

Foreign Contribution Regulation Act (FCRA)

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Foreign Contribution Regulation Act (FCRA) Latest News

Recently, the Union Home Ministry revoked the FCRA licence of the Students Educational and Cultural Movement of Ladakh (SECMOL), founded by climate activist Sonam Wangchuk.

About the Foreign Contribution Regulation Act (FCRA)

- The **Foreign Contribution (Regulation) Act (FCRA)** was originally enacted in **1976** during the **Emergency** to **prevent foreign influence** on India's internal affairs through financial contributions.
- The **FCRA, 2010**, currently in force, regulates the **acceptance and utilisation of foreign funds** by individuals, associations, and companies in India.
- Its **primary objective** is to ensure that **foreign donations do not compromise national sovereignty, integrity, or internal security**, and are used only for **legitimate developmental purposes**.

Amendments to FCRA

FCRA (Amendment), 2010

- Consolidated the 1976 law.
- Expanded coverage to associations, NGOs, and companies.
- Strengthened the regulatory framework.

FCRA (Amendment), 2020 Key Changes

- **Ban on Transfers:** Prohibits NGOs from transferring foreign contributions to other NGOs or individuals.
- **Mandatory Aadhaar:** All office bearers must provide Aadhaar/passport/OCI details for registration.
- **FCRA Account:** All contributions must be received only in the **designated SBI branch, New Delhi**.
- **Reduced Administrative Expenses:** Limit cut from **50% to 20%** of foreign funds.
- **Renewal of Licence:** Renewal contingent on government scrutiny for fictitious entities or misuse.
- **Suspension Extension:** Suspension of registration can last up to **360 days**.
- **Surrender Provision:** Organisations can voluntarily surrender their FCRA licence, subject to approval.
- **Bar on Public Servants:** Public servants are prohibited from receiving foreign contributions.

FCRA Rules (Amendment), 2022

- Increased the annual limit for **foreign remittances from relatives abroad** from **₹1 lakh to ₹10 lakh** without prior intimation.
- Simplified compliance for smaller transactions but reinforced safeguards against foreign funds that may threaten **national interests**.

Categories under FCRA

- **Prohibited Recipients:** Candidates for elections, journalists, media houses, judges, government servants, members of legislatures, political parties, and organisations of political nature.
- **Permitted Use:** NGOs, educational, cultural, economic, and social associations, provided they comply with regulations.
- **Validity:** Registration valid for **5 years**, renewable upon application at least 6 months before expiry.

Source: **TH**

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