

# INDIA EXPERT

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## FCRA Registration



### INTRODUCTION

The Foreign Contribution Regulation Act, or FCRA, is a law that controls and regulates international contribution made inside the India. Any registered trust, society, agency, organization, or NGOs must obtain or receive an FCRA Registration Certificate granted by the government authority in order to procure or receive any international donation or foreign grants.

The prime goal of FCRA registration is to permit the acceptance of any foreign donation from domestic institutions and to ensure that the contributions are used appropriately for the stated purpose.

Organizations that fall under Section 8, such as local governments, societies, charitable trusts, and so on, require a donation from a foreign source. Above all, any organization that does not have an FCRA certificate is not allowed to receive support from foreign countries. As a result, in the case of an international donation, online FCRA registration is required. You can find a full guide to in relation to FCRA registration for NGO and FCRA online resources here.

### ADVANTAGE OF FCRA REGISTRATION

FCRA certification acquired by any non-profit organization, section 8 corporation, trust, or community. As a result, they will be able to access any of the organizations mentioned below for donation purposes.

- British High Commission
- New Zealand High Commission
- Canadian High Commission
- European Commission
- Japanese Embassy



- Infinity Foundation
- BORDA
- Oxfam
- SWISSAID
- GIFRID
- AUSAID
- UNESCO

*If you want to take all of these advantages, then contact us for FCRA online service and get your FCRA registration number instantly.*

### **MINIMUM OBLIGATION FOR FCRA REGISTRATION**

Basically FCRA registration is divided into two categories. You must be familiar with both so that you can quickly determine which one is needed-

#### **1. Obligation for Prior Permission registration**

This form is for a newly recognized organization seeking financial assistance from other countries and outlets. As a result, there are certain minimum standards, which are as follows:

- Money must be used for a specific reason.
- While applying for registration, the details of Foreign owner's or donor's full name and address, and
- a newly registered organization seeks to accept an international donation or award, it must first obtain approval

#### **2. Obligation for Proper registration**

To be eligible for FCRA certification, an entity or trust must satisfy all of the criteria mentioned below:

- The company or applicant must be registered and have worked for at least five years.
- The company would have spent at least 10 lakh in the previous three years to meet its objectives.

**Note: This does not include operating costs.**

- Audited Account statements for the previous three years must be given at the time of enrollment.



### ELIGIBILITY TO OBTAIN FCRA REGISTRATION

FCRA registration is required for all non-government entities and trusts, as mentioned above. (Those who receive monetary help from a foreign source). Now it's time to see if you're qualified for an FCRA certificate. The applicant must not be a profit-making entity, and they must not be prohibited under Section 3 of the FCRA to be registered (2010). There are only a few items that are permissible, and they are as follows:

The following organizations are eligible to apply for FCRA registration:

- Societies that have been registered under the Indian Society Registration Act
- Trusts registered under the Indian Trust Act
- Section-8 company registered under The Companies Act
- The applicant must be a registered non-profit organization (NPO) with charitable goals for supporting society by encouraging health, education, economic advancement, promotion of art, music, faith, athletics, and so on.
- The organization must not be restricted in any way by the Foreign Contribution (Regulation) Act, and
- Any foreign contribution approved must not threaten the life or welfare of any person or result in any crime.

There are a number of other considerations that must be made during FCRA registration. Meeting for any eligibility will determine whether or not the company is eligible to receive the benefits. Save money on taxes, for example.

### NON-ELIGIBILITY TO OBTAIN FCRA REGISTRATION

The following applicants are not eligible for FCRA registration:

- The claimant is either fictional or Benami in nature.
- An candidate who has been arrested or tried for indulging in some unfair action
- An applicant who has been convicted or charged for causing communal unrest in any area of a given district or anywhere in the world
- Is involved in any unlawful activities
- Has used foreign donations for personal gain
- Any person barred from receiving any international reception or foreign award under any provision of law;
- India's sovereignty
- Public interest
- Relationships with other countries

### DOCUMENTS REQUIRED FOR FCRA REGISTRATION

The Following documents are required for apply FCRA Registration:

- PAN of NGO
- Copy of MOA & AOA of associations and organizations

- Self-certified copy of incorporation certificate, trust deed, or any other certificate held by such individual
- Chief Justice's signature in JPG file
- A full report on the previous three years' operations.
- An audited copy of the previous three years' financial reporting, P&L account, income-expenditure information, and cash flow statement.
- CTC of a resolution passed by an NGO-authorized governing body
- Certificate issued under sections 80G and 12A of the Income Tax. Sections 80G and 12A of the Exempt non-profit organizations from paying taxes.

#### PROCEDURE FOR THE ONLINE FCRA REGISTRATION.



Form FC-3 will be used to apply for FCRA registration. This article shows how to register for the FCRA online.

**Step-1:** To begin, go to the FCRA's online portal.

**Step 2:** To register with FCRA, go to 'FCRA online forms.'

**Step 3:** Pick the application for FCRA registration link on the next screen. This link will take you to the next tab.

**Step 4:** To apply for FC3, click the 'Click to apply online' tab (Registration).

#### Create an FCRA Account

**Step 5:** You must register with FCRA by selecting the sign-up option. The link will redirect you to the next post.

**Step 6:** Fill all compulsory information and save the details filed up.

**Step7:** As you press Save, a message appears on the screen that says, 'User ID successfully developed and your user ID is:'

#### Please log in to FCRA.

**Step 8:** Enter your User ID and password to access the portal.

**Step 9:** Pick FCRA registration from the drop-down menu under the option "I am applying for." Apply online by clicking on the link.

**Step 10:** To complete the registration process, click here to start a new registration.

**Step 11:** In the title bar, click FC3 Menu for a step-by-step registration procedure.

#### **Details on the Association**

**Step 12:** From the menu, choose Association Information. The detail type for the organization will be shown. Fill in all of the necessary information mentioned below.

- Darpan ID
- Association Address
- Registration Number
- Registration Place of Association
- Registration of Date
- Nature of Association
- Main Objective of Association

**Step 13:** To save information, click the submit button.

#### **Form for the Executive Committee**

**Step 14:** Choose the Executive Committee option from the menu bar to access the Executive Committee Form.

**Step 16:** Fill in all of the information about the Executive Committee.

**Step 17:** Select 'Add details of Key Functionary,' and then edit/delete/add Details of Executive Committee Information.

**Step 18:** To add more foreigner details, check the box next to the record you want to edit and then press the Add/View button.

**Step 19:** A new screen will appear; fill in the relevant foreigner details. By selecting the required choice, you can Edit/Delete a Record.

#### **EC information as well as some**

**Step 20:** Fill in the EC and other details. Choose this choice from the drop-down menu.

**Step 21:** After entering all of the EC's mandatory details, click Save.

**Step 22:** Enter your bank details, such as the name of the bank, the IFSC code, the account number, and the bank's address.

#### **Additional information section**

**Step 23:** From the menu, choose Other Details to enter some additional information.

#### **Upload documents**



**Step 24:** In PDF format, you must upload all related documents.

#### **Submission of the Final Report**

**Step 25:** From the menu bar, choose final submission. You must fill out the application form, type the location and date, and then press the final send button.

**Step 26:** Once you've actually uploaded, a pop-up window will appear; press OK.

Note: after you've submitted your application, you won't be able to change any of the details.

#### **Payment is made through the internet.**

**Step 27:** The payment screen will appear after pressing the Make Online Payment button in the menu bar.

**Step 28:** On this page, click the Continue for Payment button, and a new screen will appear. Tap on payment after selecting the payment gateway.

### **OVERVIEW ABOUT FCRA REGISTRATION RENEWAL**



- The registration certificate's validity has been limited to 5 years under the updated FCRA 2010. It should be remembered that under previous legislation, FCRA registration was virtually permanent until it was revoked. The FCRA 2010 requires organizations to update their registration every five years.
- Organizations who want to extend their registration certificate will do so six months before it expires by filling out Form FC-3C online.
- Existing registrations under the FCRA, 2010, will expire after the five-year term from the date of grant of registration has expired, and they will no longer be able to receive international donations. In this situation, the association would have to reapply for registration.

### INVESTIGATION AT THE TIME OF FCRA RENEWAL

The process for FCRA renewal is outlined in Section 16 of the FCRA Act of 2010, which must be completed every five years. However, the aforementioned provision does not grant the department the authority to conduct any investigation when processing the renewal application, even though the FCRA department can conduct audits and inspections at any time under sections 20 and 23, respectively. However, in both sections 20 and 23, the Central Government must have a valid cause to start an investigation or audit.

However, the FCRA Amendment Act of 2020, enacted on September 29, 2020, states that the central government has the authority to make inquiries and satisfy itself as to Section 12(4) conformity prior to FCRA renewal. It's worth noting that Section 12(4) is the law that governs authentication at the time of registration. To put it another way, the government can conduct similar investigations before renewing FCRA registration. As a result of the proposed amendment, the extension process has been identical to the registration or prior permission process.

### POSTPONED OF RENEWAL APPLICATION

If an NGO does not apply for renewal by the deadline, its registration will be revoked. However, if appropriate explanations for not sending the renewal application are given, the department could be willing to overlook the delay. A pending application for renewal may be sent up to one year after the FCRA Certificate expires.

The validity of a person's certificate of registration shall be deemed to have ceased from the date of completion of the term of five years from the date of grant of registration if no application for renewal of registration is issued or such application is not followed by the required fee, according to Rule 12(6) of the FC(R) Rules 2011. For example, if no application is made or is not followed by the renewal charge, the validity of the registration certificate granted on November 1, 2016 will be considered to have lapsed as of October 31, 2021.

### FCRA REGISTRATION CANCELLATION/SUSPENSION

**If officials believe that a licensed company is not acting in accordance with the legislation and that its license should be revoked, they will do so by sending a notice to the concerned entity. The below are some of the factors to remember before terminating the license:**



- The Foreign Contribution (Regulation) Act is not being followed by the NGO.
- If an agency fails to file an annual return by the deadline
- In the event that some allegation of wrongdoing in activities is brought against such an organisation, and the allegation is shown to be valid,
- Contributions obtained are not used to achieve the entity's key goal or the intent specified in the FCRA registration application.



## THINGS TO STAY AWAY FROM DURING THE FCRA

- Never combine domestic or personal account receipts with an international donation.
- If you've applied for the FCRA program, don't change your opinion
- Should not use ATM or debit cards. The Foreign Contribution Bank usually does not have an ATM or debit card. In the meantime, if you have one, do not use it to make any cash payments.
- If you want to get the most out of your perks, avoid cash withdrawals.
- Don't put the Foreign Contribution money into some kind of savings or liquid fund. Mutual funds, investing, and so on
- If you're on a world trip, stay away from foreign hospitality.
- Do not use FC for any form of personal or administrative function.
- May not accept foreign contributions if your FCRA registration is on hold, cancelled, or approval has not been given.
- Foreign contributions can never be accepted in any bank account other than an FC account.
- Never skip any of the Section 18 annual returns that are needed.

Furthermore, avoiding any of these blunders would aid in the smooth operation of your firm or confidence.

## FREQUENTLY ASKED QUESTIONS

### 1: What are the various forms of FCRA registrations?

The below are the two forms of FCRA registration:

- Proper FCRA registration
- Proper FCRA registration permission



The eligibility requirements, as well as the duration of the registration, vary depending on the type of FCRA registration.

### 2. What is the duration of the FCRA Registration?

FCRA Registration is valid for five years after it is issued, and it can be extended by applying within six months of the expiry date.

### 3. What are the requirements for FCRA enforcement after registration?

The organization must file an annual return in specified form FC-4 online via the official website of <https://fcraonline.nic.in> after receiving the FCRA License, along with the following documents approved by a chartered accountant:

- a scanned copy of the income statement
- a scanned copy of the balance sheet
- a scanned copy of the international receipt statement
- an entity's payments and expenditures

### 4. What is the deadline for the FCRA registered company to file an annual return?

FC-4 is an annual compliance form that must be submitted within 9 months of the end of the financial year, i.e., on or before December 31st of each year.

**5. Is it necessary to update the registration certificate?**

According to Section 16 of the FCRA, 2010, someone who has been issued a certificate of registration under Section 12 must have it renewed within six months of the certificate's expiry date.

**6. What is the procedure for re-registering?**

Associations who want to extend their registration certificate will do so six months before it expires by filling out Form FC-3 online.

**7. When does an organization that was given registration under the FCRA in 1976 file for renewal?**

Since the registration issued to associations under the revoked FCRA, 1976 is valid until April 30, 2016, those associations should have applied for renewal of their registration six months before the validity expires, on or before October 31, 2015. With effect from May 1, 2016, the renewed certificate will be valid for five years.

**8. What documents must be submitted in order to update your registration?**

For renewal of registration,

- the Chief Functionary's signature,
- the association's seal,
- the association's registration certificate,
- the association's Memorandum of Association/ Trust Deed, and
- a self-certified copy of registration must be uploaded.

**9. What happens if the association fails to renew its FCRA registration online?**

The existing registration under the FCRA, 2010, will expire after the five-year term from the date of grant of registration has expired. In this situation, the association would have to reapply for registration.

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***Post by Rajput Jain & Associates:***

*Our team([RJA](#)) of experts can provide all the assistance in FCRA registration and related enquiries in India for Indian residents and as well as foreign company. With the experience we have gained and learn from several years with hundreds of clients who have started their successful business ventures in all parts of India and as well in Foreign Countries. We can assure you the best services at the most competitive rates. Our business consulting services spans from the starting of a company or business till that business becomes a successful enterprise in India.*

*Legal and various types of document works are involved in FCRA registration related queries in India other than approvals from Government of India. We can assist you in FCRA registration for your company or for individual in India along with getting vital documents and approvals from the government.*

*For any information/queries, you can contact us. Our team of experts can provide all the assistance in related to FCRA Registration:*

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