CA & GK

What is FCRA Amendment Bill, 2026 ?

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FCRA Amendment Bill, 2026: A CLAT Current Affairs Guide

If you're preparing for CLAT, the **Foreign Contribution (Regulation) Amendment Bill, 2026** is one of the most important current affairs topics of the year. It touches Constitutional Law (freedom of association), Administrative Law (delegated powers, natural justice), and General Knowledge — all areas CLAT loves to test. Here's everything you need to know, explained simply.

What is the FCRA?

The **Foreign Contribution (Regulation) Act (FCRA)** regulates how individuals, associations, and organisations in India can accept and use money, articles, or

securities from foreign sources. It is administered by the **Ministry of Home Affairs (MHA)** and exists to ensure foreign funds don't compromise India's sovereignty, security, or public order.
A quick timeline for your notes:

- **1976**: The original FCRA is enacted.
- **2010**: A new, stricter FCRA replaces the old law.
- **2016, 2018, 2020**: Successive amendments tighten compliance and disclosure norms.
- **2026**: The latest amendment — the one we're discussing here.

Why a New Amendment in 2026?

Over the years, gaps emerged in how the law dealt with NGOs whose FCRA registration was **cancelled, surrendered, or lapsed** (not renewed after its 5-year validity). The law was unclear about what happens to the **assets** — land, buildings, hospitals, schools — that such organisations built using foreign funds. The government says the 2026 Bill closes this gap and strengthens transparency and accountability. Critics say it does much more than that.

Key Facts to Remember

- **Bill introduced**: Lok Sabha, **March 25, 2026**
- **Revised FCRA Rules, 2026 notified**: **June 22, 2026**
- **Referred to a Joint Parliamentary Committee (JPC)**: **August 12, 2026**, after strong opposition during the Monsoon Session
- As of mid-2026: roughly **14,449 active** FCRA certificates, **22,498 cancelled**, and **15,212 deemed expired**

Core Provisions of the Bill

1. Creation of a "Designated Authority" The Bill's centerpiece is a new statutory body — the Designated Authority — empowered to take over, manage, and eventually dispose of the foreign-funded assets of any organisation whose FCRA registration is cancelled, surrendered, or has lapsed.

2. Provisional and Permanent Vesting of Assets When registration ends, assets first **"provisionally vest"** in the Designated Authority. If the organisation later gets its registration restored or renewed, the assets are returned. If not, within a prescribed period, the assets **"permanently vest"** in the Authority and can be transferred elsewhere for "public purposes."
3. Automatic Cessation of Registration Registration automatically lapses on expiry, non-renewal, or rejection — removing earlier administrative ambiguity but also removing room for delay or reconsideration.
4. Right of Appeal The government has added a right of **revision and judicial appeal to a district judge** against orders of the Designated Authority — a response to earlier criticism that there was no appeal mechanism at all.
5. No Retrospective Effect The Home Ministry has clarified the Bill will **not apply retrospectively**, addressing concerns that past technical lapses could be used to seize long-held assets.

The Core Controversy

- **Due process concerns**: Critics argue the Designated Authority can take administrative control of assets *before* any judicial adjudication, and that there is still no hearing granted before a **renewal is denied** — even though a hearing is available in cancellation cases.
- **Impact on essential institutions**: NGOs run schools, hospitals, and welfare centres using foreign funds built up over decades. Losing an FCRA registration could now mean losing the institution itself, not just future funding.
- **Global and diplomatic angle**: Some U.S. lawmakers and international rights groups have argued the Bill could disproportionately affect **faith-based and Christian charities**, drawing international attention and some diplomatic friction — though the government denies any community is being targeted.
- **FATF angle**: The government cites the **Financial Action Task Force (FATF)** and terrorism-financing risk to justify tighter rules. Critics counter that FATF's own 2024 evaluation recommended a *narrower, risk-based* approach — not blanket restrictions across the entire NGO sector.

Current Status

After facing resistance from civil society groups, religious organisations, and opposition parties during the 2026 Monsoon Session, Parliament referred the Bill to a **Joint Parliamentary Committee (JPC)** on August 12, 2026. The JPC is expected to submit its report in the **Winter Session**, and the Bill remains pending — it has **not** been withdrawn or passed into law.

Why This Matters for CLAT

- **Legal reasoning**: Questions may test the principle of **audi alteram partem** (right to be heard) in the context of registration renewal vs. cancellation.
- **Current affairs / GK**: Expect factual questions on dates, the Designated Authority's powers, and the JPC referral.
- **Constitutional law link**: This ties into **Article 19(1)(c)** (freedom of association) and the broader debate on how far the State can regulate civil society.
- **Comparative angle**: You may be asked to compare India's approach with foreign-funding laws in other democracies, which the government has cited as precedent.

Quick Revision Table

Aspect Detail Governing law amended FCRA, 2010 Bill introduced March 25, 2026 (Lok Sabha) New authority created Designated Authority Key power Manage/vest/dispose of assets on cancellation, surrender, or lapse Appeal mechanism Revision + judicial appeal to district judge Retrospective effect No Current status Referred to JPC (Aug 12, 2026); report expected Winter Session

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For CLAT prep, keep tracking this Bill's progress through the JPC — if it's passed or amended before your exam, the details above (especially the appeal mechanism and asset-vesting provisions) are the most likely to change.