

The Foreign Contribution (Regulation) Amendment Act, 2020 (with effect from 29.09.2020)

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Key Notes on FCRA Amendment Bill, 2020

- » The **concept of Second Recipient** is done away with. Transfer of sub-grant to another FCRA registered Organization is **henceforth not allowed**.
- » The **administrative expenses are capped to 20%** from 50%. Hence, it is now very important to immediately keep a check on the expenditure done till date and control the administrative expenditure incurred henceforth.



Key Notes on FCRA Amendment Bill, 2020



- » **Aadhar made mandatory** for all the Office Bearers, Directors and other Key Functionaries. Quoting of Aadhar Number of all the Office Bearers, Directors and other Key Functionaries, by whatever name called, at the time of filing an application for Registration, Renewal or Prior Permission has been made mandatory.



- » **Suspension of registration** may now be done up to **360** days, which was earlier restricted to 180 days.

Key Notes on FCRA Amendment Bill, 2020

- » **Opening of a New FCRA designated bank account**:- It is now mandatory to open a designated FCRA account for receipt of Foreign Funds in such branch of the State Bank of India of New Delhi, as the Central Government may by notification specify in this behalf. However, the organizations are free to maintain multiple utilization bank accounts.



Note:

- » The Government is yet to notify the branch in which the new recipient bank account is to be opened. Hence, in the absence of any clarity in this matter, it is advised not to receive any foreign funds until such notification.
- » However, there are alternative views that the organizations may continue to receive the funds in the existing bank account until such notification.

Key Notes on FCRA Amendment Bill, 2020



- » **Voluntary surrender of FCRA Registration**:- The organizations who are no longer expecting any Foreign contributions may now opt for voluntary surrender of their certificate granted under the Act. However, the surrender is not automatic. The department will permit the surrender only after making such inquiry as it deems fit, to satisfying itself that the organization has fulfilled all the compliances as prescribed under the Act and Rules.
- » **Payment to any Public Servant**, in whatever name called, is now **not allowed** to be made out of Foreign Funds.

Key Notes on FCRA Amendment Bill, 2020

- » **Inquiry before renewal of FCRA registration**:- The department may if it deems fit, make an inquiry to satisfy itself that the organization have actually fulfilled all the conditions specified in the ACT and rules before granting renewal of FCRA registration.

Note : Earlier, the inquiry process was done only for granting of FCRA registration and not at the time of renewal.





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Thank You

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