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Explained: What FCRA Amendment Bill 2026 proposes, why it has sparked a row in Kerala

The proposed amendment gives the Central government the power to appoint the designated authority who would control the funds and assets in case the FCRA certificate is cancelled, surrendered or ceased

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Union Home Minister Amit Shah in the Lok Sabha. Minister of State for Home Affairs, Nityanand Rai, back left, is also seen. (PTI)

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The Union government on Wednesday deferred a discussion on the contentious Foreign Contribution (Regulation) Amendment (FCRA) Bill, 2026, which was **introduced** in Lok Sabha on March 25.

The Bill seeks to amend the Foreign Contribution (Regulation) Act, 2010 which regulates the acceptance and utilisation of foreign contribution and foreign hospitality to “ensure that such inflows do not adversely affect national interest, public order or national security”.

But several Opposition parties have alleged that the legislation would affect institutions belonging to minority communities, including Christians.

Though Wednesday’s Lok Sabha agenda listed the Bill for consideration, it was not taken up for discussion. Parliamentary Affairs Minister Kiren Rijiju told reporters that the decision was based on legislative priorities and not politics.

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The controversy over the Bill, however, comes just ahead of the April 9 Assembly election in Kerala, a state with a large Christian population. And indeed, the most vociferous objections have come from this state, both from the ruling Left Democratic Front and Opposition Congress.

So what’s exactly in this Bill that has prompted the furore?

What is FCRA?

The FCRA was first enacted during the Emergency in 1976 amid apprehensions that foreign powers were interfering in India's affairs by pumping money into the country through independent organisations.

The law sought to regulate foreign donations to individuals and associations so that they functioned "in a manner consistent with the values of a sovereign democratic republic".

An amended FCRA was enacted under the UPA government in 2010 to "consolidate the law" on utilisation of foreign funds, and "to prohibit" their use for "any activities detrimental to national interest".

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According to the 2010 law, NGOs, similar associations and individuals have to obtain registration or permission to be able to accept foreign contributions. Such contributions are divided under five broad heads: cultural, economic, educational, social and religious purposes.

According to the Statement of Objects and Reasons of the Bill, there are approximately 16,000 associations currently registered under the Act and receive around Rs 22,000 crore annually.

The 2010 Act was amended thrice — in 2016, 2018 and 2020. The 2020 amendment gave the government tighter control and scrutiny over the receipt and utilisation of foreign funds by NGOs.

What is the new FCRA amendment?

The key change proposed by the 2026 amendment is the creation of a "designated authority" that the Union government will have the power to appoint.

This replaces Section 15 of the existing Act. According to the Statement of Objects and Reasons, while the existing section did provide for vesting of assets, "the absence of a comprehensive framework" for such assets has led to "administrative uncertainty and scope for misuse". The Statement of Objects and Reasons also cites "multiplicity of investigations, inconsistency in penalties, absence of timelines for utilisation, lack

of express provision for cessation of registration, and ambiguity regarding treatment of assets during suspension”.

The Bill proposes that the designated authority will take over, supervise and manage foreign contributions and assets of an association in case their FCRA registration is cancelled, surrendered or otherwise ceases. The Bill adds that a registration certificate will be deemed to have ceased on the expiration of its validity if:

No application for renewal was made

Renewal has been denied

Renewal is not obtained before expiry

The Bill also says that this designated authority will return the unutilised funds or assets once the association or individual renews FCRA registration or is issued a fresh one. However, there are also cases where the designated authority can permanently take over such assets and funds. These are:

If the person fails to obtain a fresh registration or get the registration renewed or restored within a prescribed period

Where a person previously permitted to accept foreign contribution ceases to exist or is rendered inoperative or defunct

In such cases, the designated authority may transfer such assets to any Ministry, department, authority or agency of the central, state or local governments. It may also dispose of assets via sale or other processes.

Clause 16A (7) of the amendment says that in the case of a place of worship, the designated authority can entrust the management or operation of the asset to a person in such manner as may be prescribed. It must be ensured “that the religious character of such place of worship is maintained,” the amendment says.

According to the Catholic Bishops’ Conference of India, the FCRA Bill “threatens the operational survival of Minorities, and civil society organizations that depend on foreign contributions for essential social, educational, and charitable work.”

The controversy around the FCRA Bill

The Union government has said that operational and legal gaps had been identified in relation to the cases where the FCRA registration is cancelled, surrendered or otherwise ceased.

While introducing the Bill in Lok Sabha, MoS Nityanand Rai had said: “This Bill is dangerous for those who have ill intentions, those who want to carry out forcible

religious conversions using foreign funding.”

But Opposition parties have expressed concern that the Bill would allow the cancellation of FCRA certification in case the renewal application is not processed or rejected within the stipulated time, leading to the assets being controlled by the designated authority.

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Kerala Chief Minister [Pinarayi Vijayan](#) flagged this in a letter to Prime Minister Narendra Modi on Monday, saying this had led to concerns among religious institutions.

Congress leader Rahul Gandhi said in Kerala that the Bill would leave “charitable and other community welfare organisations” at the mercy of the Union government. Congress general secretary (organisation) K C Venugopal, meanwhile, likened the Bill to the Wakf Amendment Act.

The Kerala factor

The controversy over the Bill appears to have gained significant traction in Kerala, which votes on April 9. According to the 2011 Census, which puts the state's total population upwards of 3.34 crore, Christians constitute the second-largest minority in Kerala with a population of more than 61 lakh. This makes the Christian community a key voter base in the state. Indeed, the BJP has been attempting to reach out to them for years.

During the launch of the BJP manifesto for the polls Wednesday, the party's state chief Rajeev Chandrasekhar attempted to clarify. “When we found that when there were some misgivings, some misunderstanding caused by this propaganda by Opposition parties, I strongly requested yesterday that the Bill be discussed first with the people, explained properly to the people who it will impact before the Bill is passed and the government has agreed to that,” he said.

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