Foreign Contribution (Regulation) Amendment Bill, 2026

Prelims: *Current events of national importance | Polity & Governance*

Why in News?

Recently, The Foreign Contribution (Regulation) Amendment Bill, 2026 was introduced in Lok Sabha.

- **Aim –** The Bill seeks to ***strengthen regulation of foreign contributions and ensure accountability in their utilisation***, while safeguarding public interest.

  Foreign contribution *is the donation or transfer of any currency, security, or article (beyond a specified value) by a foreign source.*

  Foreign sources *are the Governments of foreign countries or their agencies, foreign companies, trusts, or societies, and citizens of foreign countries.*

- **Nodal Ministry –** Ministry of Home Affairs.
- **Objectives – Asset Control -** Creating a legal framework to manage assets (land, buildings, funds) of NGOs after registration ends.
- **Leader Accountability -** Making directors and trustees personally responsible for the use of foreign money.
- **Internal Security -** Blocking foreign funds from being used for forced conversions or anti-national activities.
- **Streamlined Process -** Setting clear timelines for fund usage and centralising investigations for efficiency.
- **Compliance focus -** Reducing jail terms to shift from a punitive system to a reporting-based one.

Key Features

- **Vesting of foreign contribution and assets in certain cases –** Registration ceases if renewal is not applied, denied, or expired.

- In such cases, foreign contributions, and assets (even partly foreign-funded) vest provisionally in a designated authority.
- **Return of foreign contribution and assets if temporarily vested –** The Designated Authority may use funds to manage assets but must return unutilised contributions and assets upon renewal, restoration, or fresh registration.
- **Utilisation of contribution and assets permanently vested -** Assets vest permanently if registration is not renewed or entity ceases to exist.
- They must be applied for public purposes, transferred to government bodies, or disposed of, with proceeds credited to the Consolidated Fund of India.
- **Duties of persons whose foreign contributions and assets are vested –** Persons must allow inspection of records, avoid asset transfers without approval, and maintain assets under Authority supervision.
- **Appeals against orders of Authority –** Aggrieved persons may appeal to the District Judge within 90 days.
- **Powers to exempt –** The central government may exempt persons from vesting provisions in public interest.
- **Prohibition on accepting foreign contribution –** Prohibition extends to any person engaged in production or broadcast of news or current affairs, in addition to candidates, parties, judges, legislators, and publishers.
- **Offences and penalties –** Maximum imprisonment reduced from five years to one year.
- Prior government approval required before investigation.

Reference

PRS India | Foreign Contribution (Regulation) Amendment Bill

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