

Bill Summary

The Foreign Contribution (Regulation) Amendment Bill, 2026

- The Foreign Contribution (Regulation) Amendment Bill, 2026 was introduced in Lok Sabha on March 25, 2026. The Bill seeks to amend the Foreign Contribution (Regulation) Act, 2010. The Act regulates the acceptance and utilisation of foreign contribution by individuals, associations, and companies. Foreign contribution is the donation or transfer of any currency, security, or article (beyond a specified value) by a foreign source. Foreign sources include governments of foreign countries or their agencies, foreign companies, trusts, or societies, and citizens of foreign countries.
- **Vesting of foreign contribution and assets in certain cases:** Under the Act, certain persons must register with the central government for accepting foreign contribution. These include persons having a definite cultural, economic, educational, religious, or social programme. Such persons may surrender the registration later. The Act also empowers the central government to cancel the registration on specified grounds. In cases of surrender or cancellation, the Act provides that foreign contribution and assets created out of it will vest in such authority as may be prescribed. Assets may be disposed of where a person ceases to exist.

The Bill adds that a registration certificate will be deemed to have ceased if: (i) no application for renewal was made, (ii) renewal has been denied, or (iii) renewal is not obtained before expiry. In cases of cancellation, surrender, or ceasing of registration certificate, the Bill replaces the existing framework on management of foreign contribution and assets created out of foreign contribution. In such cases, foreign contribution and assets will vest provisionally in the Designated Authority notified by the central government. This will also cover assets created partly from foreign contribution. The Authority will supervise and maintain the assets.
- **Return of foreign contribution and assets if temporarily vested:** The Designated Authority may utilise foreign contribution to manage the assets and related activities. The Authority will return the unutilised contribution, and assets vested provisionally in it, upon renewal or restoration of registration, or issuance of fresh registration.
- **Utilisation of contribution and assets permanently vested:** The foreign contribution and assets will vest permanently in the Designated Authority: (i) if the
 - concerned person fails to obtain a fresh registration or get the registration renewed or restored within a prescribed period, or (ii) where a person who was previously permitted to accept foreign contribution, ceases to exist or is rendered inoperative or defunct. The Designated Authority is required to apply the foreign contribution and assets permanently vested in it for public purposes. It may transfer such assets to ministries, departments, or agencies of the central, state, or local governments. It may also dispose assets through sale or other processes. Proceeds from disposal along with unutilised foreign contribution will be credited to the Consolidated Fund of India.
- **Duties of persons whose foreign contributions and assets are vested:** The Bill specifies certain duties of persons and their key functionaries whose foreign contribution and assets are vested. These include: (i) providing complete access of accounts, records, and properties for inspection to the Designated Authority, (ii) not transferring such assets without approval, and (iii) maintaining assets and carrying out activities under the supervision of the Designated Authority, and subject to terms and conditions specified by the Authority.
- **Appeals against orders of Authority:** Any person aggrieved by an order of the Designated Authority may appeal to the District Judge within 90 days.
- **Powers to exempt:** The central government may exempt certain persons from the provisions regarding vesting of foreign contribution and assets if necessary or expedient in public interest.
- **Prohibition on accepting foreign contribution:** Under the Act, certain persons are prohibited to accept foreign contribution. These include persons such as election candidates, political parties, judges, legislators, and news publishers. The prohibition also extends to associations or companies engaged in production or broadcast of news or current affairs programmes. The Bill expands this category to prohibit any “person” engaged in these activities.
- **Offences and penalties:** Contravening the Act or Rules under it is punishable with imprisonment up to five years, a fine, or both. The Bill reduces imprisonment term to up to one year. It adds that prior approval of the central government will be required to initiate an investigation for any offence under the Act.

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