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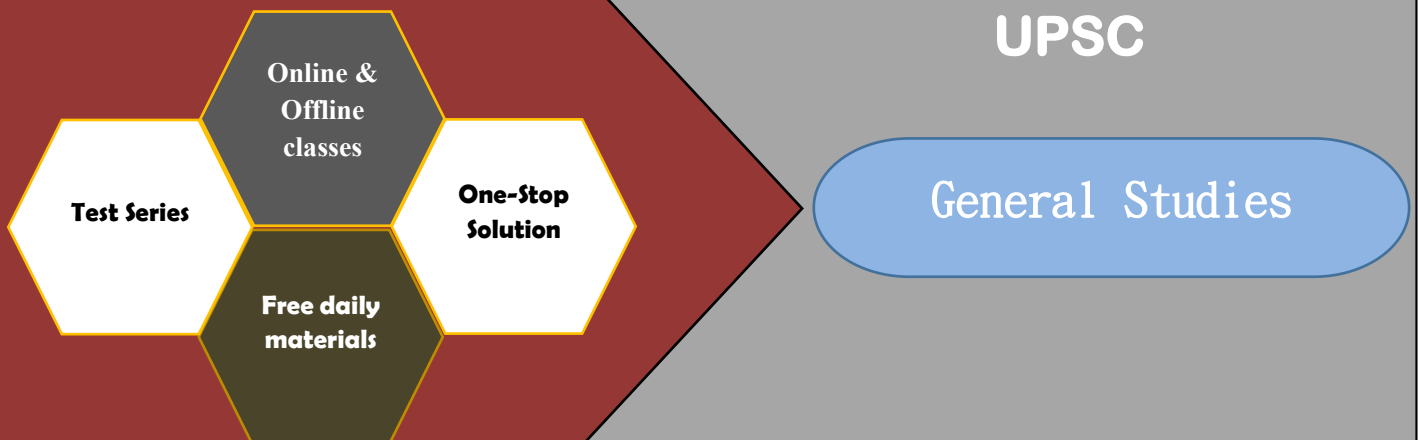
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Foreign Contribution (Regulation) Act (FCRA), 2010

Notes for civil services preparation



Foreign Contribution (Regulation) Act (FCRA), 2010

- **Foreign funding of voluntary organizations** in India is regulated under **FCRA act** and is **implemented by the Ministry of Home Affairs**.
- Under the Act, **organisations require to register themselves every five years**.
- As per the amended FCRA rules, all NGOs registered or granted prior permission under FCRA are now required to upload details of foreign contributions received and utilized by them every three months on their website or the FCRA website.
- NGO now need to file their annual returns online, with the hard copy version dispensed. The annual returns must be placed quarterly on the NGO's website or the FCRA website maintained by the home ministry.

Who can accept Foreign Contribution?

- A person having a definite cultural, economic, educational, religious or social programme can accept foreign contributions after getting registration or prior permission from the Central Government.

Who cannot accept Foreign Contribution?

1. Election candidate
2. Member of any legislature (MP and MLAs)
3. A political party or office bearer thereof
4. Organization of a political nature
5. Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper.
6. Judge, government servant or employee of any corporation or any other body controlled or owned by the government.
7. Association or company engaged in the production or broadcast of audio news, audiovisual news or current affairs programmes through any electronic mode
8. Any other individuals or associations who have been specifically prohibited by the Central Government

What is the eligibility criteria for grant of registration?

The Association:

- must be registered (under the Societies Registration Act, 1860 or Indian Trusts Act 1882 or section 8 of Companies Act, 2013 etc.)
- normally be in existence for at least 3 years.

- has undertaken reasonable activity in its field for the benefit of society.
- Has spent at least 10,00,000/- (Rs. ten lakh) over the last three years on its activities.

What is 'public interest' ?

- The FCRA regulates the receipt of **funding from sources outside of India to NGOs working in India.**
- It prohibits the receipt of foreign contribution **“for any activities detrimental to the national interest”**.
- The Act specifies that NGOs require the government's permission to receive funding from abroad.
- The government can refuse permission if it believes that **the donation to the NGO will adversely affect “public interest” or the “economic interest of the state”**.
- This condition is manifestly overbroad. **There is no clear guidance on what constitutes “public interest”**.

Definition of foreign contribution:

- It defines the term 'foreign contribution' **to include currency, articles other than gifts for personal use and securities received from foreign sources.** While foreign hospitality refers to any offer from a foreign source to provide foreign travel, boarding, lodging, transportation or medical treatment cost.

Background:

- In 2019 alone, more than 1,800 NGOs lost their licence to receive foreign funding.

What needs to be done now?

1. **A National Accreditation Council** consisting of academicians, activist, retired bureaucrats should be made to ensure compliance by
2. There should be **better coordination between Ministries of Home Affairs and Finance** in terms of monitoring and regulating illicit and unaccounted funds.
3. **A regulatory mechanism to keep a watch on the financial activities of NGOs and voluntary organizations** is the need of the hour.
4. Citizens today are keen to play an active role in processes that shape their lives and it is important that their **participation in a democracy go beyond the ritual of voting and should include promotion of social justice, gender equity, inclusion etc.**