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RSM India Newsflash – Key Developments under the Foreign Contribution Regulatory Framework



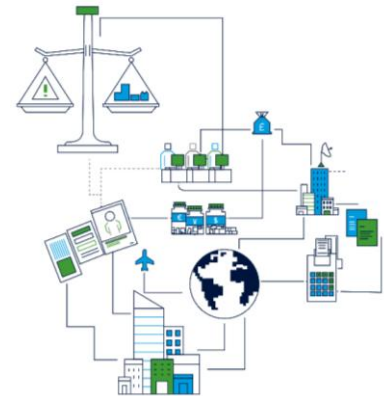
Newsflash –

Key Developments under the Foreign Contribution Regulatory Framework

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1. Introduction

The **Foreign Contribution (Regulation) Act, 2010** (hereinafter referred to as the 'FCRA' or 'the Act') is the principal legislation governing the acceptance and utilisation of foreign contributions and foreign hospitality in India. Enacted to safeguard the country's sovereignty, integrity, national interest, public order and security, FCRA seeks to ensure that foreign funding does not adversely influence individuals, associations or organisations engaged in activities of political, social, cultural, educational, economic or religious significance.



Since its enforcement on 1 May 2011, the FCRA has been amended on multiple occasions, including 2016, 2018 and 2020, to strengthen the regulatory framework and address evolving compliance requirements. At present, the Act regulates approximately 16,000 registered associations, which collectively receive foreign contributions of around Rs. 22,000 crores annually, making it one of the most significant regulatory statutes governing the non-profit and charitable sector in India.

As part of the continuing evolution of this regulatory framework, the **Foreign Contribution (Regulation) Amendment Bill, 2026** has been introduced in Parliament proposing significant amendments to the FCRA. In addition, the Central Government (hereinafter referred to as 'CG') has notified amendments to the **Foreign Contribution (Regulation) Rules, 2011** (hereinafter referred to as the 'FCRR') and amended the **Compounding of Offences** provisions under the FCRA.

While the amendments proposed under the Bill are yet to be enacted and brought into force, the amendments to the FCRR and the amended compounding framework have already been notified on 22 June 2026. Collectively, these developments are aimed at strengthening the regulatory framework governing foreign contributions, enhancing oversight over foreign contribution-funded assets and streamlining compliance & enforcement mechanisms.

This Newsflash provides an overview of certain key proposals contained in the Foreign Contribution (Regulation) Amendment Bill, 2026, together with the notified amendments to the Foreign Contribution (Regulation) Rules, 2011 and the amended Compounding of Offences provisions under the FCRA.

Status of Key FCRA Legislative and Regulatory Developments –

Sr. No.	Name of the Amended Acts / Rules	Current Status
1	Foreign Contribution (Regulation) Amendment Rules, 2026	Notified on 22 June 2026
2	Expansion of the Compounding Framework under the FCRA, 2010	Notified on 22 June 2026
3	Foreign Contribution (Regulation) Amendment Bill, 2026	Yet to be enacted

2. Executive Summary

Sl. No.	Amendments / Changes	Rule No. / Section / Form No.	Whether Expansion of Existing Rule or New Requirement / Definition?	Para Reference of the Document
A. Foreign Contribution (Regulation) Amendment Rules, 2026				
1	Introduction of the definition of 'Key Functionary'	Rule 2(1)(ca)	New Definition	3.1
2	Restriction on associations having foreign nationals as key functionaries for FCRA registration / prior permission	Explanation 1 to Rule 9(5)	New Requirement	3.2
3	Restriction on utilisation of foreign contribution only for approved activities in India	Explanation 2 to Rule 9(5)	New Requirement	3.3
4	Registration linked to approved purposes and geographical areas; introduction of Schedule, Form FC-6F and revised fee structure	Rule 9 / Form FC – 6F	Expansion of Existing Registration Framework	3.4
5	Minimum utilisation threshold of Rs. 10 lakhs over preceding 2 FYs for renewal/cancellation	Rule 14A	New Requirement	3.5
6	Procedure for release of second and subsequent instalments under prior permission	Form FC – 3BB	New Form / New Requirement	3.6
7	Expanded disclosure requirements in annual return (UDIN, DAF disclosures, activity-wise utilisation, digital footprint, publications etc.)	Rule 17 / Form FC – 4	Expansion of Existing Form	3.7

Sl. No.	Amendments / Changes	Rule No. / Section / Form No.	Whether Expansion of Existing Rule or New Requirement / Definition?	Para Reference of the Document
B. Expansion of the Compounding Framework under the FCRA				
8	Additional compoundable offences for speculative investment, unapproved utilisation and utilisation beyond approved purposes / geographical areas	Notification dated 22 June 2026 (Section 41)	Expansion of Existing Compounding Framework	4
C. Foreign Contribution (Regulation) Amendment Bill, 2026				
9	Introduction of statutory definitions of Designated Authority and Administrator	Section 2	New Definitions	5.1
10	Introduction of the definition of Key Functionary under the Act and replacement of references to directors/office bearers	Section 2	New Definition	5.2
11	Automatic cessation of FCRA registration upon expiry/non-renewal	New Section 14B	New Requirement	5.3
12	Restriction on alienation / encumbrance of FCRA-created assets during suspension	Section 13	Expansion of Existing Provision	5.4
13	Comprehensive framework for vesting, management, restoration and disposal of foreign contribution and assets through Designated Authority	New Chapter IIIA (Sections 16A–16L)	New Statutory Framework	5.5
14	Provisional and permanent vesting of foreign contribution and assets	Section 16A	New Requirement	5.5.1
15	Transitional treatment of already vested assets	Section 16B	New Requirement	5.5.2
16	Vesting of assets where organisations cease to exist	Section 16C	New Requirement	5.5.3
17	Certificate of sale/transfer of vested immovable properties	Section 16D	New Requirement	5.5.4
18	Delegation of powers, revision and appeals under the vesting framework	Sections 16E–16H	New Administrative Framework	5.5.5

Sl. No.	Amendments / Changes	Rule No. / Section / Form No.	Whether Expansion of Existing Rule or New Requirement / Definition?	Para Reference of the Document
19	Powers, duties and administrative framework of the Designated Authority	Sections 16I–16K	New Administrative Framework	5.5.6
20	Power of the Central Government to exempt persons/classes from Chapter IIIA	Section 16L	New Power	5.5.7
21	Penal provisions widened to cover utilization, imprisonment u/s 35 reduced from 5 years to 1 year or vicarious liability expanded under Section 39	Sections 35 & 39	Expansion and Rationalisation of Existing Provisions	5.6
22	Prior approval of the Central Government made mandatory before initiating investigation	Section 43	Expansion of Existing Provision	5.7
23	Updating references to newly enacted statutes	Various Sections	Consequential Amendment	5.8
24	Central Government empowered to remove implementation difficulties for 2 years	Section 53(1A)	New Provision	5.9
D. FCRA –Statutory Due Dates and Timelines				
25	Current statutory filing and event-based timelines	---	---	6.1
26	New / Additional reporting requirements under the FCRR Amendment Rules, 2026	---	---	6.2

3. Key Highlights of the Amendment related to FCRR

In a significant move to strengthen regulatory oversight of foreign funding received by associations registered under the FCRA regulations, the Ministry of Home Affairs (MHA) has notified the **Foreign Contribution (Regulation) Amendment Rules, 2026**, with effect from 22 June 2026.

The amendments introduce sweeping changes to the Foreign Contribution (Regulation) Rules, 2011, including purpose and geography specific registration, expanded disclosure obligations,

a broader definition of key functionaries, and stricter compliance requirements for organisations seeking to receive or utilise foreign contributions.

The amendments also substantially revise the FCRA application and approval framework. Applicants seeking registration under Form FC-3A are now required to specify proposed activities with reference to the newly introduced schedule of 105 activities and provide enhanced digital footprint disclosures, including details of the association's online presence and social media accounts. For applicants seeking prior permission under Form FC-3B, the amendments introduce a tranche-wise approval mechanism through the newly prescribed Form FC-3BB, requiring separate approval before the release of each subsequent instalment of foreign contribution. Further, applications for renewal under Form FC-3C will now be assessed against a mandatory baseline activity threshold of Rs. 10 lakhs spent on the declared aims and objects during the preceding 2 years registration period, thereby linking renewal eligibility to demonstrable programmatic activity.

The reforms are aimed at enhancing transparency, accountability, and traceability of foreign funds while imposing a more rigorous compliance framework for FCRA-registered entities.

Key highlights of the amendments are as follows:

3.1. Definition of Key Functionaries [Rule 2(1)(ca)]

The definition of '**key functionary**' has been introduced, and would include directors of companies, partners of firms, trustees of trusts, Kartas of Hindu Undivided Families, office bearers, members of the governing body or managing committee, other controlling authorities of a society, trust, trade union or association of individuals, and any other person exercising control over, or responsibility for, the management or affairs of an organisation.

Consequential amendments have also been made throughout the Rules to replace references to '*office bearers*' and '*Members of the Executive Committee or Governing Council of the person*', with the broader expression *key functionary*, thereby extending the scope of the applicable compliance and reporting obligations.

3.2. Restriction on Foreign Nationals [Explanation 1 to Rule 9(5)]

The amended Rules introduce a significant eligibility condition by providing that associations having foreign nationals, other than persons of Indian origin where specifically permitted, as key functionaries shall ordinarily not be considered eligible for grant of FCRA registration or prior permission. The CG retains the discretion to relax this condition in specified cases and subject to prescribed conditions.

3.3. Utilisation Restricted to Approved Activities in India [Explanation 2 to Rule 9(5)]

Foreign contribution must be utilised only for activities carried out in India, in accordance with the organisation's stated objectives and for the purposes for which the contribution has been received.

3.4. Registration linked to Approved Purposes and Geographical Areas

Associations are now required to specify, at the time of registration, both the purposes for which they seek to receive foreign contributions and the States or Union Territories in which they propose to undertake their activities. The purposes must be selected from a newly introduced statutory Schedule (**Refer Annexure - A**), which classifies permissible activities under five broad categories, namely Religious, Cultural, Economic, Educational and Social, each of which is further divided into a detailed list of specified sub-categories from which applicants must identify their proposed activities.

Further, the existing FCRA registered associations are also required to intimate the CG, within 1 year from the commencement of the Amendment Rules, of the purposes and States or Union Territories for which they seek to retain their registration by filing Form FC-6F.



Organisations proposing to add or remove approved purposes or expand or reduce their geographical area of operation must apply in newly introduced **Form FC-6F (Refer Annexure – B)**, supported by a governing body resolution and the prescribed fee.

Correspondingly, the registration fee structure has been revised to align with the new registration framework. The prescribed fee will cover registration for one approved purpose and one State or Union Territory only. Associations seeking registration for additional purposes or operating in multiple States or Union Territories will be required to pay an additional fee of Rs. 300 for each additional purpose or for each additional State or Union Territory.

3.5. Minimum utilisation threshold for FCRA registration renewal and cancellation (Rule 14A)

The MHA has introduced a quantitative threshold for determining whether an association has undertaken "reasonable activity". For the purposes of renewal or cancellation of FCRA registration, an association shall be deemed to have undertaken "**reasonable activity**" only if it has utilised **not less than Rs. 10 lakhs** of foreign contribution over the **preceding 2 Financial Years (FY)** towards its stated objects.

While neither the FCRA nor the Rules previously defined the expression "reasonable activity", the Explanation to the newly inserted Rule 14A now clarifies that only activities undertaken out of, or by utilising, foreign contribution received in accordance with the FCRA shall be regarded as "reasonable activity" for the purposes of the Rule.

3.6. New Procedure for Subsequent Instalments

Organisations receiving foreign contribution under prior permission must file newly introduced **Form FC-3BB** to seek release of the second or subsequent instalments. Such release is subject to utilisation of at least **75% of the previous instalment**, field verification of such utilisation, and submission of prescribed documents, including a Chartered Accountant certified utilisation statement, relevant bank statements, a utilisation report (with photographs, where applicable), and any other documents as required by the CG. Submission of physical

photographs of the project/utilisation in the report, indicates a major shift towards visual, field-level compliance tracking.

3.7. Key Amendments to Annual Return (Form FC – 4)

Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 requires every person receiving foreign contribution under the FCRA to file an annual return in **Form FC – 4**, reporting the receipt, transfer and utilisation of foreign contribution during the FY, along with the prescribed financial statements and auditor's certification. The MHA has substantially expanded the scope of disclosures required under Form FC – 4.

Some of the key amendments made to Form FC – 4 are summarised below –

Particulars	Additional reporting requirements introduced in Form FC – 4
Mandatory Unique Document Identification Number (UDIN)	Auditor's certificates accompanying Form FC-4 must now contain the UDIN. Additionally, the UDIN of the separate audited financial statements maintained for foreign contribution is also required to be disclosed.
Disclosure for Donor Advised Funds (DAFs)	Where foreign contributions are received through DAFs or any other intermediary remittance vehicle, associations must disclose the ultimate donor's name, address, email address and the amount contributed, thereby enhancing transparency in donor reporting. (Refer Annexure – C)
Activity-wise utilisation reporting	Associations are required to furnish a detailed activity report mapping each project or activity, along with its location, to the corresponding utilisation of foreign contribution. The utilisation must be bifurcated into project/activity expenditure, capital assets created and administrative expenditure. (Refer Annexure – D)
Disclosure of Digital footprint and publications	Associations are now required to disclose details of their official website and social media accounts in Form FC-4. Further, associations must disclose details of publications issued by the association or its key functionaries during the FY, including the date, nature, title, place of publication and a brief description. The amended Form also reiterates that associations shall not engage in the production or broadcast of news or current affairs content. (Refer Annexure – E)

4. Expansion of the Compounding Framework under the FCRA

The MHA has amended the compounding framework prescribed under section 41 of the Foreign Contribution (Regulation) Act, 2010 through Notification No. S.O. 3287(E) dated 22 June 2026. The amendments introduce additional compoundable offences to align the compounding mechanism with the FCRA Framework.

The key amendments made to Compounding framework has been summarised below–

Particulars	Position prior to June 2026	Amendment introduced by Notification dated 22 June 2026
Speculative investment of foreign contribution	No specific compounding provision existed.	A new Entry 3(b) has been inserted making contravention of section 8(1) read with Rule 4 of the FCRA Rules, 2011 (investment of foreign contribution in speculative activities) compoundable. The penalty is 30% of the amount invested in speculative activity or Rs. 1 lakh, whichever is higher, plus 100% of the returns earned from such investment.
Utilisation for unapproved purposes / States		A new Entry 3(c) has been inserted for utilisation of foreign contribution for purposes other than those for which it was received in contravention of section 8(1). The penalty is 30% of the amount so utilised or Rs. 1 lakh, whichever is higher.
Utilisation beyond approved purposes / geographical area	No specific compounding provision existed.	A new Entry 4(b) has been introduced making it compoundable to utilise foreign contribution for a purpose or in a State / Union Territory for which registration has not been granted, in violation of section 11 read with Rule 9(1B) of the FCRA Rules, 2011. The penalty is 30% of the amount so utilised or Rs. 1 lakh, whichever is higher.
Violation of section 8 – Administrative expenses		The existing offence has been retained (renumbered as Entry 3(a)) without any change in the penalty. Accordingly, the penalty continues to be INR 1 lakh or 5% of the foreign contribution so defrayed beyond the permissible limit, whichever is higher.
Acceptance of foreign contribution without registration / prior permission	The penalty applied only to accepting foreign contribution in contravention of section 11.	The 2026 notification retains this as Entry 4(a) and aligns the penalty with the amended language, 30% of the foreign contribution received or utilised, as the case may be, or Rs. 1 lakh, whichever is higher.

Competent Authority for Compounding – The Notification continues the existing position with respect to the competent authority for compounding. Accordingly, the Director, or, as the case may be, the Deputy Secretary in-charge of the section responsible for the administration of the FCRA, shall continue to be the competent authority for compounding the offences specified under the Notification.



Prospective applicability – The Notification further clarifies that it shall not apply to cases disposed of before its publication, and no case so disposed shall be reopened. Accordingly, the amended compounding provisions will apply only prospectively and will not affect matters that have already attained finality.

5. Foreign Contribution (Regulation) Amendment Bill, 2026

The MHA has also introduced the **Foreign Contribution (Regulation) Amendment Bill, 2026**, proposing significant amendments to the FCRA. Although the Bill has only been introduced in the Lok Sabha and is yet to be enacted, it reflects the Government's continued focus on strengthening the regulatory framework governing foreign contributions.

The Bill is expected to be taken up for consideration and further legislative action during the upcoming Monsoon Session of Parliament, which is scheduled to commence on 21 July 2026.

Some of the key highlights of the Bill has been discussed below –

5.1 Introduction of 'Designated Authority' and 'Administrator' Definitions

The Bill introduces two new definitions, '**Designated Authority**' and '**Administrator**' to provide statutory recognition to officers or authorities that may be notified by the CG for the purposes of the Act.

5.2 Introduction of the Definition of 'Key Functionary'

The Bill also proposes to introduce a comprehensive definition of '**key functionary**' to include directors of companies, partners of firms, trustees of trusts, Kartas of Hindu Undivided Families, office bearers and members of the governing body or managing committee of societies, trusts, trade unions and associations, as well as any other person exercising control over or responsibility for the management or affairs of such entity.

In line with this, the Bill also proposes to replace references to **directors or office bearers** with the broader term key functionary across various provisions of the FCRA, thereby expanding the scope of responsibility and ensuring uniform terminology under the Act.

This proposed change aligns with the Foreign Contribution (Regulation) Amendment Rules, 2026, which have similarly adopted the concept of key functionary across various compliance and governance requirements, thereby ensuring consistency between the parent legislation and the subordinate rules.

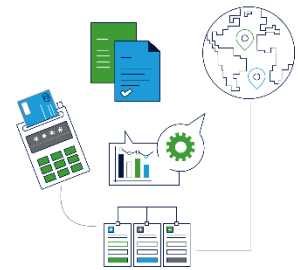
5.3 Automatic Cessation of FCRA Registration upon Expiry or Non-Renewal

The Bill proposes to insert a new Section 14B introducing the concept of deemed cessation of an FCRA registration certificate upon its expiry. A certificate shall be deemed to have ceased where the holder fails to apply for renewal in accordance with Section 16(2), the renewal application is refused by the CG under the 2nd proviso to Section 16(3) for violation of the Act or the rules made thereunder, or the certificate is not renewed before its expiry. Once the certificate has ceased, the concerned person shall neither be entitled to receive nor utilise any foreign contribution unless the certificate is subsequently renewed.

The proposed provision formalises the legal consequences of the expiry or non-renewal of an FCRA registration and assumes added significance in light of the newly inserted Chapter IIIA, under which cessation of registration constitutes one of the events triggering the provisional vesting of foreign contribution and assets in the Designated Authority.

5.4 Restrictions on Assets During Suspension of FCRA Registration

Section 13 empowered the CG to suspend an FCRA registration pending cancellation proceedings. During the suspension period, the person was prohibited from receiving foreign contribution and could utilise the foreign contribution already in its custody only with the prior approval of the CG.



The Bill proposes to extend these restrictions to assets created out of foreign contribution. Accordingly, during the period of suspension, the person shall also be prohibited from alienating, encumbering or otherwise dealing with such assets, except with the prior approval of the CG.

5.5 Introduction of a Comprehensive Framework for Vesting, Management and Disposal of Foreign Contribution and Assets

Prior to the proposed amendment, Section 15 of the FCRA merely provided that where the certificate of registration of a person was cancelled under Section 14 or surrendered under Section 14A, the foreign contribution and assets created therefrom would vest in such authority as may be prescribed. However, the provision did not lay down a comprehensive framework governing the supervision, management, restoration or disposal of such assets, nor did it specify the powers of the authority, the obligations of the concerned organisation or its office bearers, or the available appellate remedies.

To address these legislative and operational gaps, the Bill omits Section 15 in its entirety and inserts a new '**Chapter IIIA – Vesting of Foreign Contribution and Assets in Designated Authority (Sections 16A to 16L).**'

The new Chapter establishes a comprehensive statutory framework governing the provisional and permanent vesting, management, restoration and disposal of foreign contribution and

assets through a newly constituted Designated Authority, while also prescribing its powers, duties and the procedural safeguards applicable to the framework.

5.5.1 Vesting of Foreign Contribution and Assets in the Designated Authority (Section 16A)

The Bill proposes to insert a new **Section 16A** introducing a comprehensive framework governing the vesting, management and disposal of foreign contribution and assets created therefrom where an FCRA registration is **cancelled, surrendered or ceases**.

Key features of the proposed provision include:

- **Provisional vesting:** From the date of cancellation, surrender or cessation of the FCRA certificate, all foreign contribution and assets created therefrom shall provisionally vest in the Designated Authority in the prescribed manner.
- **Entire asset to vest:** Where an asset has been acquired wholly or partly from foreign contribution, the entire asset shall vest in the Designated Authority. However, the affected person may apply for the return of any distinct or ascertainable portion acquired from non-FCRA funds, subject to the satisfaction of the Designated Authority.
- **Management of vested assets:** The Designated Authority may directly, or through an Administrator, take possession of and manage the vested assets. It may supervise, safeguard and preserve such assets and, where considered necessary in the public interest, manage the activities of the concerned person by utilising the available foreign contribution.
- **Restoration upon fresh registration:** If the person obtains a fresh registration, renewal, or restoration of the certificate through revision within the prescribed period, the Designated Authority is required to return the unutilised foreign contribution and the provisionally vested assets, subject to the prescribed conditions.
- **Permanent vesting:** Where no fresh registration, renewal or restoration is obtained within the prescribed period, the foreign contribution and assets created therefrom shall permanently vest in the Designated Authority.
- **Utilisation of permanently vested assets:** The Designated Authority may utilise such assets for public purposes, including transferring them to the Central or State Government, local authorities or other specified agencies, or disposing of them through sale. The sale proceeds, together with any unutilised foreign contribution, shall be credited to the Consolidated Fund of India.
- **Restriction on reacquisition:** The concerned person, its key functionaries or any person acting on their behalf or for their benefit shall be prohibited from directly or indirectly acquiring any interest in the vested assets.



- **Protection of places of worship:** Where a permanently vested asset is a place of worship, the Designated Authority shall entrust its management to a prescribed person while ensuring that its religious character is preserved.

A formal two-tiered system separating provisional and permanent vesting was not explicitly structured in the existing FCRA framework prior to the 2026 updates. Thus, the proposed framework marks a significant departure from the existing regime by introducing the concept of provisional vesting of foreign contribution and assets, thereby providing an opportunity for restoration before such vesting becomes permanent. It also lays down a comprehensive mechanism governing the custody, management, utilisation, transfer and disposal of foreign contribution and assets created therefrom.

5.5.2 Treatment of assets already vested (Section 16B)

Section 16B is a transitional provision which provides that all foreign contributions and assets already vested under the erstwhile Section 15 immediately before the commencement of the Amendment Act shall be deemed to have been provisionally vested in the Designated Authority under Section 16A. This provision ensures continuity and brings all existing vested assets within the newly introduced statutory framework without requiring fresh vesting orders.

5.5.3 Vesting of assets where persons cease to exist (Section 16C)

The Bill introduces a new framework for organisations that cease to exist, become inoperative or defunct. It requires the last key functionaries of such organisation to intimate the CG regarding its cessation or inoperative status within the prescribed manner and time. Upon such cessation, the foreign contribution and assets created therefrom shall automatically stand permanently vested in the Designated Authority. This replaces the earlier mechanism under Section 22, which provided for disposal of assets in accordance with the governing law of the organisation.

5.5.4 Certificate of sale or transfer (Section 16D)

Section 16D empowers the Designated Authority to issue a certificate of sale or certificate of transfer in respect of immovable properties vested under the Act. Such certificate constitutes conclusive proof of ownership in favour of the transferee and is recognised as a valid instrument for registration notwithstanding the absence of the original title deeds. The provision further protects vested properties from attachment, seizure or sale pursuant to orders of civil courts, tribunals or other authorities except in accordance with the provisions of the FCRA.

5.5.5 Delegation of Powers, Revision and Appeals

Establishes the administrative and appellate framework by permitting delegation of powers by the Designated Authority, providing an internal mechanism for revision of its orders within the 90 days, and conferring a statutory right of appeal before the competent judicial authority. These provisions strengthen procedural safeguards and ensure judicial oversight over decisions relating to the vesting, management and disposal of foreign contribution and assets.

5.5.6 Powers, Duties and Administrative Framework of the Designated Authority

Establishes the governance framework for the Designated Authority by prescribing its duties and responsibilities in relation to the management of vested foreign contribution and assets, imposing corresponding obligations on affected organisations and their key functionaries, conferring powers equivalent to those of a Civil Court for the discharge of its functions, and requiring Government departments, banks and other notified authorities to extend necessary assistance. Collectively, these provisions strengthen regulatory oversight and facilitate the effective administration of the vesting framework.

5.5.7 Power to Grant Exemption

Section 16L empowers the CG, where considered necessary or expedient in the public interest, to exempt any person or class of persons from the provisions of Chapter IIIA, subject to such manner, extent and conditions as may be prescribed. The provision provides flexibility to address exceptional situations while preserving the overall regulatory framework.

5.6 Key Amendments to the Penal Provisions under the FCRA

Provision	Existing Position (FCRA, 2010)	Proposed Amendment (FCRA Amendment Bill, 2026)
Section 35 – Punishment for acceptance of foreign contribution in contravention of the Act	Punishes acceptance of foreign contribution in contravention of the Act with imprisonment up to 5 years , or fine, or both.	Extends the offence to utilisation of foreign contribution and assistance therein. Further, it also proposes to reduce the maximum imprisonment to 1 year , while retaining fine or both.
Section 39 – Offences by entities	Applies to offences committed by a company and its responsible officers.	Extends liability to any person other than an individual and replaces specific officers with key functionaries .

5.7 Prior Approval of the CG Made Mandatory for Investigation

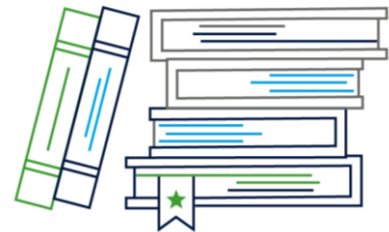
The Bill proposes to amend Section 43 by introducing a new procedural safeguard for investigations under the FCRA. While the existing provision empowers the CG to authorise specified authorities to investigate offences under the Act with powers equivalent to those of an officer-in-charge of a police station, the amendment provides that no investigation into an offence punishable under the FCRA may be initiated without the prior approval of the CG.

Accordingly, the proposed amendment makes prior CG approval a mandatory precondition for the initiation of any investigation under the Act, thereby strengthening governmental oversight over the investigative process.

5.8 Updating Statutory References

The Bill also updates references to newly enacted laws, including:

- Bharatiya Nagarik Suraksha Sanhita, 2023,
- Bharatiya Nyaya Sanhita, 2023,
- Bharatiya Sakshya Adhiniyam, 2023,
- Companies Act, 2013, and
- Press and Registration of Periodicals Act, 2023.



The Bill was introduced in the Lok Sabha on 25 March 2026 and is expected to be taken up for consideration, discussion and passage during the upcoming Monsoon Session of Parliament.

5.9 CG Empowered to Remove Implementation Difficulties for FCRA Amendment

The Bill proposes to expand the 'Power to Remove Difficulties' under section 53 of the FCRA, by inserting a new sub-section (1A). The amendment would empower the CG to issue orders, through notifications published in the Official Gazette, to address any difficulty arising in the implementation of the Foreign Contribution (Regulation) Amendment Act, 2026, provided such orders are consistent with the provisions of the FCRA.

The proposed power is time-bound and may be exercised only within 2 years from the commencement of the Amendment Act, after which the Government will no longer be able to issue such orders.

6. FCRA – Statutory Due Dates and Timelines

6.1 Current statutory filing and event-based timelines

Form	Description of Form	Due date / period
FC-1	Intimation of Receipt from Relative	• For person contesting Elections - Within 45 days from nomination • Others - Within 3 months of receipt
FC-2	Prior Permission for Foreign Hospitality	• Ordinarily at least 2 weeks before proposed journey

Form	Description of Form	Due date / period
		In Case of Emergent Medical Aid - Within 1 month of receipt
FC-3A	FCRA Registration	Before accepting any foreign contribution
FC-3B	FCRA Prior permission	As specified in the approval, before receipt / use
FC-3C	Renewal of FCRA Registration	Apply for renewal within 6 months before expiry of the registration certificate (MHA advises filing at least 4 months before expiry)
FC-4	Annual Return of Foreign Contribution	By 31 December following each FY
FC-5	Transfer of Foreign Contribution to Other Un-registered Persons	Event Based Filing
FC-6A	Intimation for Change of Name / Address within State	Within 45 days of the change
FC-6B	Intimation for Change in Nature, Aims and Objects	Within 45 days of the change
FC-6C	Intimation for Change of Designated FC Receipt-cum-Utilisation Bank Account	Within 45 days of the change
FC-6D	Intimation of opening or change of an additional FC Utilisation Bank Account	Within 45 days of opening / change
FC-6E	Intimation for Change in 50% or more Key Members	Within 45 days of the change
FC-7	Application for surrender of certificate of registration	Before voluntary surrender becomes effective

6.2 New / Additional reporting requirements under the FCRR Amendment Rules, 2026

Form	Due date / period	Particulars	Legal status / note
FC-3C supporting records	At renewal filing, measured over prior 2 FYs	Demonstrate the prescribed minimum utilisation of foreign contribution for renewal, subject to the conditions/exceptions in the Rules.	2026 renewal condition, review before the six-month renewal window.
FC-3BB (Newly Introduced Form) (Annexure F)	Before release / receipt of each subsequent instalment	Complete the prescribed subsequent instalment process, including evidence that at least 75% of the immediately preceding instalment has been utilised and prescribed certification / verification.	Applicable to prior-permission cases receiving instalments.
FC-4	By 31 December with FC-4	Provide enhanced disclosures such as - • project-wise • activity-wise, • State / UT-wise, • Website / social media • Disclosure of Ultimate donor	Applies as part of annual filing.
FC-6F (Newly Introduced Form)	By 21 June 2027	Existing registered associations must furnish approved purposes and States / UT, being 1 year from notification dated 22 June 2026.	New one-time deadline under the 2026 Rules.
FC-6F (Newly Introduced Form)	Before operating for an added/change d purpose or State/UT	Apply for modification of approved purposes or geographical area and obtain approval.	Event-based under the 2026 Rules.

7. Key Takeaways

The Foreign Contribution (Regulation) Amendment Rules, 2026 and the proposed Foreign Contribution (Regulation) Amendment Bill, 2026 collectively indicate a continued policy focus on strengthening the regulatory framework governing foreign contributions in India.

While the Amendment Rules have already come into force, the Amendment Bill is presently under legislative consideration. Organisations receiving or intending to receive foreign contributions may consider reviewing their governance structures, registration particulars, utilisation practices, reporting processes and internal compliance mechanisms to assess their preparedness for the evolving regulatory framework.

Annexure – A

“ SCHEDULE Purposes for Registration [See rule 9 (1B)]

VI. Religious:

Sl.	Purposes/ Activities
1	Construction, renovation, and maintenance of temples, mosques, churches, gurudwaras, monasteries, synagogues, and other places of worship.
2	Preservation, printing, translation, and digitisation of sacred scriptures and commentaries used in liturgy.
3	Preservation and support of institutions engaged in the study, documentation, and preservation of religious philosophy, theology and religious history (excluding proselytisation).
4	Provision of amenities for pilgrims at heritage religious sites (drinking water, sanitation, shelter).
5	Setting up of dharamshalas, langars, annadans, and community kitchens under religious auspices.
6	Conduct of religious education, moral instruction, satsangs, discourses, and meditation retreats (excluding proselytisation).
7	Promotion of devotional music, chants, theatre, and liturgical arts.
8	Documentation, preservation, and revival of indigenous and tribal faith practices, rituals and systems of worship (excluding proselytisation).

9	Protection of sacred relics, shrines, places of worship, and archaeological religious heritage primarily associated with religious practice.
10	Archiving, digitisation, and oral-history recording of religious rituals, festivals, and traditions of faith communities.
11	Inter-faith dialogue, harmony-building programmes, and peace initiatives through religious institutions.
12	Religious publications, journals, and faith-based research.
13	Establishment of religious libraries, museums, and archives.
14	Faith-based counselling centres, de-addiction centres, and social care programmes operated through religious organisations.
15	Training in traditional sacred crafts: idol-making, church art, calligraphy of scriptures, iconography, etc.
16	Burial/ cremation ground development and maintenance.

VII. Cultural:

Sl.	Purposes/ Activities
1	Archaeological exploration, excavation, conservation, and restoration of monuments, heritage sites, forts, and palaces.
2	Establishment and maintenance of museums, archives, libraries, cultural interpretation centres, and heritage walks.
3	Documentation, preservation, and promotion of folk songs, dances, oral epics, storytelling, and puppetry.
4	Support for classical performing arts: Bharatanatyam, Kathak, Odissi, Carnatic music, Hindustani music, Yakshagana, etc.
5	Promotion of contemporary arts inspired by Indian traditions (excluding political/ ideological content): visual arts, sculpture, cinema, photography, design.
6	Training and capacity-building for artisans, craftspersons, handloom weavers, potters, woodworkers, and metal workers.
7	Preservation of non-religious manuscripts, palm-leaf texts, paintings, frescoes, and rare cultural artefacts.
8	Promotion and preservation of regional languages, dialects, and scripts, including translation projects.
9	Establishment of literary academies, support to writers, poets, and translators, and organisation of book fairs.
10	Support to tribal and indigenous cultural heritage, including festivals, crafts, oral traditions, languages, and customs, excluding religious rituals and worship practices.
11	Organisation of national and international cultural festivals, fairs, and exhibitions.
12	Development of craft villages, heritage circuits, art hubs, and cultural tourism facilities.
13	Promotion of traditional culinary practices, traditional sports, food festivals, and culinary heritage preservation.
14	Research in cultural anthropology, ethnography, and folk studies.
15	Archiving and digitisation of films, radio programmes, theatre scripts, and photographs.
16	Documentation and preservation of traditional knowledge systems as intangible cultural heritage (e.g., Ayurveda manuscripts, tribal medicine practices).
17	Preservation of scientific and knowledge heritage (astronomy, mathematics, metallurgy manuscripts, traditional technologies).
18	Documentation and archiving of modern historical movements and oral histories of national importance (freedom struggle, social reform, etc.).

VIII. Economic:

Sl.	Purposes/ Activities
1	Agricultural development programmes: farmer training, non-commercial input support, organic farming promotion.
2	Allied activities: dairy farming, animal husbandry, poultry, fisheries, sericulture, apiculture (non-commercial).
3	Formation and strengthening of farmer-producer organisations (FPOs), cooperatives, and self-help groups (SHGs).
4	Microfinance, microcredit, and community savings institutions for poor households.

5	Vocational training and livelihood-linked short-term skilling programmes (non-formal) not leading to recognised educational qualifications.
6	Promotion of rural and cottage industries such as weaving, pottery, handicrafts, and agro-processing, undertaken with non-profit and community welfare orientation.
7	Support for socially-oriented micro, small, and medium enterprises operating on a non-profit or community-benefit basis.
8	Women's entrepreneurship promotion: tailoring, food processing, handicrafts, small-scale manufacturing.
9	Skill incubation centres and employability-oriented digital skilling programmes for youth (IT, coding, electronics).
10	Infrastructure creation for livelihoods: rural haats, cold storages, community processing units.
11	Promotion of fair-trade, ethical supply chains, and eco-friendly businesses.
12	Encouragement of sustainable community livelihood models in eco-tourism, and homestays.
13	Fisheries and aquaculture livelihood training for coastal and inland communities.
14	Green economy livelihoods: solar technicians, e-waste handlers, recycling units.
15	Job placement services, employment exchanges, and market linkages for trained youth.
16	Food processing and value addition units.
17	Digital literacy, financial literacy, technology access, and digital inclusion programmes for livelihood enhancement and economic inclusion of rural and marginalised communities.
18	Livelihood support for migrant workers and vulnerable groups, including temporary shelter-linked employment opportunities.
19	Community renewable energy enterprises (solar, biogas, micro-grids) generating local jobs.

IX. Educational:

Sl.	Purposes/ Activities
1	Establishment and management of educational institutions and facilities, including early childhood education centres, schools, colleges, universities, hostels, libraries, reading rooms, and community learning centres.
2	Scholarships, fellowships, stipends, and financial aid for disadvantaged students.
3	Adult literacy, continuing education, and night schools for workers.
4	Inclusive education for marginalized children and differently-abled children with Braille, sign language, and assistive technologies.
5	Teacher training institutes, refresher courses, and academic fellowships.
6	Establishment and running of technical, industrial, and vocational education institutions leading to recognised certification, diploma, degree, or accreditation.
7	Research institutions, think-tanks, innovation labs, and academic chairs.
8	Digital education platforms, smart classrooms, e-libraries, and distance learning.
9	Girls' education initiatives: residential schools, hostels, scholarships.
10	Education for children of migrant workers, refugees, and nomadic tribes.
11	Bridge courses, remedial coaching, and dropout reintegration programmes.
12	Environmental education (including climate change, biodiversity awareness etc.) programs in schools/ colleges.
13	STEM education programmes, science clubs, and innovation fairs.
14	Structured Sports education and training academies attached to schools/ colleges.
15	Language teaching, translation studies, and linguistic training.
16	Career counselling centres, mentorship programmes, and educational placement cells.
17	Higher academic fellowships abroad in government-recognised institutions for meritorious students from disadvantaged backgrounds
18	Value-based and ethics education in schools.
19	Awareness programmes on constitutional rights, fundamental duties, and civic responsibilities, strictly non-political in nature.
20	Disaster preparedness education: mock drills, safety training, and community insurance literacy.
21	Digital inclusion initiatives: assistive technologies for differently-abled students, rural e-learning hubs.
22	Youth leadership and civic engagement programmes.

X. Social:

Sl.	Purposes/ Activities
1	Establishment and operation of hospitals, community health centres, dispensaries, mobile health clinics, ambulance services, patient transport facilities, and emergency medical response systems.
2	Preventive healthcare: vaccination drives, health awareness camps, vector-borne disease control.
3	Maternal and child healthcare, including maternity homes, neonatal care, nutrition supplementation, nutrition rehabilitation, and community-based management of malnutrition.
4	Nutrition and food security programmes, including midday meals, community kitchens, feeding programmes, grain banks, ration support, and hunger-relief initiatives.
5	Drinking water supply projects, community RO plants, and piped water schemes.
6	Sanitation: construction of toilets, hygiene awareness, menstrual health initiatives.
7	Orphanages, foster care, adoption support, and child protection homes.
8	Old-age homes, day-care centres, geriatric clinics, and pensions facilitation.
9	Disability care, including provision of assistive devices, rehabilitation services, therapy, vocational support, caregiver support, and community inclusion programmes.
10	Rehabilitation centres for drug addicts, alcoholics, and substance abusers.
11	Mental health counselling centres, suicide prevention helplines, and community psychiatry.
12	Women's safety and empowerment: shelters, legal aid, self-defence training.
13	Anti-trafficking programmes: rescue, rehabilitation, vocational reintegration.
14	Homeless shelters, night shelters, low-cost housing, and rehabilitation facilities for homeless, destitute, abandoned, and vulnerable persons.
15	Legal aid clinics, paralegal training, and access-to-justice programmes.
16	Disaster relief, emergency response, and post-disaster rehabilitation relating to floods, earthquakes, cyclones, pandemics, and similar calamities.
17	Provision of basic civic and community infrastructure such as electrification, rural roads, solar lighting, and community halls, strictly on a non-commercial, community-welfare basis.
18	Community-based environmental protection and restoration (afforestation, biodiversity parks, mangrove projects).
19	Water harvesting and watershed management for community welfare and drinking water security.
20	Waste management at community level (solid waste, e-waste, plastic-free campaigns, recycling units).
21	Road safety: awareness, trauma-care centres, first-aid training.
22	Operation of community radio stations, helplines, and awareness platforms, subject to compliance with applicable broadcasting, telecom, and IT regulations.
23	Rehabilitation and reintegration of released prisoners.
24	Support to victims of domestic violence, dowry harassment, and acid attacks.
25	Community-level sports and recreation facilities for underprivileged children and youth (non-institutional).
26	Animal Protection, Rescue and Rehabilitation
27	Public health research: disease mapping, epidemiology, and health data systems.
28	Palliative care and hospice services for terminally ill patients.
29	Community blood banks, eye banks, and organ donation awareness.
30	Pre-disaster risk reduction, mitigation, preparedness, and resilience programmes, including flood control works, cyclone shelters, early-warning dissemination, community drills, and community emergency response teams.”.

Annexure – B

**“FORM FC-6F
[See rules 9(1B) and 17B]**

To
The Secretary,
Government of India,
Ministry of Home Affairs,
Foreigners Division (FCRA Wing),
New Delhi – 110002

Subject: Application for inclusion of purpose / State / Union Territory in Certificate of Registration

1. Association Details

- 1.1 FCRA Registration Number: _____
1.2 Name of Association: _____
1.3 Address (as per FCRA records): _____
1.4 Nature of Association: (Society / Trust / Section 8 Company / Other) _____
1.5 Email ID: _____
1.6 Telephone Number: _____

2. Application for Inclusion/ deletion

- 2.1 Purpose to be added: _____
2.2 State/UT to be added: _____
2.3 Purpose to be deleted: _____
2.4 State/UT to be deleted: _____

3. Declaration

I, _____ (name), _____ (designation), authorised signatory of the association,
hereby declare that the information furnished above is true and correct.

[Name of the chief functionary
(Chairperson/ President/ Secretary/ CEO/ MD) in block letters]
(Seal of the person/ association)

Annexure – C

“(aa) Details of ultimate donors in case of Donor Advised Funds/ Other intermediary remittance vehicles:

Sl.	Name of intermediary	Nature of intermediary (Donor Advised Funds/ Other intermediary remittance vehicles)	Name of ultimate donor	Address of ultimate donor	Email Address of ultimate donor	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Annexure – D

“Sl.	Name of project/ activity	Address/ location	Amount utilised on		
			Project/ activity	Fresh Assets	Admin. Exp.
(1)	(2)	(3)	(4)	(5)	(6)”

Annexure – E

Date of publication	Nature of mass communication (Book, magazine, Newspaper article etc.)	Title	Published in/ on (Name of newspaper/ website where it is hosted etc.)	Brief description of the article
(1)	(2)	(3)	(4)	(5)

Note: As per Sec. 3(1)(g), the association shall not engage in production or broadcast of any news or current affairs related matters through any mode of mass communication”

Annexure – F

“FORM FC-3BB
[See rule 9A]

No. _____

Date: _____

Darpan ID: _____

The Secretary to the Government of India,
Ministry of Home Affairs,
Foreigners Division (FCRA Wing),
New Delhi-110002.

Subject: Application for release of second or subsequent instalment of foreign contribution permitted under prior permission granted under sub-section (2) of section 11 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

I/ We (*name of person/ association*), having been granted prior permission vide order No. dated for receipt of foreign contribution from (*name of foreign source*), furnish the following particulars for release of the next instalment under rule 9A of the Foreign Contribution (Regulation) Rules, 2011.

1. Details of person/ association

- (a) Name in full:
- (b) Address:
- (c) FCRA Prior Permission number and date:
- (d) Telephone number:
- (e) E-mail address:
- (f) Darpan ID:

2. Details of prior permission

- (a) Name of foreign source:
- (b) Country of foreign source:
- (c) Value of foreign contribution permitted under prior permission (Rs.):
- (d) Purpose for which foreign contribution was permitted to be received:
- (e) Period for which prior permission was granted:
- (f) Number of instalments in which FC permitted:
- (g) Number of instalments already approved earlier:

3. Details of foreign contribution received and utilised

Particulars	Amount (Rs.)
(a) Value of foreign contribution permitted under prior permission	
(b) Foreign contribution received till date	
(c) Foreign contribution utilised till date	
(d) Balance foreign contribution available	

4. Details of previous instalment

Particulars	Amount (Rs.)
(a) Amount of previous instalment received	
(b) Year of receipt	
(c) Amount utilised out of previous instalment	
(d) Balance available	

Whether seventy-five per cent. or more of the foreign contribution received in the previous instalment has been utilised:
Yes / No

5. Activity-wise utilisation of foreign contribution received in the previous instalment

Sl. No. (1)	Name and location of project/ activity (2)	Amount received (Rs.) (3)	Amount utilised (Rs.) (4)	Balance (Rs.) (5)	Remarks (6)
1					
2					
3					
	Total				

6. Details of assets created out of foreign contribution received in previous instalment, if any

Sl. No.(1)	Details of asset (2)	Address/location (3)	Value (Rs.) (4)
1			
2			
3			

7. Whether during the period under report—

(a) any foreign contribution has been utilised for purposes other than those for which prior permission was granted;
Yes / No

(b) any foreign contribution has been received otherwise than in accordance with the prior permission; Yes / No

(c) any violation of the Foreign Contribution (Regulation) Act, 2010 or rules made thereunder has occurred; Yes / No

(d) any change in office bearers or key functionaries has taken place; Yes / No

(e) any asset created out of foreign contribution has been transferred, sold or otherwise disposed of. Yes / No

* Wherever the answer is 'Yes', brief details shall be provided.

8. Amount of foreign contribution sought to be released in the next instalment: Rs.:__

Declaration and Undertaking:

(a) I/We hereby declare that the information furnished above is true and correct;

(b) I/We undertake that the foreign contribution already received has been utilised only for the purpose for which prior permission was granted;

(c) I/We certify that not less than seventy-five per cent. of the foreign contribution received in the previous instalment has been utilised;

(d) I/We undertake that the foreign contribution released in the next instalment shall be utilised only in accordance with the terms and conditions of the prior permission granted by the Central Government.

Place:

Date:

Yours faithfully,
(Signature)

[Name of the Chief Functionary
(Chairperson/President/Secretary/CEO/MD)]

(Seal of the person/association)

Note: The applicant seeking release of second or subsequent instalment shall enclose the following documents, namely:—

- (a) utilisation statement of the previous instalment, duly certified by a Chartered Accountant;
- (b) copy of bank statement of the FCRA designated account and utilisation account(s) covering the period from receipt of previous instalment till the date of application;
- (c) brief report regarding utilisation of foreign contribution received in the previous instalment along with photographs of activities, if any;
- (d) such other documents as may be required by the Central Government.

Certificate to be given by Chartered Accountant

I have examined all relevant books and vouchers of *(name of person/association)* for the period from to , and certify the following particulars in respect of the foreign contribution received in the previous instalment:—

- (i) total foreign contribution received in the previous instalment was Rs.
- (ii) foreign contribution utilised out of the previous instalment was Rs.
- (iii) balance of unutilised foreign contribution as on date of certificate was Rs.
- (iv) the utilisation is not less than seventy-five per cent. of the foreign contribution received in the previous instalment: **Yes / No**

(v) Activity-wise and location-wise utilisation of foreign contribution received in the previous instalment is as under:—

Sl. No. (1)	Name and location of project/ activity (2)	Amount received (Rs.) (3)	Amount utilised (Rs.) (4)	Balance (Rs.) (5)	Remarks (6)
1					
2					

I have examined all relevant books and records, and to the best of my knowledge and belief *(name of the person/association)* has

(Strike out whichever is not applicable)

(i) not violated any provisions of the Foreign Contribution (Regulation) Act, 2010 or rules made thereunder or notifications issued thereunder;

or

(ii) violated the provisions of Foreign Contribution (Regulation) Act, 2010 or rules made thereunder or notifications issued thereunder. The details of the violation(s) are as under:

Details of Chartered Accountant:

- (i) Name:
- (ii) Member registration number:
- (iii) Address:
- (iv) E-mail address:
- (v) Date of issue of certificate:

Place:

Date:

(Signature of Chartered Accountant)

Name:

Membership No.:

(Seal)”.

For further information please contact:

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5 August 2026

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