available to all associations (other than political parties) having a definite cultural, economic, educational, religious or social programme.

To avail the exemption the associations would need to follow certain conditions. Each such association would, however, need to open a new bank account for this purpose and designate it as the "Gujarat Earthquake Relief Account". The association would need to receive contribution for Gujarat earthquake victims in this designated account. The associations would also need to maintain a separate set of accounts and records in respect of foreign contributions received for earthquake relief. They would need to submit details of such accounts to Ministry of Home Affairs within one week of opening such account and give intimation regarding receipt of foreign contribution within four months of the close of year to the Ministry of Home Affairs.

Earlier, the Reserve Bank relaxed the Ways and Means Advances and Overdraft Regulations for the State of Gujarat till the end of February 2001. The Reserve Bank had asked banks to advise all their branches, in particular those situated in Gujarat, to ensure immediate credit of payments received towards relief for Gujarat earthquake victims and not to delay crediting of their accounts for want of purpose of remittance or other such details. Such particulars could be collected later, it had stated.

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