

AS INTRODUCED IN THE RAJYA SABHA
ON THE 7TH DECEMBER, 2012

Bill No. LIII of 2011

**THE HOSTING, SPONSORING AND ADVERTISING OF SPORTS
EVENTS (REGULATION) BILL, 2011**

A

BILL

to regulate the hosting, sponsoring and advertising sports events by body corporates, persons, partnerships, associations other than recognised sports associations who spend substantial money on a single sport and take tax exemption thereon but ignore other sports and to provide for declaration of annual budget for such sports activities and spending limit of fifty percent of the budget on a single sport so that other sports too get their due promotion and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Hosting, Sponsoring and Advertising of Sports Events (Regulation) Act, 2011.

Short title,
extent and
commencement.

5 (2) It extends to the whole of India.

(3) It shall come into force at once.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "appropriate Government" means in the case of a State, the Government of that State and in other cases the Central Government;

10 (b) "prescribed" means prescribed by rules made under this Act.

(c) words and expressions used but not defined in this Act but defined in the Companies Act, 1956 shall have the meaning respectively assigned to them in that Act.

Allocation of specified of budget by body corporates and state owned corporation for hosting sponsoring and advertising of sports.

3. (1) Notwithstanding anything contained in any other law for the time being in force, every body corporate the public sector or private sector, created by an Act of parliament or of a State Legislature, as the case may be, or registered under the Companies Act, 1956 shall, in case such body corporate is involved in hosting, sponsoring or advertising of any sports event within the country or out of the country, have to create a budget for such sports event through a Board Resolution, by allocating a specified percentage of the net profit of the previous year for that purpose.

62 of 1956.

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(2) Once the budget so created under sub-section (1), the body corporate shall not be entitled to spend more than one half of such budget on hosting, sponsoring or advertising of a particular sport and in case of non compliance of this provision, the appropriate Government shall debar such body corporate of any kind of exemption whatsoever.

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(3) Any body corporate who spends half of its budget on a particular sport shall distribute the rest of the budget on the hosting, promotion, sponsoring and advertising of other sports as may be chosen by its Board.

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(4) The provisions of sub-section (1) to (3) shall be made applicable to persons, partnerships, associations and others by the appropriate Government in such manner as may be prescribed.

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4. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of the period of three years from the commencement of this Act.

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5. The Provisions of this Act and rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force, but save as aforesaid, the provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force dealing with the subject matter of this Act.

Power to make overriding effect.

6. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

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Power to make rules.

STATEMENT OF OBJECTS AND REASONS

These days hosting, sponsoring or advertising of sports events are becoming very popular with the body corporates of the private sector and public sector enterprises of the Government including the Banking sector. These corporates are spending crores of rupee on the sports and thereby taking various tax exemptions on these spendings. But, it has been seen that the spending is on Cricket alone and other sports have completely been ignored. Some corporates organise Formula Car races but generally outside the country though recently it has also made in the country as well in Greater Noida Cricket is a game played in few countries generally of Commonwealth Nations. It is not recognised in the Olympics and other International games. But in our Country other games have completely been ignored. Though these games have given great players of international fame but ignoring of these games including our national sport Hockey continues. So, it has become necessary to regulate the spending of Corporates on sports. They have to fix a yearly budget for sports and they can spend only fifty percent of that budget on one sport. Rest they have to spend for promotion of other sports. In case, they do not do so they will not get any exemption in taxation from the Government. This is the only way other games such as Hockey, Football, Tennis, Badminton, Archery, Shooting, Boxing, Judo, etc. will be promoted in the country.

Hence this Bill.

DR. AKHILESH DAS GUPTA

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only.

The delegation of legislative power is of a normal character.

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(Dr. Akhilesh Das Gupta, M.P.)