

Amendments to FCRA Rules notified

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Source: *Monthly Policy Review of PRS*

The Ministry of Home Affairs notified amendments to the Rules under the **Foreign Contribution (Regulation) Act, 2017**

The Act regulates the acceptance of foreign contribution or foreign hospitality by certain individuals and organisations

Key amendments to the rules

- Under the Act, eligible entities (i.e. with a definite cultural, economic, educational, religious or social programme) seeking foreign contribution are required to apply for a Certificate of Registration. If such a certificate is not obtained, eligible entities may apply for prior permission from the central government for receiving foreign contribution from a specific source and for a specific purpose.
- The Rules specify the forms to apply for a certificate of registration or to apply for prior permission. The Amendments additionally require every office-bearer and key functionary of such an entity to submit an affidavit confirming that they have fulfilled all the conditions for grant of Certificate under the Act. These conditions include that they have not been prosecuted or convicted for religious conversion, or for creating communal tension and disharmony.
- Under the Rules, personal gifts of a market value of up to Rs 25,000, are not considered as “foreign contribution” under the Act. The Amendments increase the threshold from Rs 25,000 to one lakh rupees.
- The Act prohibits acceptance of hospitality from a

foreign source (e.g. foreign governments or corporations) for certain categories of persons (including legislators, judges, and government and PSU employees), unless the person obtains prior permission from the central government.

- However, prior permission for receiving foreign hospitality is not required if an individual contracts a sudden illness abroad. In such a case, the Rules require the individual to notify the government within 60 days of receiving hospitality. The Amendments reduce the reporting time from 60 days to one month. (Act contained a reporting timeline of 30 days from receiving the hospitality.)