

# Foreign Contribution Regulation Act (FCRA) certificate

July 28, 2021

## In news

Recently, the registration certificate of the Commonwealth Human Rights Initiative (CHRI) was suspended by the Ministry of Home Affairs for alleged violations of the FCRA.

## Why suspension?

- In its suspension order of June 7, the Ministry of Home Affairs had stated that information about opening of a bank account in February 2016 was not intimated by CHRI to the authorities.
- It also accused CHRI of other violations of FCRA.
- Further, one utilisation account through which the Association has been utilising foreign contribution has not been intimated in ARs for FY 2016-17 and 2017-18.

## What is Foreign Contribution Regulation Act (FCRA) certificate/Registration?

- Whenever any NGO either in the form of Trust, Society or Section 8 company is willing to receive any kind of foreign contribution or donation, they are required to obtain FCRA Registration under Section 6 (1) of Foreign Contribution (Regulation) Act, 2010.
- Such a registration under the Foreign Contribution Regulation Act, 2010 is called a FCRA registration.

## Types of Certificates/registration under FCRA

The two types of FCRA registration are as follows:

- Prior Permission Certificate: This sort of certificate is possible after one year (for newly registered entities).
- Permanent Certificate: It is available for a span of 5 years.

### **Registration under certain acts**

For obtaining registration under the FCRA, the applicant association should be registered under any of the following acts:

1. Societies Registration act, 1860.
2. Indian Trust Act 1882
3. Charitable and religious Trusts Act 1920.
4. Companies Act 1956 (now 2013).

### **Who can receive foreign contributions under FCRA?**

No person having a definite cultural, economic, educational, religious or social programme shall accept foreign contribution unless such person obtains a certificate of registration from the Central Government.

If it is not registered with the Central Government under, accept any foreign contribution only after obtaining the prior permission of the Central Government and such prior permission shall be valid for the specific purpose for which it is obtained and from the specific source

### **Criteria for grant of FCRA Registration**

Once an FCRA application is made in the prescribed format, the following criteria are checked before providing registration: The 'person' or 'entity' making an application for registration or grant of prior permission-

- Is not fictitious or benami.
- Has not 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.

- Has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country.
- Has not been found guilty of diversion or mis-utilisation of its funds.
- Is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends.
- Is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes.
- Has not contravened any of the provisions of this Act.
- Has not been prohibited from accepting foreign contributions.
- The person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him.
- The person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him.