

Suspension and Cancellation of Registration

Q.1 Can the Government cancel the certificate of registration granted to a person under FCRA?

Ans. Yes. Central Government may cancel the certificate, after carrying out an inquiry, on the following grounds –

- (a) the holder of the certificate has made an incorrect/false statement in the application for the grant of registration or renewal
- (b) the holder of the certificate has violated any of the terms and conditions of the certificate or renewal thereof
- (c) in the opinion of the Central Government, it is necessary in the public interest to cancel the certificate
- (d) the holder of the certificate has violated any of the provisions of this Act or rules or order made thereunder.
- (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.

NOTE – 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.

Q.2 Can the Government suspend the certificate of registration granted to person under FCRA?

Ans. Yes. Whenever the Central Government is satisfied that pending consideration of the question of cancelling the certificate on any of the grounds mentioned above in Q. 1, it is necessary so to do, it may suspend the certificate for a not exceeding one hundred and eighty days.

Q.3 What are the consequences of suspension of the registration certificate granted to a person under FCRA?

Ans. A person whose FCRA registration certificate has been suspended:

- (a) Cannot receive any foreign contribution during the period of suspension of certificate; provided that the central government specifically approves it on a case by case basis

(b) Cannot utilize the unutilized FC in his custody without the prior approval of the Central Government. Even in this case, only up to twenty-five per cent of the unutilised amount may be spent, with the prior approval of the Central Government, for the declared aims and objects for which the foreign contribution was received. The remaining seventy-five per cent of the unutilised foreign contribution shall be utilised only after revocation of suspension of the certificate of registration.