



FREE 45-MINUTE WEBINAR

# NEW LAWS ABOUT MONEY SENT TO INDIA

SENDING MONEY TO INDIA?  
DON'T MAKE A MISTAKE UNDER THE NEW INDIAN LAWS!



**GARY HOAG**  
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GTP / Author



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Executive Director,  
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Chartered  
Accountant/  
GTP & EFAC Board  
Member

**12 NOVEMBER 2020**  
**1:00 PM SYDNEY / MELBOURNE TIME**

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# Webinar Outline

- 1. Steve Kerr** – Welcome and CMA Standards Council Introduction and Vision for the Webinar
- 2. Raja B. Singh** – Introduction and Evolution of the Law for Sending Money to India, Recent Developments, and The Way Forward
- 3. Sanjay Patra** – FCRA Changes, Possible Responses, EFAC (Evangelical Financial Accountability Council) – Ezra and Confession
- 4. Gary G. Hoag** – Global View of Faithful Administration and Biblical Perspective on Legal Compliance
- 5. Steve Kerr** – Questions, comments, last words, wrap up, and closing prayer

**Post questions in chat bar. Slides and video will be available shortly.**





# **Steve Kerr** – Welcome and CMA Standards Council Introduction and Vision for the Webinar



## **Raja B. Singh** –

Introduction and Evolution  
of the Law for Sending  
Money to India

Recent Developments and  
The Way Forward



# Introduction and Evolution

2

## **1976 - Foreign Contribution (Regulation) Act**

- Prohibition on Political Parties, the Media and Judges
- Mere Intimation by Charitable and Religious Organisations (NGOs)

## **1985 - Restrictions on receipt of Foreign Contributions by NGOs**

- Receipts subject to Registration or Prior Permission
- Receipt of funds only through specified bank account
- Transfer of fund received, only to other Registered Organizations



# Introduction and Evolution (cont.)

2

## 2010 - Foreign Contribution (Regulation) Act

- Individuals covered by the Act
- Registration to be renewed every 5 years
- Violation of the provisions of the Act will invite Cancellation of Registration and takeover of the activities and the assets by the Government
- Grant of Registration / Prior Permission subject to the opinion of the Government that the conditions under Section 12(4) are satisfied



# Recent Developments

2

## 2019 - Amendments to the Rules

- Renewal of Registration subject to execution of Affidavit by each Member of the Board of the NGO, confirming that all the conditions in Section 12(4) are fulfilled and undertaking to report any violation of Section 12(4) by the NGO or other Members of the Board.

### One of the Conditions in Section 12(4)

That the NGO has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force either directly or indirectly from one religious faith to another.





# Recent Developments (cont.)

2

## The Issues

- The next Renewal of Registration, for most of the 22,000 NGOs in India receiving Foreign Contributions, is due on 1<sup>st</sup> October 2021.
- A general mindset to look at the propagation of Gospel as an illegal attempt to convert.
- Lack of understanding that relationship with Jesus is beyond any religious affiliation.
- Requirement of Affidavit, a clear indication of the thinking of the present Government.



# Recent Developments (cont.)

2

## 2020 - The New Amendments

### **(1) The Government may make enquiry to satisfy itself that Applicant for Renewal of Registration has fulfilled all conditions in Section 12(4).**

- Government shall renew the registration, ordinarily within 90 days from the date of receipt of application for renewal.
- Application could be made on any day from 1<sup>st</sup> May 2021, against the due date of 31<sup>st</sup> October 2021.
- Hurried enquiries, Selective enquiries and Delays in Grant of Renewal could be expected.



# Recent Developments (cont.)

2

## 2020 - The New Amendments

### **(2) Open a new FCRA Account for receiving foreign remittances, in the specified Bank at New Delhi**

- Operating the existing Designated Account may continue till the new FCRA Account is opened.
- The existing Designated Account may continue as an Account for keeping or utilising the funds received in FCRA Account, even after opening the new FCRA Account.
- Only a procedural issue



# Recent Developments (cont.)

2

## 2020 - The New Amendments

### **(3) No transfer of Foreign funds received, by the NGO to another**

- NGOs to use Foreign Contributions for their own activities.
- Direct transfers by the Foreign Donor to other Registered NGOs is possible.





# Recent Developments (cont.)

2

## 2020 - The New Amendments

### **(4) Administrative Expenses limited to 20 percent of Foreign Contribution received.**

- Definition of Administrative Expenses not based on functional classification but based on traditional accounting heads.
- Includes even salaries of personnel hired for management of the activities and projects.
- So illogical that you could expect a new definition of Administrative Expenses.



# Suggested Actions

2

## The Way Forward

- Encourage the Indian NGOs to ensure compliance to the teeth.
- Discourage any form of conversion by inducement or force.
- As you continue to do what God has called you to do, reassure yourself – The Lord has been mindful of us (Psalms 115.12)
- Remind yourself of the advice of Solomon – Do not withhold good from those to whom it is due, when it is in the power of your hand to do so. (Proverbs 3.27)

-



# Sanjay Patra

- FCRA Changes and Possible Responses



EFAC (Evangelical Financial Accountability Council)

Ezra and Confession



# FCRA Changes and Possible Responses

3

## How can you help the ministries in India?

- First of all, we are grateful for your concern and prayers
- Your support and solidarity is much appreciated. Indian nonprofit space is undergoing an unprecedented challenge.
- It is necessary to re-calibrate our ways of working.

## Stop!

- Compliance to law at both ends is non-negotiable.
- Push ministries to be compliant to local laws even if it is difficult (Not impossible)





# FCRA Changes and Possible Responses

3

## What you can do!

- Follow the 5 purposes in the law and check the FIT
- Creative solutions to circumvent the law should be avoided.
- Provide grants for capacity building in local fund raising and communications for sustainability.
- Ensure that Indian partner organisations are utilising the funds directly and not transferring to another organisation.
- Proselytisation is against the law in India. Screen the activities of your partners carefully.
- Watch what goes out in social media space both in USA and in India. Remember we live in a global village.



# FCRA Changes and Possible Responses

3

## About EFAC

- EFAC is a standard setting and accreditation body in India focused on ensuring compliances and standards.
- EFAC has a wealth of resource persons, experts and committed Christian professionals who are ready to help.
- EFAC also can connect these ministries to experts who can help them in their area of need.
- EFAC can be the watch dog to provide early warning.
- EFAC can be a catalyst to proactively push ministries towards higher levels of accountability and create an accountability movement. (GTP helps with all this!)



# What should we not do?

3

## Please . . .

- Let us even in passing avoid promoting non-compliance
- We should not nurture the victim mindset
- Let us not try to look for loop-holes in the law.
- Let us avoid corridor channels but rather learn from one another and from our experiences.



# Learning from Ezra

3

## Collective confession and following God's standards

- The prayer of Ezra is one of the best examples in the Bible of how to pray when we have sinned (9.5-15)
- He included himself in the Israelites failure to obey God even though he himself had not sinned.
- For Ezra had set his heart to study the Law of the LORD, and to do it and to teach his statutes and rules in Israel (7.10)





# **Gary Hoag** – Global View of Faithful Administration

Biblical Perspective on  
Legal Compliance



# Global View of Faithful Administration

4



**Peer  
Accountability  
Groups**

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# Biblical Perspective on Legal Compliance

4

## Subject - What God desires for our flourishing

Let every person be subject to the governing authorities, for there is no authority except from God, and those authorities that exist have been instituted by God. Therefore whoever resists authority resists what God has appointed, and those who resist will incur judgment. Romans 13.1-2

## Tip to learn to submit rather than resist - Fasting



# Biblical Perspective on Legal Compliance

4

## **Shine - When stewards aim at faithfulness**

In the same way, let your light shine before others, that they may see your good deeds and glorify your Father in heaven. Matthew 5.16

## **Tip to stay on track and avoid a crisis - Prayer**





# Biblical Perspective on Legal Compliance

4

## Standards - How we witness to the world

Live such good lives among the pagans that, though they accuse you of doing wrong, they may see your good deeds and glorify God on the day He visits us. 1 Peter 2.12

## Tip for helping each other do our part - Confession



**Steve Kerr** – Questions, Comments, Last Words, Wrap up, and closing prayer



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