



Foreign Contribution Regulation Act

For Prelims: Centre for Policy Research (CPR), Indian Council for Social Science Research, Emergency in 1976, Sedition.

For Mains: Provisions of Foreign Contribution Regulation Act (FCRA).

Why in News?

Recently, the **Ministry of Home Affairs** suspended the [Foreign Contribution Regulation Act \(FCRA\)](#) licence of the **Centre for Policy Research (CPR)**.

- **CPR (not-for-profit society), along with Oxfam India and the Independent and Public-Spirited Media Foundation (IPSMF)**, was surveyed by the Income Tax department earlier.

What is the Foreign Contribution Regulation Act?

- **About:**
 - **FCRA was enacted during the [Emergency in 1976](#)** amid apprehensions that foreign powers were **interfering in India's affairs** by pumping money into the country through independent organisations.
 - The law sought to regulate foreign donations to individuals and associations so that they functioned in a manner consistent with the values of a [sovereign democratic republic](#).
- **Amendments:**
 - An amended FCRA was enacted in 2010 to **"consolidate the law" on utilisation of foreign funds**, and "to prohibit" their use for "any activities detrimental to national interest".
 - The law was amended again in **2020**, giving the government tighter control and scrutiny over the receipt and **utilisation of foreign funds by NGOs**.
- **Criteria:**
 - The FCRA requires every person or NGO seeking to receive foreign donations to be:
 - **registered under the Act**
 - to open a bank account for the receipt of the foreign funds in **State Bank of India, Delhi**
 - to utilize those funds only for the purpose for which they have been received and as stipulated in the Act.
 - FCRA registrations are granted to individuals or associations that **have definite cultural, economic, educational, religious, and social programmes**.
- **Exceptions:**
 - Under the FCRA, the **applicant should not be fictitious 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 applicant should also not have been prosecuted for or convicted of creating communal tension or disharmony.

- Also, should not be engaged or likely to be engaged in the propagation of **sedition**.
- The Act prohibits the **receipt of foreign funds by candidates for elections, journalists or newspaper and media broadcast companies, judges** and government servants, members of legislature and political parties or their office-bearers, and organisations of a political nature.
- **Validity:**
 - FCRA registration is valid for **5 years**, and **NGOs are expected to apply for renewal within six months** of the date of expiry of registration.
 - The government can also **cancel the FCRA registration of any NGO if it finds that the NGO is in violation of the Act**, if it has not been engaged in any reasonable activity in its chosen field for the benefit of society for **two consecutive years, or if it has become defunct**.
 - Once the registration of an NGO is cancelled, it is **not eligible for re-registration for three years**.
- **FCRA 2022 Rules:**
 - In July 2022, the **MHA effected changes to FCRA rules which increased the number of compoundable offences** under the Act from 7 to 12.
 - The other key changes were exemption from intimation to the government for contributions less than **Rs 10 lakh - the earlier limit was Rs 1 lakh** — received from relatives abroad, and **increase in time limit for intimation of opening of bank accounts**.

Source: IE

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