



Limits on Validity of Foreign Funds

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The Ministry of Home Affairs (MHA) has revised its policy on **foreign funds** obtained through the **prior permission route**, limiting the validity to four years, unlike the earlier policy where the funds could be utilized until the entire amount was spent.

- **New Order:** Specifies that the validity for receiving foreign contributions will be three years from the approval date, and the utilization window will be four years.
 - For applications already approved, the four-year limit will apply from the date of the new MHA order, even if the approved project timeline exceeds three years.
- **Impact of Time Limit:** Non-compliance with the time limit will result in a violation of the [Foreign Contribution \(Regulation\) Act, 2010 \(FCRA\)](#), attracting punitive actions.
- **FCRA Prior Permission:** Under the FCRA, entities (Non-Governmental Organisations (NGOs)) that are not registered with the Central Government must obtain prior permission to accept foreign contributions. This permission is specific to the purpose and the source of the funds.
 - Entities must be registered under statutes like the **Societies Registration Act, 1860**, **Indian Trusts Act, 1882**, or the **Companies Act, 2013**.
 - A bank account with **State Bank of India, New Delhi**, is mandatory for FCRA transactions.
 - Additionally, the **Chief Functionary of the recipient Indian organization** should not be part of the donor organization, and **75% of governing body members** should not be connected to the foreign donor or its family.

Read more: [Foreign Contribution Regulation Act](#)

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