

FCRA Alert

FCRA Amendment Rules, 2026

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The Ministry of Home Affairs (MHA) has notified the Foreign Contribution (Regulation) Amendment Rules, 2026 vide Gazette Notification dated 22 June 2026, effective immediately.

Key changes at a glance:

1. Definition of "Key Functionary":

A new defined term has been inserted covering directors, partners, trustees, Karta of HUFs, office-bearers, and any person responsible for management or affairs of an organisation. Foreign nationals (other than persons of Indian origin) as key functionaries will generally disqualify an entity from FCRA registration.

2. Purpose-Specific & Area-Specific Registration:

Registration certificates must now specify the exact purpose(s) and the States/UTs for which registration is granted. Purposes must be selected from a newly prescribed Schedule classifying activities under five sectors – Religious, Cultural, Economic, Educational, and Social.

3. Compliance Obligation for Existing Registrants:

All associations registered prior to this amendment must submit updated details of purpose and operational geography to the Central Government in Form FC-6F within one year from 22nd June 2026.

4. 75% Fund Utilisation Threshold:

Organisations must utilise at least 75% of previously received foreign funds before becoming eligible for subsequent tranches.

5. Enhanced Disclosure Requirements:

Mandatory disclosure of social media accounts, websites, and publications (books, magazines, articles) by the organisation and its key functionaries.

6. Revised Fee Structure:

Additional fees of ₹ 300 per extra purpose and per additional State/UT for multi-purpose or multi-state registrations.

SNR's Take:

The amendments significantly tighten the compliance and governance framework for FCRA-registered entities. Organisations relying on foreign contributions must urgently review their registration status, update their purpose and geography declarations, and plan fund utilisation to meet the new 75% threshold before the next draw-down.

Entities with foreign nationals in key management positions should seek immediate legal advice on their eligibility.