

Daily Mains Practice Answer 07-08-2026

Q. Describe the provisions of the Foreign Contribution (Regulation) Amendment Bill, 2026, and evaluate the FCRA regime and its significance in India. (15 Marks, 250 Words)

Direction: Intro-----Key Provisions + Evaluation of FCRA regime (Significance, concern, way forward)-----Conclusion.

Introduction:

Describe the Foreign Contribution (Regulation) Amendment Bill, 2026.

Main Body

Key provisions of FCRA Bill, 2026

- Designated Authority - Establishes a statutory authority to supervise and manage foreign contributions and assets (FCRA registration is cancelled, surrendered, or not renewed).
- Expanded executive powers - Broadens the authority of the government to regulate, suspend, and monitor organisations receiving foreign funds.
- Management & Disposal Framework - Provides procedures for preservation, utilisation, transfer, or disposal of foreign-funded assets.
- Enhanced Transparency: Strengthens disclosure requirements, including tracing the ultimate foreign donor and monitoring key functionaries.
- Enhanced scrutiny & compliance - Introduces stricter compliance requirements and greater oversight over utilisation of foreign contributions.
- No retrospective application - The government has clarified that the amendments will operate prospectively and not apply retrospectively.

Evaluation of the FCRA Regime

Significance

- Protects national security by preventing foreign influence in political, electoral, and strategic sectors.
- Enhances financial transparency and accountability in NGOs.
- Prevents money laundering and misuse of foreign funds.
- Safeguards public order and sovereignty.
- Improves donor traceability and regulatory oversight.

Concerns

- Excessive executive discretion may affect civil society autonomy.
- Administrative burden and compliance costs for genuine NGOs.
- Delays in registration and renewal can disrupt humanitarian activities.
- Asset-vesting provisions have raised concerns over due process and judicial oversight.
- Balancing national security with constitutional freedoms remains a challenge.

Way Forward

- Ensure time-bound, transparent registration & renewal mechanisms.
- Provide judicial safeguards and appellate remedies against regulatory actions.
- Adopt risk-based regulation, focusing on high-risk entities instead of blanket restrictions.
- Strengthen digital compliance.
- Encourage periodic parliamentary and independent review of the FCRA framework.

Conclusion:

Conclude in a neutral and progressive manner.

