

Foreign Contribution Regulation Act

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About Foreign Contribution (Regulation) Act:

- It is a law enacted by Parliament to **regulate foreign contributions** (especially monetary donations) provided by certain individuals or associations **to NGOs and others within India**.
- The FCRA was originally enacted in 1976, and significantly revised in 2010.
- The Act falls under the purview of the **Ministry of Home Affairs (MHA)**.
- **'Foreign Contribution'** means the **donation, delivery, or transfer** made by any foreign source **of any**:
 - **Any article** (not being an article given to a person as a gift for his/her personal use, the market value of which is not more than one lakh rupees);
 - **Any currency**, whether Indian or foreign.
 - **Any security**, including foreign security.
- This will **also cover**:
 - **Contribution received from any person who has in turn received it from a foreign source.**
 - **Interest accrued on foreign contributions** deposited in the bank
- It creates **registration requirements** and **spending restrictions** on Indian nonprofit organizations receiving foreign donations.
- The Act aims to **prevent foreign organisations from influencing** electoral politics, social, political, economic, or religious discussions in India for wrong purposes and **activities detrimental to the public interest**.
- **Contributions made by** a citizen of India living in another country (e.g., a Non-Resident Indian **(NRI)**) **from his/her personal savings** through the normal banking channels, will **not be treated as foreign contributions**.
- **Who can Receive Foreign Contributions?** Any person can receive a foreign contribution provided:
 - The person has a **definite cultural, economic, educational, religious, or social programme**;
 - The person must have **obtained FCRA registration**/prior permission from the Central Government and

- Person **includes**

- an **individual**;
 - a **Hindu Undivided Family**;
 - an **association**;
 - a **company** registered under Section 8 of the Companies Act, 2013;
 - The foreign contribution received has to be **utilised only for the purpose** for which it has been received, and **not more than 20%** of the foreign contribution received in a financial year **can be utilised to defray administrative expenses**.
 - The FCRA requires every person or NGO seeking to receive foreign donations to **open a bank account for the receipt of foreign funds in the State Bank of India, Delhi**.
 - **Registration under FCRA:** The FCRA is applicable to all **associations, groups** and **NGOs** which intend to receive foreign donations.
- It is **mandatory** for all such NGOs **to register** themselves under the FCRA.
 - The applicant **should not be fictitious or benami** and **should not** have been **prosecuted or convicted** for indulging **in activities aimed at conversion** through inducement or force, either directly or indirectly, **from one religious faith to another**.
 - The registration is **initially valid for five years**, and it can be **renewed subsequently** if they comply with all norms.
 - Registered associations can receive foreign contribution **for social, educational, religious, economic, and cultural purposes**.
 - Registration **can be cancelled if an inquiry finds a false statement** in the application.
 - **Once the registration** of an NGO **is cancelled**, it is **not eligible for re-registration for three years**.
 - The **ministry** also **has the power to suspend an NGO's registration for 180 days** pending inquiry, and **can freeze its funds**.
 - **All orders** of the government can **be challenged in the High Court**.
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Q1: What is an NGO?

A non-governmental organization (NGO) is a group that functions independently of any government. It is usually non-profit. NGOs, sometimes called civil society organizations, are established on community, national, and international levels to serve a social or political goal such as a humanitarian cause or the protection of the environment.

News: No FCRA for NGOs linked to conversions, radical groups: Govt

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