

CSR & Social Governance

(Chapter 15)

(Total= 20 marks)

Time - 1 Hr

Answer the following question.

Case Study 1

Philosophically, foreign contribution (donation) is akin to gratifying intoxicant replete with medicinal properties and may work like a nectar. However, it serves as a medicine so long as it is consumed (utilised) moderately and discreetly, for serving the larger cause of humanity. Otherwise, this artifice has the capability of inflicting pain, suffering and turmoil as being caused by the toxic substance (potent tool) - across the nation. In that, free and uncontrolled flow of foreign contribution has the potentials of impacting the sovereignty and integrity of the nation, its public order and also working against the interests of the general public. It is open to a sovereign democratic nation to completely prohibit acceptance of foreign donation on the ground that it undermines the constitutional morality of the nation, as it is indicative of the nation being incapable of looking after its own affairs and needs of its citizens. The third world countries may welcome foreign donation, but it is open to a nation, which is committed and enduring to be self-reliant and variously capable of shouldering its own needs, to opt for a policy of complete prohibition of inflow/acceptance of foreign contribution (donation) from foreign source (Noel Harper & Ors vs. Union of India & Anr judgement dated April 08, 2022, the Hon'ble Supreme Court of India)

Questions:

(5 marks each)

1. What is meant by "Prior Permission" under regulatory frameworks like the Foreign Contribution Regulation Act (FCRA)? Discuss the eligibility criteria an organization must meet to obtain prior permission for receiving foreign contributions.
2. Who is prohibited from receiving foreign contributions under the Foreign Contribution Regulation Act (FCRA), 2010? List the categories of individuals and organizations restricted from accepting such funds.

Case Study 2

Foreign Contribution (Regulation) Act, 2010(FCRA) is the law that governs foreign funding in India. FCRA has the primary objective of regulating the acceptance and utilisation of foreign contribution or foreign hospitality by certain persons or associations, with a view to ensuring that Parliamentary and political associations, academic and other institutions as well as individuals working in important areas of national life may function in a manner consistent with the values of a sovereign democratic republic. The Act prohibits acceptance of foreign contribution by election candidates, journalists, public servants, members of the legislature, and political parties or their office bearers and allows Associations having definite cultural, economic, educational religious or social programme to accept such contributions after complying with certain requirements.

Questions:

(3 marks each)

1. As per Section 16 of the FCRA, 2010, what is the timeline and procedure for renewing an FCRA registration certificate? Mention with the above documents.
2. The acceptance of foreign contribution by the association/ person is not likely to affect prejudicially, explain the conditions to be met for the grant of registration and prior permission.

Q3. **(4 marks)**
What are the key FATF (Financial Action Task Force) requirements applicable to Non-Profit Organisations (NPOs)? Discuss the importance of good practice guidelines issued to NPOs to prevent misuse for money laundering or terrorist financing.

BEST OF LUCK