



## In The Light of the Recent Refusal of MHA to Renew The Registration of Missionaries of Charity Under FCRA, Bring Out The Challenging Aspects of FCRA (Amendment) Act 2020. (250 Words / 15 M) (GS-2 Governance)

### Approach:

1. Intro – about the FCRA with current contextualisation.
2. Reasons for MHA not renewing registration under FCRA.
3. Mention the key amendments in FCRA (Amendment) Act 2020.
4. Mention the challenges associated with the amendment.

The Union Ministry of Home Affairs (MHA) refused the application for renewal of FCRA registration of Missionaries of Charity (MoC). Last year, during the pandemic, the Foreign Contribution (Regulation) Act (FCRA), 2010 was amended to put fresh restrictions on both NGO's funding and functioning.

FCRA registration is **mandatory for any NGO** or association to **receive foreign funds** or donations. The amendment restricted the operations of NGOs due to the stringent conditions imposed on them by the **Foreign Contribution Regulation (Amendment) Act 2020** and **Foreign Contribution Regulation (Amendment) Rules 2020**.

### Why did the Center refuse to renew the registration of FCRA for MoC ?:

- **'Audit irregularities' in MoC:** The NGO registered in Kolkata has more than 250 bank accounts across the country to utilise the foreign funds. MoC stated that it had inadvertently received ₹3,50,000 domestic contributions in its FCRA account. According to MHA, there were also adverse inputs related to land purchase and ownership of vehicles.
- **Alleged child trafficking:** The NCPDR had approached the Supreme Court in 2020 seeking a court-monitored special investigation team probe into alleged child trafficking by staff of MoC in Jharkhand. A case had been registered by Jharkhand Police in 2018.
- **Alleged religious conversions:** Earlier this month, an FIR has been filed against one of MoC's children's homes in Vadodara following allegations of religious conversions by the National Commission for Protection of Child Rights (NCPDR).

The Ministry of Home Affairs said it has refused to renew the Foreigners Contribution Regulation Act (FCRA) registration of Missionaries of Charity (MoC) as *"some adverse inputs were noticed."*

### Foreign Contribution Regulation (Amendment), Act 2020:

The salient features of the amendment include,

- **Transfer of foreign contribution:** Under the Act, foreign contribution cannot be



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transferred to any other person unless such person is also registered for that purpose. The amendment also forbids sub-granting by NGOs to smaller NGOs who work at the grassroots.

- **Single FCRA account:** The act states that foreign contributions must be received only in an FCRA account opened in the State Bank of India, New Delhi Branch. No funds other than the foreign contribution should be received or deposited in this account.
- **Regulation:** The Act states that a person may accept foreign contributions if
  - They have obtained a certificate of registration from the central government or
  - They have taken prior permission from the government to accept foreign contributions.
- **Aadhaar usage:** The act makes it compulsory for all trustees to register their Aadhaar card with the FCRA account.
- **Reduction in use of foreign contribution for administrative purposes:** The Act decreases administrative expenses through foreign funds by an organisation to **20% from 50%**

### Challenges associated with the recent amendment ?:

- **Over-regulation of NGOs:** New regulations put excessive conditions on civil society organisations, and educational and research institutions that have partnerships with foreign entities. Further, the restriction of sub-grant impacted many niche organisations working in very remote areas.
- **Against Constitutional rights:** According to the International Commission of Jurists, the new law is incompatible with international obligations and India's own constitutional provisions on rights.
- **Discourage social work:** Thousands of NGOs serve extremely disadvantaged sections. Presumption of guilt against all of them and excessive control, restricts their scope of voluntary actions.
- **Incompatible with international laws:** The United Nations Human Rights Council resolution on protecting human rights defenders says that no law should criminalize or delegitimize activities in defence of human rights on account of the origin of funding.
- **Additional cost of compliance:** Every FCRA-registered NGO will have to open an FCRA-marked bank account with a designated branch of the State Bank of India in New Delhi. Around 93% of FCRA NGOs are registered outside Delhi, and they now have to open a bank account in the capital.
- The strict action of government on NGOs is criticised as the government is pushing for a '**One Nation, One NGO**' regime.