

REGULATORY UPDATE

**The Foreign Contribution
(Regulation) Amendment
Rules, 2022**



Introduction of the Foreign Contribution (Regulation) Amendment Rules, 2022

The Central Government via notification dated July 01, 2022 has introduced Foreign Contribution (Regulation) Amendment Rules, 2022 (“**The Amendment Rules 2022**”) to amend the **Foreign Contribution (Regulation) Rules, 2011** (“Rules”) under the **Foreign Contribution (Regulation) Act, 2010** (“Act”).

The Amendment Rules 2022 are effective from July 01, 2022.

Here, Foreign Contribution refers to the donation or transfer of any currency or security or any article by a foreign source, defined under the Act.

Introduction of this Amendment in the **Foreign Contribution (Regulation) Rules, 2011** (“Rules”), primarily, attempts to relax the provisions of the Act by increasing the timelines for reporting to the statutory authorities.

Certain key changes brought in by the Amendment Rules 2022 are as follows:

a) Increase in threshold limit for intimating receipt of Foreign Contribution

The Amendment Rules 2022 has increased the threshold for intimating the Central Government regarding receipt of foreign contribution in a financial year, **by a person from any of his foreign relatives**, from **Rs. 1 lakh to Rs. 10 lakhs**. Accordingly, an Indian can now receive foreign contribution from a foreign relative upto Rs. 10 lakhs, without intimating the authorities regarding the same.

b.) Increase in the timeline for reporting the receipt of Foreign Contribution

The Amendment Rules 2022 has increased the time limit for intimating the receipt of foreign contribution from foreign relatives in Form **FC-1** from **30 days to 3 months**.

c.) Increase in the timeline for reporting the opening an FCRA bank account

The Rules provides that an organization making FCRA registration or taking prior permission must have an FCRA Bank account.

The Amendment Rules 2022 has increased the time limit for intimating Secretary, Ministry of Home Affairs, regarding the opening of FCRA Bank account in **Form 6D from 15 days to 45 days**. The said timeline has been increased in both cases i.e. for FCRA registration or FCRA prior permission.

d.) Removal of requirement for intimating quarterly receipt of foreign contribution on official website or FCRA website

Previously, the Rule necessitated that any person receiving foreign contribution in a quarter of the financial year was required to place details of foreign contribution received on its official website or on the website as specified by the Central Government, within

fifteen days following the last day of the quarter in which it has been received. This requirement has been removed via the Amendment Rules 2022.

e.) Increase in timeline for Intimation of Changes under Rule 17A of Rules

The Rule provides that any person who has been granted a certificate of registration or prior permission shall intimate the following changes in the prescribed form electronically within **15 days of such change**.

FORM NO	CHANGES TO BE INTIMATED
FC-6A	Change of name of the association and/ or its address within the State
FC-6B	Change of nature, aims and objects and registration with local/relevant authorities
FC-6C	Change of designated bank/ branch/ bank account number of designated Foreign contribution account

FC-6D	Change of bank and/or branch of the bank for the purpose of utilising the foreign contribution after it has been received
FC-6E	Change in office bearers or key functionaries or members mentioned in the application for grant of registration or prior permission or renewal of registration

The timelines to furnish above intimation in Form FC-6A to FC -6E has been increased from **15 days to 45 days** via the Amendment Rules 2022

f.) Electronic submission of application for revision of order passed by Competent Authority

As per the **extant rule**, an application for revision of an order passed by the competent authority under Act shall be made to the Secretary, Ministry of Home Affairs, Government of India, New Delhi **on a plain paper**. The Amendment Rules 2022 provides for making an application for revision of an

Order in the **prescribed form** which shall be required **to be filed electronically**.

Comments:

All these amendments made in the Rules would provide person and organization receiving foreign contribution sufficient time to ensure reporting in the effective manner

DISCLAIMER:

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