



# THE CORPORATE & COMPLIANCE UPDATE



***Receipt of FCRA contribution in  
INR***

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## Receipt of FCRA contribution in INR

The Ministry of Home Affairs, India (“MHA”) vide notification dated October 7, 2020 specified State Bank of India, New Delhi Main Branch (“SBI”) as the branch for the purpose of receipt of foreign contribution by person(s) registered under FCRA (“Donee”). The foreign contributions can either be received through SWIFT in foreign currency or through NEFT and RTGS in INR. Under SWIFT mode, the donor (*through a foreign bank*) directly remits the amount in foreign currency to SBI account of Donee. Whereas under the NEFT/RTGS mode, the foreign bank of donor raises INR request to Indian intermediary bank and the INR amount is provided in Vostro account. Subsequently, the funds are transferred through Vostro account of Indian intermediary bank to SBI account of Donee.

In terms of the requirements of MHA, while remitting the funds the details of donor and purpose of remittance are required to be provided to SBI which in turn submits the details to MHA on daily basis. These details were automatically provided under SWIFT route to SBI. However, under the NEFT/RTGS route no donor details were provided by intermediary banks to SBI. In order to keep a track of foreign donations, Reserve Bank of India (“RBI”) issued instructions to member banks on February 16, 2023 on receipt of foreign contribution through NEFT/RTGS. As per the instructions, FCRA related transaction code in NEFT and RTGS systems are required to be incorporated in the core banking/middleware solutions of member banks to capture the requisite details such as name, address, country of origin, amount, currency, and purpose of remittance while forwarding the foreign donations through NEFT and RTGS systems to SBI. These instructions were effective from March 15, 2023.

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Pursuant to March 15, 2023, in the event abovementioned details are not provided to SBI, the donation amount is returned to the donor with message 'Restricted for FC Product'. To ensure smooth transfer of funds, Donee should suggest the foreign donors to make the contribution through SWIFT only. Additionally, they can also identify the intermediary banks which have necessary software/banking solution to report donor details in NEFT and RTGS transfers to SBI, for further reporting to MHA, so as to avoid return of funds and suggest the donors to route INR payments through such banks only.

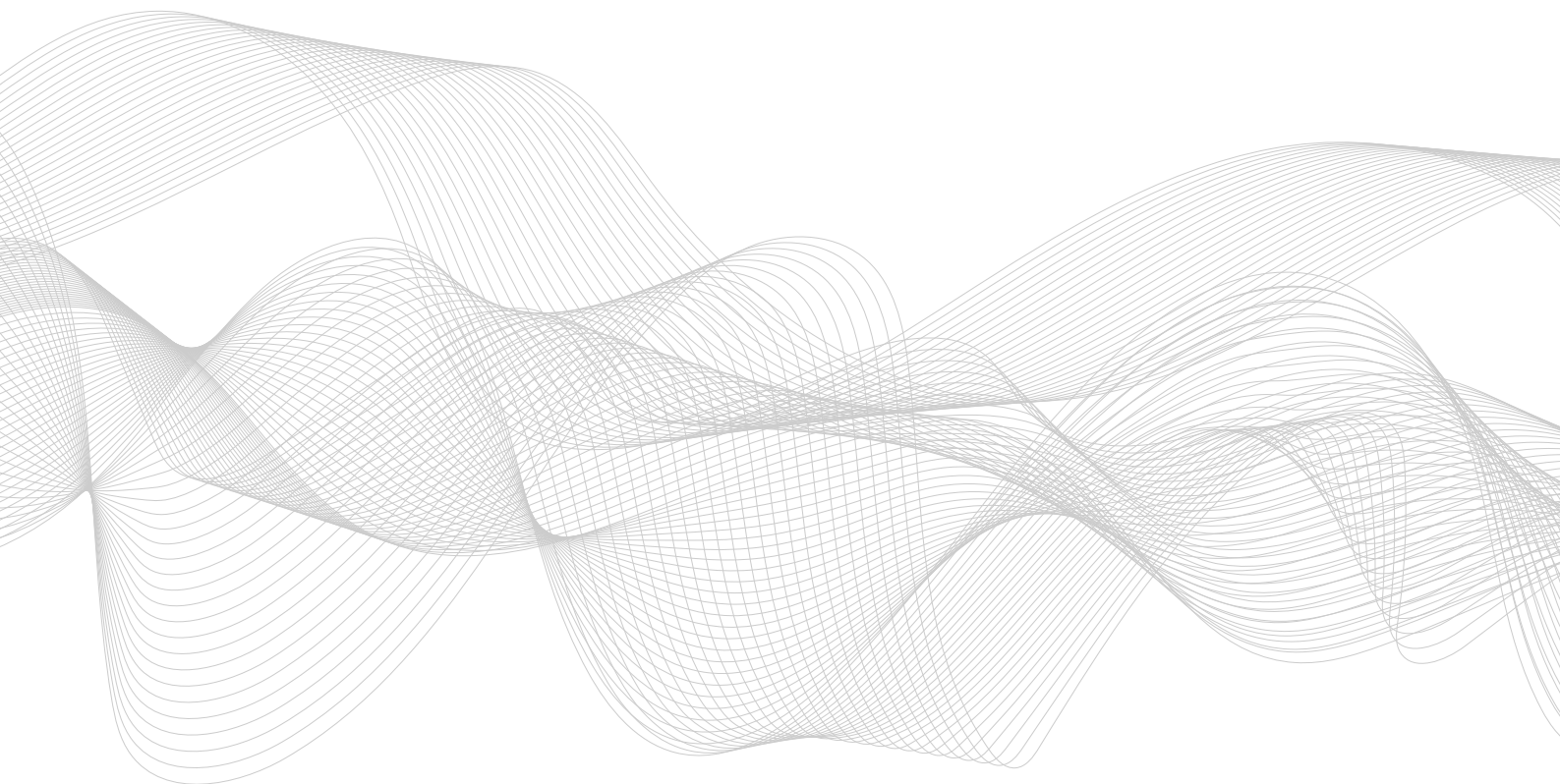
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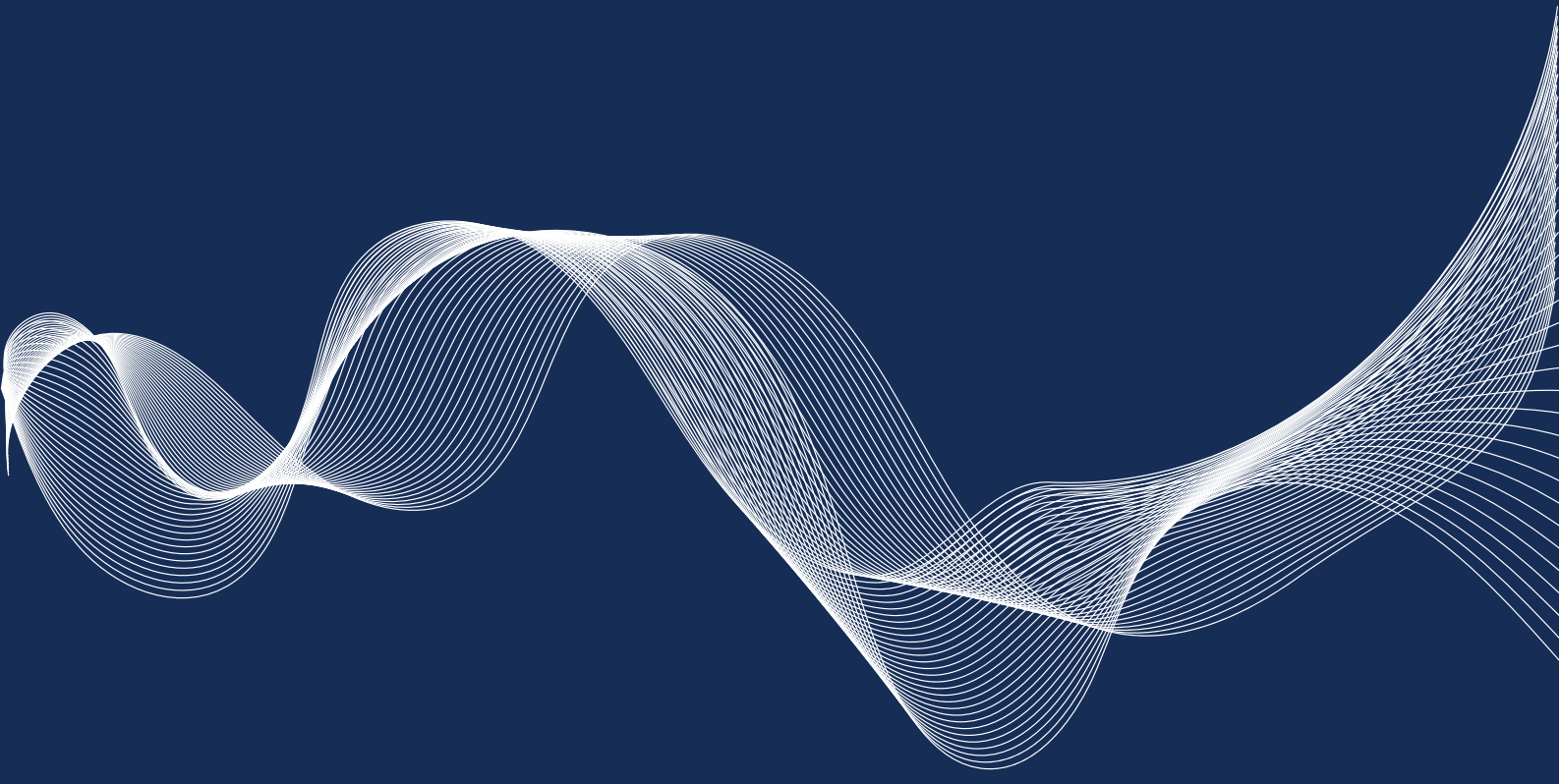
*The notification issued by MHA can be accessed at the below link:*

[https://fcraonline.nic.in/home/PDF\\_Doc/fc\\_notf\\_08102020.pdf](https://fcraonline.nic.in/home/PDF_Doc/fc_notf_08102020.pdf)

*The instructions issued by RBI can be accessed at the below link:*

<https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/NT1785EF26F40312C46658F861B415DF8A80E.PDF>





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