No. II/21022/58(79)/2019-FCRA(MU)
Government of India
Ministry of Home Affairs
Foreigners Division
FCRA (Monitoring Unit)

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MDC National Stadium, New Delhi, the 18th March, 2020

Subject:- Exemption from the provisions of section 14(3) of The Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) - regarding

Section 18 of The Foreign Contribution (Regulation) Act, 2010 read with rule 17 of The Foreign Contribution (Regulation) Rules, 2011 provides for submission of Annual Returns by all Associations who have been granted certificate of registration or prior permission.

- 2. The Central Government vide notification dated 14th December, 2015 made it mandatory for all Associations having certificate of registration or prior permission to file their Annual Returns (ARs) only in electronic format on the web portal *fcraonline.nic.in*.
- 3. For non-submission of ARs for the year 2017-18, FCRA registration of many Associations was cancelled under section 14 of the FCRA, 2010. Consequent to such cancellation, the Associations are no more eligible for registration or grant of prior permission for a period of three years from the date of cancellation of their certificate.
- 4. Many NGOs/Associations are representing for review of the cancellation of their FCRA certificates explaining their circumstances that led to non-filing of Annual Return for 2017-18. Reasons cited by them include inter-alia, (a) they depended upon their accountant or CA firms, who somehow ignored the deadlines (b) local difficulties like floods etc. (c) mishandling of log-in/passwords by their CAs and other functionaries. One common grievance raised by most of them is that now all FCRA process is online and in many cases the online account is operated by their CA or tax-consultant, who are not aware of the strict monitoring by the Ministry. These Associations have submitted that they never intended to avoid statutory compliances under the Act.

5. In view of representations made by many such Associations, and in exercise of powers conferred on central government under section 50 of the FCRA, 2010 a <u>one-time exemption</u> is hereby granted in public interest to such Associations from the restrictive condition of section 14(3) of the Act to enable them to apply for registration within 60 days from the issuance of this notice provided that such Associations shall submit missing ARs electronically on the FCRA Portal along with the prescribed penalty.

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