Polity & Governance · GS - II

Discuss the objectives and major provisions of the Foreign Contribution (Regulation) Act, 2010. How does it seek to balance national security concerns with the functioning of civil society organisations?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 05/11/2026	GS - II	Polity & Governance

MARKS	WORD LIMIT
10	~150 words

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Answer Hint

Foreign Contribution (Regulation) Act, 2010, regulation of foreign donations, national security, transparency and accountability, FCRA registration, prior permission, political parties, civil society organisations, legitimate foreign assistance.

Model Answer

Introduction

The Foreign Contribution (Regulation) Act, 2010 regulates foreign donations in India to ensure that such contributions do not adversely affect national interest, public order or national security.

Major Provisions

The Act requires eligible associations to obtain registration or prior permission from the Ministry of Home Affairs before receiving foreign contributions. It regulates the utilisation of funds, mandates designated banking arrangements and provides for inspection, suspension and cancellation of registration in specified circumstances. Political parties and certain other categories are prohibited from accepting foreign contributions.

Balancing Security and Civil Society

The framework promotes financial transparency and prevents the misuse of overseas funding for unlawful activities or interference in domestic affairs. At the same time, foreign contributions support legitimate work in education, healthcare, research and social development.

However, regulatory requirements should be implemented transparently and proportionately. Unnecessary delays or arbitrary restrictions can affect the functioning of genuine voluntary organisations.

Conclusion

Effective FCRA implementation requires a balance between national security, financial accountability and the autonomy of legitimate civil society organisations.

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