FCRA and FCRR

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> **Got questions about FCRA or FCRR?** Ask them on the forum, or browse other FCRA-related questions here.

https://www.youtube.com/embed/b3cX362iiK4?si=u09YtdTRQHcrBKQZ

Purpose of FCRA

- Regulate acceptance and utilisation of
    - Foreign contribution
    - Foreign hospitality
- By certain Persons
- Prohibit if detrimental to national interests

Key Concepts/Definitions:

Foreign contribution

"Foreign contribution" means donation, delivery or transfer (directly or through another person) by any foreign source:

1. Of any article, not as gift for personal use (not FC upto Rs.1 lakh),

2. Of any currency, whether Indian or foreign
3. Of any security as defined in section 2 (h) of SCRA, 1956

Explanation to S.2– Any amount received by way of fee (including fees charged by an educational institution in India from foreign student) or towards cost in lieu of goods or services rendered by such person in the ordinary course of his business, trade or commerce within/outside India or any contribution received from an agent or a foreign source towards such fee/cost shall not be FC.

Deemed FC from local sources (interests, rent, pass-on now prohibited) also FC.

Foreign Hospitality

Foreign Hospitality means any offer, not being a purely casual one, made in cash. or kind by a foreign source for providing a person with the costs of travel to any foreign country or territory or with free boarding, lodging, transport or medical treatment.

Person

"Person" includes:

- An individual;
- A Hindu undivided family;
- An association;
- A company registered under section 25/8 of the Companies Act, 1956/2013

“Person” receive foreign contribution subject to following conditions:

- Must have a definite cultural, economic, educational, religious or social programme (CEERS)
- Must obtain FCRA registration/prior permission from Central Government
- Must not be prohibited under Section 3 of FCRA, 2010.

Person does not include:

- Statutory body wholly owned by Govt (Jan 2020) which must mandatorily get its accounts audited by CAG

- Govt of India and foreign Govt transactions (Section 51)

Prohibited person

- candidate for election;
- Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper;
- Public Servant, Judge, Government servant or employee of any corporation/body controlled or owned by the Government;
- Member of any legislature;
- Political party or office bearer thereof;
- organization of a political nature as may be specified under sub-section (1) of Section 5
- company engaged in the production or broadcast of audio/audio visual news or current affairs programs (h) Correspondent or columnist, cartoonist, editor, owner of the association or company referred to in point (g).
- Individuals or associations who have been prohibited from receiving foreign contribution.
- Public servant included in prohibited category in 2020
- Prohibited from receiving FC but can be on the Board.

Foreign source includes:

- Government/agency of foreign Government;
- International agency (excluding UN, IBRD, IMF or agency Central Government may notify (list of 117 entities as per portal);
- A foreign company;
- A corporation, not being a foreign company, incorporated in a foreign country
- A multinational corporation
- An Indian company with >50% of share capital held by:
    - Foreign Government;
    - Foreign citizens;
    - Corporations incorporated in a foreign country;
    - Trusts, societies or other associations of individuals (whether incorporated or not) in a foreign country;

    - Foreign company; [provided that such company shall not be a foreign source (FEMA compliant)-Finance Act 2016]
- A trade union in a foreign country
- A foreign trust/foundation mainly financed by a foreign country;
- A society, club or other association or individuals formed or registered outside India;
- A foreign citizen

Very important to know that FC is from foreign source, should have adequate documentation.

NRI is not a foreign source but OCI/PIO/Indian acquired foreign citizenship is.

Foreign company

“Foreign company” means any company/association/body of individuals incorporated outside India and includes:

1. Foreign company within meaning of Section 379 of Companies Act, 2013
2. A subsidiary of a foreign company
3. The registered office/principal place of business of a foreign company
4. A multinational corporation

MNC

- A corporation incorporated in a foreign country which (a) has a subsidiary/ branch/place of business in two or more countries or (b) carries on business/operates in two or more countries;
- Some donors are put in Prior Reference Category (PRC), which means donor needs to get approval of MHA before transferring FC.

Administrative expenses

1. Salaries, wages, travel expenses or any remuneration realised by the Members of the Executive Committee or Governing Council of the person;

2. All expenses towards hiring of personnel for management of the activities of the person and salaries, wages or any kind of remuneration paid, including cost of travel, to such personnel;
3. All expenses related to consumables like electricity and water charges, telephone charges, postal charges, repairs to premises) from where the organisation or Association is functioning, stationery and printing charges, transport and travel charges by the Members of the Executive Committee or Governing Council and expenditure on office equipment;
4. Cost of accounting for and administering funds;
5. Expenses towards running and maintenance of vehicles;
6. Cost of writing and filing reports;
7. Legal and professional charges; and
8. Rent of premises, repairs to premises and expenses on other utilities:

Provided that the expenditure incurred on salaries or remuneration of personnel engaged in training or for collection or analysis of field data of an association primarily engaged in research or training shall not be counted towards administrative expenses:

Provided further that the expenses incurred directly in furtherance of the stated objectives of the welfare oriented organisation shall be excluded from the administrative expenses such as salaries to doctors of hospital, salaries to teachers of school etc.

FCRA Architecture for regulated entities

- Registration: Registration, Prior Permission
- Regulation: bank accounts-3 tir to operate FC, separate books to account for receipt and utilisation, AR and Declaration, Intimation of various kinds of changes
- Restriction: ceiling on Admin cost, prohibition on speculative activity, prohibition on FC transfer to another person, use of FC only for defined purpose as per 5 limbs
- Consequences: suspension, cancellation, prosecution, penalty

9 key amendments to FCRA in 2020

- No sub granting
- Cap on Administrative Exp
- Public servant included under prohibited persons category
- Suspension of registration for 360 days
- No utilisation during inquiry under PP
- FCRA Bank account with SBI
- Aadhaar/Passport mandatory
- Renewal after due inquiry
- Surrender of Registration

Sl. No	**Compliance Item**	**If renewal application already submitted**	**If application for FCRA Registration or Prior Permission (PP) already submitted**	**If application is yet to be submitted for renewal**	**If application is yet to be submitted for FCRA Registration/ PP.**
1.	Get a Darpan ID from NITI Aayog portal.	Such Associations are being given access to their applications to seed (if not already seeded) the Darpan ID from NITI Aayog's Darpan Portal. They need to make entry of DARPAN ID in Form FC 3C at specified place in the portal, fcraonline.nic.in (The online system for this entry is already functional).	Such Associations are being given access to their applications to seed (if not already seeded) the Darpan ID from NITI Aayog's Darpan Portal. They need to make entry of DARPAN ID in Form FC 3A / FC 3B at specified place in the portal, fcraonline.nic.in (The online system for this entry is already functional).	Such Associations will be automatically promoted to first obtain Darpan ID from NITI Aayog's Darpan Portal, when they open their online form for renewal in the modified Form FC 3C.	The online registration/PP application will automatically prompt the applicant to first obtain a Darpan ID from NITI Aayog's Darpan Portal.

2.	“FCRA Account” in SBI Parliament Street Branch, New Delhi	Such Associations are being given access to their applications to seed FCRA Account in the SBI Main Branch at Parliament Street, New Delhi. (The online system for this entry is already functional).	Such Associations are being given access to their applications to seed FCRA Account in the SBI Main Branch at Parliament Street, New Delhi. (The online system for this entry is already functional) .	Such Association must open an FCRA Account in the SBI Main Branch at Parliament Street, New Delhi before they initiate online application for renewal. (The online system for this entry is already functional).	Such applicants must open an FCRA Account in the SBI Main Branch at Parliament Street, New Delhi, before they initiate their online application for registration. (The online system for this entry is already functional).
3.	Aadhar Details of all office bearers/key functionaries	Such Associations need to enter Aadhar Nos. of all Office Bearers or Directors or Other Key Functionaries of Association in specified column in Form FC 3-C in the portal fcraonline.nic.in	Such Associations need to enter Aadhar Nos. of all Office Bearers or Directors or Other Key Functionaries of the Association in specified column in Form FC 3A / FC 3B in the portal fcraonline.nic.in	Such Associations need to enter Aadhar Nos. of all Office Bearers or Directors or Other Key Functionaries of the Association in the portal fcraonline.nic.in while filling online form for renewal.	Such applicants must enter Aadhar Nos. of all Office Bearers or Directors or Other Key Functionaries of the Association in the portal fcraonline.nic.in while filling online application for registration/PP.

Credit of FC-which FC account

The following is an illustrative (but not exhaustive) list of such contributions which are Foreign Contribution as defined under The FCRA, 2010:

- Donations given in Indian rupees (INR) by any foreigner/Foreign Source including foreigners of Indian origin like OCI or PIO cardholders (in SBI, New Delhi Main Branch).
- Donations received in Indian rupees (INR) from any ‘foreign source’ even if that source is located in India at the time of such donation (in SBI, New Delhi Main Branch).
- FC received in cash/local cheque/demand draft or through overseas bank transfers in any currency including Indian rupees from any “foreign source” (in SBI, New Delhi Main Branch).
- All interest that accrues on the FC received in any bank account including interest on FDs (in any Bank Branch).
- Any income generated in India from assets created by spending the funds from FC. This includes proceeds from sales of such assets which have been credited even partly by spending the FC (in any Bank Branch).
- Proceeds from sale of FC received in kind or in the form of securities (in any Bank Branch).
- Re-depositing the unutilised FC which might have been drawn out as advance for any purpose by the NGO/association. Such a re-deposit, however, must be backed by matching withdrawal entries and relevant records to establish that it was an unutilised/unspent FC amount. This would include any refund received on account of cancellation of any services/tickets etc. sought to be taken by utilising FC (in any Bank Branch).
- Eligibility for Registration: 3 yar track record and Rs. 15 lakhs expenditure (including fixed assets) from core activities
- Prior Permission: specific commitment letter, specific amount specific donor specific activities. No common membership. More than Rs. 1 cr FC to be approved in instalments.
- Renewal: if validity expires, fresh registration unless Dept agrees to consider within period of 1 year with additional fee of Rs.5000/-
- Cessation: if renewal not filed before expiry or requisite fee, it is deemed cessation. No receipt or utilization and assets with FC funds and FC in Bank vests with prescribed authority
- Cancellation: unutilized FC vests with prescribed authority. Fresh application after 3 years only.
- Fees: Registration Rs.10k, Renewal and PP: Rs.5k
- Proforma AA: Affidavit for change of members mentioned in initial registration application or making FC 3C and valid on approval

- Organisation declared to be of political nature: not political unless there is evidence of party politics/active politics
- Fes for revision of order or compounding of offences: Rs.3000/-. Also next compounding after 3 years

Rule	Changes introduced in FCRR 2022 WEF 1.7.22	Impact of changes
6	Threshold limit raised to Rs.10 Lakh	Receipt of foreign contribution from foreign relatives to be intimated in FC-1 if it exceeds Rs.10 Lakh (current limit is Rs. 1 Lakh)
	Time Limit extended to 3 months	Such intimation in FC-1 shall be made within a period of 3 months (presently 30 days)
9	Time Limit extended to 45 days [Rule 9(1)(e)]	Filing of Form FC-6D within 45 days instead of 15 days for FCRA registered entities
	Time Limit extended to 45 days [Rule 9(2)(e)]	Filing of Form FC-6D within 45 days instead of 15 days for entities with prior permission
13(b)	Omitted	Requirement of Quarterly publication of FC receipts on website dispensed with
17A	Time Limit extended to 45 days	Time limit for filing Forms FC-6A to FC-6E increased to 45 days from 15 days
20	Form for application for Revision of orders	Instead of making it on a plain paper, it shall be in the prescribed form to be filed electronically.

Form No	Particulars	Changes to be Kept in Mind

FORM FC-1	Intimation to the Central Government of receipt of foreign contribution by way of gift from relative by an individual / foreign contribution in the form of articles/ securities/ by a candidate for election [section 21 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010)]:	**Part A:** intimation of receipt of foreign contribution by way of gift from relative **Part B:** Intimation about foreign contribution (articles) account/ foreign contribution (securities) account **Part C:** Intimation to the Central Government of receipt of foreign contribution received by a candidate for election under section 21 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010)
FORM FC-2	Application for seeking prior permission of the Central Government to accept foreign hospitality 2 weeks before the journey. Rule 7	
FORM FC-3A	• Application for 'registration' under sub-section (1) of section 11 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) for the acceptance of foreign contribution by an Person/association having definite cultural, economic, educational, religious or social programme • Expenditure incurred in the last 3 years towards activities for which registration applied for should be 15,00,000/- or more.	• Open SBI Bank Account • Get Affidavit from Members • Pay Requisite Fee
FORM FC-3B	Application for 'prior permission' under sub-section (2) of section 11 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) for the acceptance of foreign contribution by a person/association having definite cultural, economic, educational, religious or social programme.	• Open SBI Bank Account • Get Affidavit from Members • Commitment Letter from Funder • Pay Requisite Fee

FORM FC-3C	Application for ‘renewal’ under section 16 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) for the acceptance of foreign contribution by a person/association having definite cultural, economic, educational, religious or social programme.	• Open SBI Bank Account • Get Affidavit from Members • Pay Requisite FeeForms under FCRA
FORM FC-6A	Intimation under rule 9 and rule 17 A of the Foreign Contribution (Regulation) Rules, 2011 to the Central Government regarding Change of name / address in respect of the person/association granted registration/ prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010):	Self-certified copy of amendment approved by local/relevant authority to be enclosed.
FORM FC-6B	Intimation under rule 9 and rule 17 A of the Foreign Contribution (Regulation) Rules, 2011 to the Central Government regarding change of nature, aims and objects and registration with local/relevant authorities in respect of the person/association granted registration/ prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010):	Amended Objectives/MOA to be attached.
FORM FC-6C	Intimation under rule 9 and rule 17A of the Foreign Contribution (Regulation) Rules, 2011 of the designated “FCRA Account” in the State Bank of India, New Delhi Main Branch, 11, Sansad Marg, New Delhi and change of another “FCRA Account” of choice, if any, under section 17 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) in respect of the person/association granted registration/prior permission under the Act.	(i) Intimation of the designated “FCRA Account” in the State Bank of India, New Delhi Main Branch, 11, Sansad Marg, New Delhi under section 17 of the Act; OR (ii) Change of another “FCRA Account” of choice, if any, under section 17 of the Act.Forms under FCRA
FORM FC-6D	Intimation under rule 9 and rule 17A of the Foreign Contribution (Regulation) Rules, 2011 to the Central Government regarding opening of additional FC-utilisation account in respect of the person/association granted registration/ prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010):	Opening of additional FC-utilisation Bank Account for the purpose of utilisation of foreign Contribution.

FORM FC-6E	Intimation under rule 9 and rule 17A of the Foreign Contribution (Regulation) Rules, 2011 to the Central Government regarding Change in key members in respect of the person/association granted registration/ prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010):	Get Affidavit from Members
FORM FC-7	Application for surrender of certificate of registration.	

Changes in FC 4 (Annual Return)

S. No.	Old FC 4	New FC 4
1.	***Note:- Furnishing of Darpan ID shall be optional.	This has now been removed.
2.	Subject: Account of Foreign Contribution (FC) for the year ending on the 31st March, 2020	The year will now have to be filled, it will not come automatically.
3.	Earlier it was not coming.	Name and address of person/association added no
4.	Foreign Contribution received during the financial year as transfer from a local source.	This has now been removed.
5.	Association	Replaced by person/associati
6.	Total Purchase of fresh assets 1. Activity in the name of Association 2. Details 3. Purpose 4. Total (in Rs.)	Words Replaced by Total Purchase of fresh asset 1. Name of project/activity 2. Details of fresh assets 3. Objective of acquiring fresh assets 4. Cost of fresh assets (In Rs.)

Changes in FC 4 Form

Newly Added

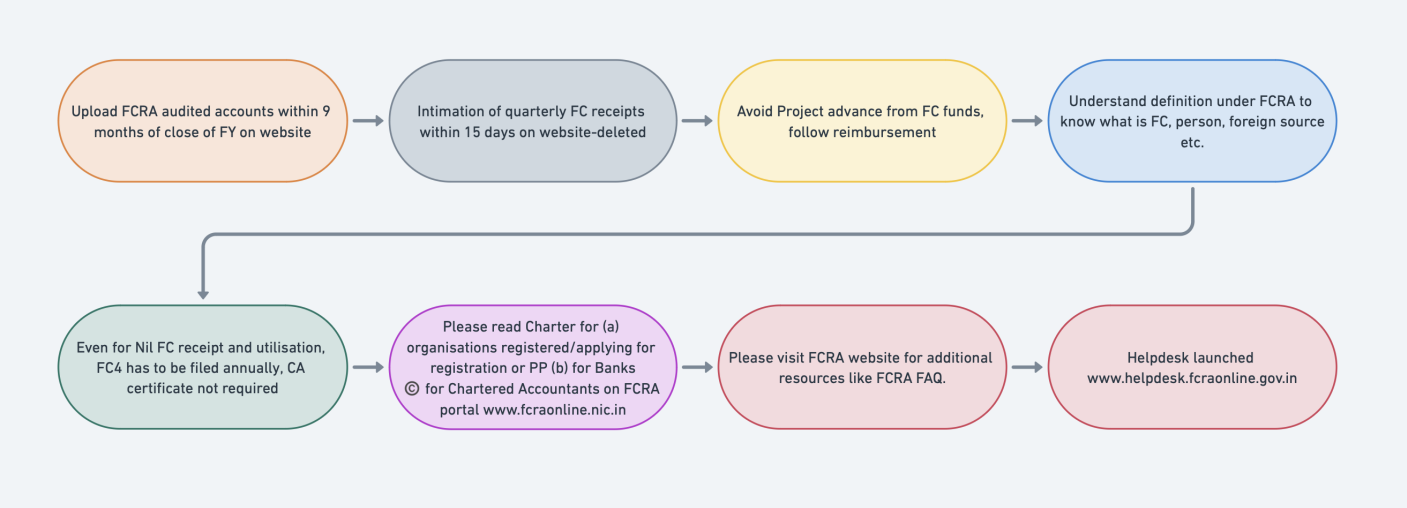
8. Whether during the period under report:

- Any foreign contribution was transferred to any FCRA registered association?
- Any foreign contribution was transferred to any Non FCRA registered association?
- Any functionary of the Association has been prosecuted or convicted under the law of the land?
- Any asset created out of foreign contribution is registered in names other than the Association?
- Any domestic contribution has been credited in any “FCRA Account”?
- The Association has received any foreign Contribution in an account other than the designated FCRA receipt Account?
- The Association has utilised foreign contribution for any purpose other than the defined purposes in the FCRA certificate of registration or prior permission?
- The Association has invested any foreign contribution in any speculative activity as defined in rule 4 of the Foreign Contribution (Regulation) Rules, 2011?
- The Association or any of its functionary/office bearers has violated any of the conditions as enumerated under sub-section (4) of section 12 of the Act?
- The Association has made expenditure on Administrative expenses exceeding 20 per cent. of the foreign contribution received?
- Any fixed asset acquired out of foreign contribution has been sold out?
- Sale proceeds of above fixed asset has been diverted/ has not been deposited in “FCRA Account”?
- Any FD proceeds have been credited in any account other than the “FCRA Account”?
- Any organisation/entity not belonging to the Association is being managed/financially supported by the Association?
- The Association has utilised any foreign contribution outside India?

Note: Wherever the answer of above question is in ‘yes’, brief details must be provided.

4. Speculative activities:

1. The following activities shall be treated as speculative activities:-
   - any activity or investment that was an element of risk of appreciation or depreciation of the original investment, linked to market forces, including investment in mutual funds or in shares;
   - participation in any scheme that promises high returns like investment in chits or land or similar assets not directly linked to the declared aims and objectives of the organisation or association.
2. A debt-based secure investment shall not be treated as speculative investment.
3. Every association shall maintain a separate register of investments.
4. Every register of investments maintained under sub-rule (3) shall be submitted for audit.



(Illustrated: Upload FCRA audited accounts within 9 months of close of FY on website ➡ Intimation of quarterly FC receipts within 15 days on website-deleted ➡ Avoid Project advance from FC funds, follow reimbursement ➡ Understand definition under FCRA to know what is FC, person, foreign source etc. ➡ Even for Nil FC receipt and utilisation, FC4 has to be filed annually, CA certificate not required ➡ Please read Charter for (a) organisations registered/applying for registration or PP (b) for Banks© for Chartered Accountants on FCRA portal www.fcraonline.nic.in ➡ Please visit FCRA website for additional resources like FCRA FAQ. ➡ Helpdesk launched www.helpdesk.fcraonline.gov.in)

Updates

- Public Notice 28th March 2025, Registration certificate pending renewal valid until 30th June 2025 unless disposed off before that date.
- Disclosure of movable and immovable assets each FY made mandatory in FC-4
- Section 10(5) of FEMA 1999 requires authorised person for foreign exchange transaction to get undertaking from account holder not in contravention of FEMA.
- One time FEMA declaration cum undertaking for transactions in FCRA account with SBI. NJ stamp paper with value applicable for agreement. Two parties, first organisation and second SBI NDMB. Signed and stamped by authorised signatories in the FCRA Bank account
- WEF 15.3.23, where FC is transferred by intermediary banks through NEFT/RTGS to SBI, donation details (name, address, amount, purpose) must be provided since SBI has to submit report with these details to MHA daily otherwise SBI may not accept the FC funds. Not required for SWIFT transfer directly by foreign banks.
- Advisory on 13.12.2024 informing organisations who have filed application for Registration/Renewal/Prior Permission to respond to queries/clarification within time to avoid denial of application sent on designated mail id of the organisation and also on the portal www.fcraonline.nic.in. Advised organizations whose application is pending to regularly visit the portal and that responses be sent online using their login credential on the FCRA portal only.
- Press Notice on 8.11.2024 detailing reasons for denial of registration and renewal applications under FCRA. Existing FCRA organisations need to run this like a checklist of compliance periodically to ensure that renewal is granted at appropriate point of time. Appeal for revision of order in cases of denial of registration/renewal needs to be taken up with FCRA Division, Ministry of Home Affairs online on payment of prescribed fee and within one year of communication of order as per Section 32 of FCRA.
- Public Notice dated 25.10.2024 has informed that organisations with FCRA registration/prior permission who have filed Form FC-6E for change in office bearers/members/key functionaries which is pending approval can now file a fresh FC 6E to report subsequent changes which was not permitted on FCRA portal. The information of previously filed FC 6E pending approval will be auto filled to the latest FC 6E and will be the form pending approval. Any previous form will be automatically closed.

- Public Notice dated 31.12.2024 has advised that for consolidated refund of TDS in non FCRA account, the FCRA share of TDS can be transferred to FCRA account and will not be considered violation of Section 17 of FCRA which prohibits mixing of local and FC funds. Also, TDS deduction would be considered as utilisation and refund of such TDS would be reported as Other Income in clause 2 of Annual Report in FC-4.
- Official Gazette No. G.S.R. 790(E) dated 31.12.2024 has permitted carry forward of unutilised part of allowable Administrative Expenditure to succeeding financial year. This is to overcome the difficulty faced due to receipts of FC funds in a year which could not be spent, and the admin expenditure remained unutilised and was not available in subsequent year to fulfil the 20% threshold reequipment for admin expenditure based on receipts. Necessary change has been made through clause 49iv) in FC 4 Annual Return Form. Also, the details of CA issuing the certificate and more responsibility has been cast on the CA while issuing certificate as part of Annual Return FC-4.
- Public Notice dated 21.1.2025, MHA directed that any entity whose FCRA registration has been cancelled/not renewed/validity expired will not receive or utilized FC funds from any of the FC bank accounts in the name of the organization.
- Vide Public Notice dated 7.4.25, MHA has mandated that any specific project under prior permission approval will be for a maximum period of 3 years only and that the funds will be utilized within 4 years from grant of PP approval. Existing PP approvals already granted will have a period of 3 years from the date of the Public Notice. Case by case extension in time would be considered by MHA. Non-compliance will be treated as a violation.

Major reasons for rejection of registration/renewal

- No activity, defunct, claimed activities not verified or field visit shows no activity in past 2-3 years
- Key functionary convicted/proceeding in progress
- Form incomplete/information concealed
- No response to clarification sought
- Office bearers not available at the address provided
- Organisation not existing at the given address

- Registration already cancelled
- Diversion of FC/anti development work/malicious protest
- Affiliation with radical/terrorist entities
- Adverse inputs during field inquiry
- Affect social/religious harmony or forced religious conversion
- Registration conditions-Rs. 15 lakhs spend on object in last 3 AFS and not in existence for 3 years

Rejection of Renewal application

- No FC spend in last 5 years
- Non filing of FC4 in any of last 6 FYs
- Violation of Act & Rules-20% admin exp, discrepancy in FC4, not utilised FC for purpose, FC 6A-6E violation, not filing audited FC financials with FC 4, FC funds transfer to non FC bank, inter charity donation, mixing of FC and local funds

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