



CURRENT AFFAIRS



Argasia Education PVT. Ltd. (GST NO.-09AAPCAI478E1ZH)
Address: Basement C59 Noida, opposite to Priyagold Building gate, Sector 02,
Pocket I, Noida, Uttar Pradesh, 201301, CONTACT NO:-8448440231

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FOREIGN CONTRIBUTION REGULATION ACT, 2010 (FCRA)

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "FCRA". THIS TOPIC IS RELEVANT IN THE "GOVERNANCE" SECTION OF THE UPSC CSE EXAM.

UPSC MAINS GS2 SYLLABUS: GOVERNMENT POLICIES AND INTERVENTIONS, NON-GOVERNMENTAL ORGANISATIONS (NGOS), VARIOUS GROUPS AND ASSOCIATIONS

WHY IN THE NEWS?

- This month, the Foreign Contribution Regulation Act, 2010 (**FCRA**) registrations of two well-known NGOs, World Vision India (**WVI**) and Centre for Policy Research (**CPR**), were terminated.
- The MHA claimed that **CPR misappropriated money** to harm India's economic interests and used it to finance demonstrations and legal challenges against development initiatives.
- **WVI's registration was terminated** due to suspected FCRA violations that occurred between 2012-13 and 2020-21. Of all the non-governmental organisations registered under the Act in 1986, WVI has received the greatest amount of foreign donations.

STATISTICS

1. Since 2015, **more than 16,000 NGOs'** FCRA registrations have been **cancelled** due to "violation."
2. As of January 22, there were 16,989 FCRA-registered NGOs operating in the country. Risks of money laundering and terrorist financing.
3. According to a **2012 MHA report**, India's non-governmental organisations (NGOs) are vulnerable to money laundering and terrorism financing.
4. As a result, actions are being taken to ensure strict enforcement and coordination with international law enforcement agencies.

ABOUT FOREIGN CONTRIBUTION (REGULATION) ACT (FCRA)

- The **FCRA** is being implemented under the supervision of the Union Ministry of Home Affairs (MHA).
- In order for foreign donations to persons and organisations to be compliant with the principles of a sovereign democratic republic, the law aimed to control such donations.

SOME IMPORTANT FEATURES OF FCRA

- **THE FCRA REQUIRES THAT EVERY PERSON OR NGO SEEKING TO ACCEPT FOREIGN FUNDS BE:**

1. To open a bank account with the State Bank of India in Delhi to receive foreign funds.
2. To use the money strictly for the purposes for which they were received and as specified in the Act.
3. Registered under the Act.
4. File annual returns and do not transfer monies to another NGO.

FCRA PROHIBITS THE ACCEPTANCE OF FOREIGN FUNDS FROM-

1. Election candidates, journalists, and media broadcasters.
2. Organisations that have a political nature.
3. Members of legislative bodies and political parties, or their officeholders,
4. Judges and government employees,

HOW IS REGISTRATION UNDER FCRA TOOL PLACE?

1. NGOs requesting foreign funding have to submit an online application in a certain format, together with all required papers.
2. Individuals or organisations having specific cultural, economic, educational, religious, or social programmes are eligible for FCRA registration.
3. After receiving the NGO's application, the MHA performs inquiries on the candidate through the Intelligence Bureau and handles the application appropriately.
4. FCRA registration remains valid for **five years** after being approved. NGOs are expected to seek renewals **within 6 months** of their registration expiring.
5. The MHA must approve or decline the application **within 90 days**.

CANCELLATION UNDER FCRA

1. The government maintains the power to withdraw an NGO's FCRA registration if it detects a violation of the Act.
2. Registration may be cancelled if an NGO does not engage in reasonable activities for the benefit of society for two years or becomes extinct.
3. The Central Government believes that revoking the certificate is in the public's best interests.
4. An audit reveals problems in an NGO's finances, such as the misuse of foreign funds.
5. A cancellation order cannot be issued unless the individual or NGO involved has been given a reasonable opportunity to be heard.
6. When an NGO's registration is terminated, it is ineligible to re-register for three years.

PRELIMS PRACTICE QUESTION

Q1) Consider the following statements in reference to the Foreign Contribution (Regulation) Act (FCRA)?

- 1) It regulates acceptance and utilization of foreign contributions and hospitality
- 2) Only political parties are required to register under FCRA
- 3) The primary objective of FCRA is to ensure transparency and accountability in the receipt and utilization of foreign contributions
- 4) Minister of Defence under FCRA administer and implement the provisions of FCRA

How many of the above statements is/are correct?

- (a) One
- (b) Two
- (c) Three
- (d) Four

ANSWER: B

MAINS PRACTICE QUESTION

Q1) Explain the key objectives of the Foreign Contribution (Regulation) Act (FCRA) and how it aims to regulate foreign contributions in India.

Himanshu Mishra

