

Foreign Contribution (Regulation) Amendment Act 2020 Passed:



The Parliament has now approved and passed the Foreign Contribution (Regulation) Amendment Act, 2020 on 23rd September 2020 through a voice vote. This act amends the erstwhile Foreign Contribution (Regulation) Act 2010, which regulates the utilization and receipt of foreign contribution by individuals and various entities.

Let us go through all the amendments done in the FCRA Amendment Act in detail

List of amendments to FCRA Amendment Act 2020

Here are all the amendments to the Foreign Contribution (Regulation) Act 2010:

- **Section-3 amendment:** Public Servants have been added in the list of persons that are prohibited to receive Foreign Contributions.
- **Section-4 amendment:** To deny transfer of foreign Contribution by a person who is registered and granted a certificate or obtains such contribution to any other person.
- **Section-8 amendment:** To curtail the limit for administrative expenses by the [NGOs](#) out of the total foreign contribution they receive, from 50% to 20% of such foreign contribution.

- **Section-11 amendment:** This section provides that no person shall accept any foreign contribution unless he obtains a certificate of registration from the Central Government. With effect of the amendment to this section, the Central Government, based on any information / report, and only upon conducting the summary inquiry, if it has a cause to deem that a person who has been granted prior consent has now violated any of the provisions of this Act, may without any further inquiry, deny such person to utilize the unutilized foreign contribution or to otherwise receive the remaining foreign contribution. Further, such person shall not receive any further additional foreign contribution, without prior approval of the Central Government.
- **Section-12 amendment:** Any person, who makes an application for grant of certificate of registration, is now also required to open a separate FCRA Account and mention all details of this account in his application.
- **New Section 12A:** Any person registered under this act, if he applies for renewal of his certificate, must provide:
 - The Aadhaar UIN of all of its office holders, Directors, other key functionaries, by whatsoever name specified, as issued under the Aadhaar (Targeted Delivery of Financial & Other Subsidies, Benefits & Services) Act, 2016.
 - In case of a foreign individual, a Xerox copy of his Passport / Overseas Citizen of India Card must be provided.
- **Section-13 amendment:** In case cancelling the certificate on any of the grounds is a matter of question, suspension of certificate was hitherto only up to maximum 180 days. Now Suspension may be extended for further period of 180 days.
- **New Section-14A:** To provide for surrender of the certificate. Now, the central government may allow a person to surrender his certificate and may accept his surrender of certificate after a post inquiry with regard to any contravention the act.
- **Section-16:** A new proviso has been added; wherein at the time of renewal of the certificate, Central Government shall make an inquiry regarding the activity and compliance of the person who has been granted the certificate.
- **Section-17 Amended:** Earlier, this section allowed a registered person was to receive the foreign contribution in a single branch of any of the scheduled banks. Now, this section is substituted.
 - Now onwards, a FCRA Account has to be opened by the person while applying for [FCRA registration](#).
 - This account has to be opened in a specified branch of State Bank of India, New Delhi only.
 - However another bank account may be opened by the applicant to utilize the foreign contribution that is first received in the designated FCRA Account.

These are the key amendments in the Foreign Contribution (Regulation) Amendment Act, 2020.
