

CNK & Associates LLP

We refer to our attached Newsflash dated 24th September 2020 on FCRA Amendment Bill, 2020 wherein the amendments proposed to the Foreign Contribution Regulation Act, 2010 ('the Act') were discussed in detail. The Bill has now received the assent of the President of India and has **come into effect from 29th September 2020**.

One of the amendment was substitution to section 17 of the Act. The amended section 17 requires, a registered organisation to open an "FCRA account" with a designated branch of State Bank of India (SBI) at Delhi, and receive Foreign Contribution (FC) in India only through this account. The amendment also for the first time introduces the concept of a 'holding account'. The FC funds received in the SBI account are accordingly permitted to be transferred to such a holding account in India with any scheduled bank for maintaining the FC funds and their utilisation.

Subsequent to the news flash, the following developments in this regard require the attention of organisations already registered under the Act or proposing to register under the Act:

- i. The Ministry of Home Affairs (MHA) vide its notification no. S.O. 3479 (E) dated 7th October 2020 has specified the State Bank of India, New Delhi Main Branch, 11, Sansad Marg, New Delhi 110001 as the designated branch with which the "FCRA account" is to be opened.
- ii. All future FC will have to be initially received in the above SBI bank account for both existing as well as newly registered organisations.
- iii. To mitigate operational inconvenience for organisations which are not based at New Delhi, SBI is likely to publish a list of SBI branches across India, which will facilitate remote opening of the FCRA account with the designated New Delhi branch. Details for the same are awaited.

Trust the above update assists you. Should you have any queries, please do not hesitate to contact us.

For C N K Newsflash on FCRA Amendment Bill, 2020 dated 24th September 2020 [Read more](#)

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Our Offices in India

Mumbai

Mistry Bhavan, 3rd Floor,
Dinshaw Vachha Road, Churchgate
Mumbai 400020
Tel No. +91 22 6623 0600

Mumbai (Suburban Office)

501/502, Narain Chambers,
M.G. Road, Vile Parle (East)
Mumbai 400 057
Tel No:+91 22 6457 7600/01/02

Ahmedabad

'Hrishikesh',
2nd Floor, Vasantbaug Society,
Opp Water Tank, Gulbai Tekra
Ahmedabad 380 006
Tel. No. +91 79 2630 6530

Bengaluru

96, 7th Cross,
Domlur,
Bengaluru 560 071
Tel. No.+91 80 2535 1353

Chennai

Kochu Bhavan
Ground Floor, Old No 62/1, New No 57,
McNichols Road, Chetpet
Chennai 600 031
Tel No. +91 44 4384 9695

New Delhi

Suite 1101,
KLJ Towers,NSP
New Delhi 110 034
Tel No.+91 11 2735 7350

Vadodara

C-201/202, Shree Siddhi Vinayak Complex,
Faramji Road, Alkapuri,
Vadodara 390 005
Tel. No. +91 265 234 3483

Our Overseas Office

Dubai

Suite#17.06 Dubai World Trade Centre
Shaikh Zayed Road, Dubai, P.O.Box.454442
Tel. No. +971 04 355 9533