

## 'FCRA AMENDMENTS CRIPPLING OUR WORK'

Relevant for: Developmental Issues | Topic: Role of NGOs, SHGs, Donors & Charities, and Institutional & other Stakeholders in Development Process

The amendments to the Foreign Contribution Regulation Act (FCRA) enacted last year that among others made it compulsory for NGOs to open a bank account in Delhi has crippled the work of many organisations who are unable to receive foreign funds.

Registered NGOs can receive foreign contribution for five purposes — social, educational, religious, economic and cultural. An FCRA registration is mandatory for NGOs to receive foreign funds. There are 22,591 FCRA registered NGOs.

An NGO has now moved the Delhi High Court seeking exemption from the Union Home Ministry's March 31 deadline to open an FCRA account with the SBI branch at Parliament Street here.

The petitioner argued that it applied to open the account before the March 31 deadline but the administrative delays on the part of the bank and the Ministry severely restricted its activities including providing COVID-19 relief and paying of urgent salaries of staff and also affected its charitable and educational activities.

The court in a hearing on May 7 issued notice to the Ministry. Abishek Jebaraj, the NGO's lawyer, said there were many NGOs who were affected by this order and the new regulations were hampering charitable work during the pandemic.

"There is also severe inconvenience involved in submitting copies of all the necessary papers and personal documents, such as Aadhaar card copies and the KYCs of trustees and other members of the NGO. The trustees and members live in different parts of the country, and getting documents together poses immense challenges due to COVID-19 restriction," Mr. Jebaraj said.

The NGOs continue to face problems even as the National Disaster Management Authority (NDMA) on May 6 wrote to all States to involve NGOs, faith-based organisations, religious and social trusts at local level to handle the "unprecedented COVID-19 crisis". The NDMA held a virtual meeting with 1,000 NGOs on May 5. NDMA member secretary Sanjeeva Kumar said in a letter to States that an NGO coordination centre shall be set up at the local level and office and other logistics be provided by the State. The letter said the NGOs could offer their services in containment zones and other areas where curfew is imposed and special passes could be given to them.

**END**

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