

FCRA AMENDMENT



Context

Recently, the Union Government has deferred discussion on the FCRA Amendment Bill, 2026 which triggered political controversy, especially ahead of the Kerala Assembly elections.



Foreign Contribution (Regulation) Act (FCRA)

Mandate-

- It is a key legislation that regulates the acceptance and utilisation of foreign funds by individuals, NGOs, and associations in India.
- It is administered by the Union Ministry of Home Affairs (MHA).

Significance

- It aims to ensure foreign contributions do not affect national interest, sovereignty, or public order.

Provisions of FCRA Amendment Bill, 2026

01



New "Designated Authority" to Take Over Assets

- **What it does:** If an NGO's registration is cancelled, surrendered, or even if it simply expires and isn't renewed, this authority can step in and take control of all its foreign funds and assets (like buildings or equipment bought with foreign money).
- **Permanent Takeover:** If the registration is not restored within a certain timeframe, the government can permanently take these assets, sell them, or transfer them to other government departments.

02



Personal Liability for "Key Functionaries"

- The Bill expands the definition of "key functionary" to include directors, partners, trustees, and anyone in a management role.

03



Automatic Ending of Registration

- **How it works:** Under the new rules, an FCRA registration will automatically lapse if it expires and hasn't been renewed, or if a renewal request is rejected.
- **Strict Timelines:** The Bill also sets fixed timelines for how quickly organisations must use the foreign funds they receive.

04



Changes to Investigations and Penalties

- **Centralised Approval:** Local police or state agencies now need prior approval from the Central Government before they can even start an investigation into an FCRA-related complaint.
- **Reduced Prison Time:** The maximum jail term for breaking FCRA rules is being reduced from five years to one year, though fines still apply.

