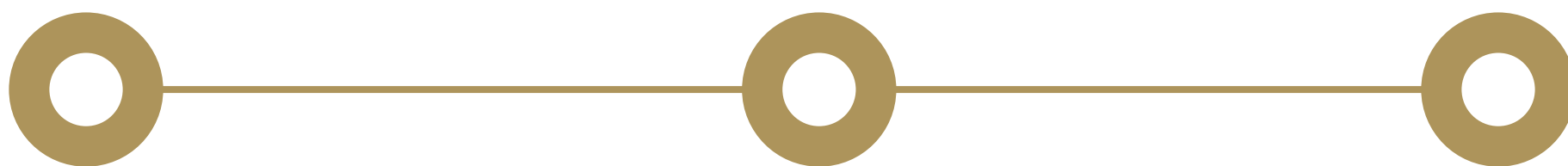




Key Questions NGOs
Are Asking About

The FCRA Amendment Bill, 2026

When Does This Become Applicable?



Bill Introduced

25 March 2026
(Bill No. 97 of
2026)

Parent Act

FCRA, 2010, as
amended in
2016, 2018,
and 2020

Scale of impact

Approximately
16,000
registered
associations
receive INR
22,000 crore
annually.



The Cost Of Non-Compliance

- All foreign contributions and assets vest permanently if registration ceases, is cancelled, or is surrendered.
- Assets transfer to the Designated Authority, and no recovery is possible once vesting becomes permanent.
- It is imperative to note that recovery is possible only if the Central Government exercises its exemption power in public interest - otherwise vesting is permanent.
- Appeals against orders of the Designated Authority may be filed before the District Judge within 90 days
- Proceeds go to the Consolidated Fund of India.
- Directors, trustees, partners, and office bearers face individual personal liability for violations.

Certificate, Renewal and Cessation

Certificate Validity

5 years under Section 12 of
the FCRA, 2010.

Automatic Cessation (Section 14B)

If renewal is not filed or approved
before expiry, registration
ceases automatically.

Suspension Restrictions: No

No dealing with FCRA-funded assets
without Central Government approval.

Cessation vs. Cancellation

CANCELLATION OF CERTIFICATE

An active government order issued for violation of FCRA provisions.

CESSATION OF CERTIFICATE

Automatic when renewal lapses or is refused; no government order is needed.

What If We Miss Our Renewal Deadline?

Under Section 14B, the certificate ceases automatically. The organisation cannot receive or use foreign funds. Assets vest provisionally in the Designated Authority. Renewal within the prescribed period allows recovery of those assets.



Designated Authority And Vesting

PROVISIONAL VESTING

Immediate upon cancellation, surrender, or cessation of certificate.

The Authority takes possession, manages assets, and may appoint an Administrator.

PERMANENT VESTING

If no renewal or restoration occurs, assets are transferred to government ministries, departments, or local authorities, or sold - with proceeds credited to the Consolidated Fund of India.

The Central Government retains power to exempt certain persons from vesting provisions if expedient in public interest

Can We Get Assets Back After Cancellation?

YES, WITHIN THE PRESCRIBED WINDOW.

If you renew, restore, or obtain a fresh certificate within the prescribed period, the Designated Authority must return unutilized funds and assets.

MISS THE WINDOW

Assets are forfeited permanently to the Consolidated Fund of India, unless the Central Government grants an exemption in public interest.

Right to Appeal - Any person aggrieved by an order of the Designated Authority may appeal to the District Judge within 90 days



We surrendered our certificate. Does the government own our assets?

NOT IMMEDIATELY.

Surrender triggers provisional vesting only.
You can apply for return of assets funded
from non-foreign sources.

If you do not re-register within the window,
vesting becomes permanent.

Winding Down Your Organisation

Before becoming inactive, you must inform the Central Government in the prescribed form and time under Section 16C. Upon cessation, all FCRA assets vest permanently in the Designated Authority. Failure to inform results in personal liability for key functionaries.

Who is Personally Liable?

KEY FUNCTIONARIES DEFINED:

- Directors, Partners, Trustees, Karta (HUF)
- Office bearers and managing committee members
- Any person controlling the affairs of the organisation

Am I personally liable as a Trustee?

YES.

Every key functionary in charge at the time of the offence is deemed guilty.

A valid defence requires proving both lack of knowledge and exercise of due diligence.

Passive trusteeship alone is not a defence- to escape liability, a trustee must prove both lack of knowledge of the offence and that they exercised due diligence to prevent it

Can Directors avoid prosecution?

NO.

Claiming ignorance is not a valid defence under FCRA.

Directors must prove both lack of knowledge
and preventive diligence.

Neglect, consent, or connivance removes
the defence entirely.

What Has Changed?

ASSET MANAGEMENT

Designated Authority is now formally defined, replacing previously vague provisions.

CERTIFICATE EXPIRY

Introduces automatic cessation under Section 14B.

INVESTIGATIONS AND PENALTIES

Investigations now require Central Government approval; imprisonment term is reduced from 5 years to 1 year.

APPEALS

A new right of appeal to the District Judge within 90 days has been introduced against orders of the Designated Authority

Can the government investigate without prior authorisation?

NO.

Under the new Section 43, investigations require prior approval of the Central Government. This adds a procedural safeguard, though inspections and suspensions remain unaffected.

Can we use existing foreign funds during suspension?

Only with prior government approval.

During suspension, you cannot deal with FCRA-funded assets freely.

Any unauthorized use constitutes a violation.

Seek legal advice immediately upon suspension.

We run a digital news platform. Do the new prohibitions apply to us?

YES.

The prohibition now covers any person engaged in news, current affairs, or broadcasting. This includes journalists, editors, columnists, and digital media creators, not just associations or companies.

Compliance Design

- Audit certificate validity and maintain a renewal calendar; track expiry dates and initiate renewal well before the deadline.
- Review all FCRA-funded assets; document and segregate foreign vs. domestic funding sources.
- Map key functionaries and avoid unauthorised dealings; update Aadhaar/Passport details and never deal with suspended assets without approval.
- Know your appeal rights - if the Designated Authority passes any order against your organisation, you have 90 days to appeal to the District Judge

Immediate Steps Under the 2026 Amendments

YOUR FOUR-POINT ACTION PLAN:

- Verify certificate expiry and renew early.
- Conduct an asset audit (foreign vs. domestic funding).
- Update key functionary details and documentation.
- Review utilisation timelines; holding funds too long may invite scrutiny.

Let's Talk.

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