

Foreign Contribution Regulation Act

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About

- In 1976, during the Emergency, the Foreign Corrupt Practices Act (FCRA) was enacted due to concerns that independent organizations were funneling money into India from outside the country.
- The goal of the law was to ensure that foreign donations to individuals and organizations functioned in accordance with the principles of a sovereign democratic republic.

Amendments

- In order to "consolidate the law" regarding the utilization of foreign funds and "to prohibit" their use for "any activities detrimental to national interest," an amended FCRA was enacted in 2010.
- In 2020, the law was changed again, and the government now has more control over how NGOs use foreign funds and receive them.

Criteria

- Every individual or non-governmental organization wishing to receive foreign donations must be:
- registered under the Act to open a bank account at the State Bank of India, Delhi, for the receipt of foreign funds in order to use those funds solely for the purpose for which they were received and in accordance with the Act.
- Individuals or organizations with clearly defined cultural, economic, educational, religious, and social programs are granted FCRA registrations.

Exception

- The applicant must not be fictitious or have been prosecuted or convicted under the Fair Credit Reporting Act (FCRA) for engaging in activities intended to induce or force a person to convert from one religious faith to another, either directly or indirectly.
- Additionally, the applicant should not have been charged with or found guilty of causing discord or tension within the community.
- Also, you should not be involved in or likely to be involved in spreading seditious ideas.
- Candidates for elections, journalists or media broadcast companies, judges and government employees, members of the legislature, political parties or their office-bearers, and political organizations are all prohibited from receiving foreign funds under the Act.

Validity

- The FCRA registration period is five years, and NGOs are required to submit a renewal application within six months of the registration's expiration date.
- Any non-governmental organization (NGO) can also have its FCRA registration revoked by the government if it is found to be in violation of the Act, has become defunct, or has not carried out any reasonable activity in its chosen field for two years in a row.
- An NGO cannot be re-registered for three years after its registration is canceled.