



CIVIL

MHA Issues Notice: Temporary Relief for NGOs with Expired FCRA Registrations to Pay Penalties and Fees

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Introduction

The Ministry of Home Affairs (MHA) in India has recently issued a public notice addressing a critical issue faced by numerous NGOs and associations whose Foreign Contribution (Regulation) Act (FCRA) registration has expired. This notice provides a temporary solution to allow these entities to pay compounding penalties and fees, ensuring compliance with the law and avoiding penal actions. This article examines the background of the FCRA, the specific provisions under which the notice has been issued, and the implications for affected organizations.

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Background of the FCRA

The Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) is a crucial legislation administered by the Ministry of Home Affairs. It regulates the receipt and use of foreign contributions by NGOs, voluntary organizations, and associations in India. The primary objective of this act is to ensure that foreign funds are used for bonafide activities and to prevent misuse. The act is complemented by the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011), which provide detailed guidelines for its implementation.

Provisions and Applicability

Under Rule 12(5) of the FCRR, 2011, no person whose certificate of registration has ceased to exist shall receive or use foreign contributions until the certificate is renewed. This means that NGOs and associations whose FCRA registration has expired are unable to make payments for compounding and fees from their FCRA bank accounts. The recent public notice by the MHA addresses this issue by allowing these entities to pay the required penalties and fees through the FCRA online portal using the "SBI Branch Payment" option.

Object and Purpose of the Notice

The notice aims to provide a temporary solution for NGOs and associations whose FCRA registration has expired. It allows them to pay the compounding penalties and fees from their FCRA bank account held with the State Bank of India, New Delhi Main Branch. This measure ensures that these entities can regularize their status without violating the FCRA, 2010. Any other receipt or use of funds from the FCRA bank account during this period would be considered a violation and would be liable for penal action.

Conclusion

The public notice issued by the Ministry of Home Affairs is a significant step towards ensuring compliance with the FCRA, 2010. It provides a practical solution for NGOs and associations facing difficulties due to expired registrations. By allowing these entities to pay the necessary penalties and fees, the MHA is enabling their compliance with the law and promoting a transparent and accountable environment for foreign contributions in India. This notice underscores the government's commitment to maintaining legal standards while supporting the operations of non-profit organizations.

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