

**Bill No. 97 of 2026**

**THE FOREIGN CONTRIBUTION (REGULATION) AMENDMENT  
BILL, 2026**

A

**BILL**

*further to amend the Foreign Contribution (Regulation) Act, 2010.*

BE it enacted by Parliament in the Seventy-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Foreign Contribution (Regulation) Amendment Act, 2026.

Short title and  
commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act, and any reference in any such provision to the commencement of this Act, shall be construed as a reference to the coming into force of that provision.

Substitution of certain expressions with certain other expressions.	<p><b>2.</b> Throughout the Foreign Contribution (Regulation) Act, 2010 (hereinafter referred to as the principal Act), for the words and figures “Code of Criminal Procedure, 1973”, the words and figures “Bharatiya Nagarik Suraksha Sanhita, 2023” shall be substituted.</p>	<p>42 of 2010. 2 of 1974. 46 of 2023.</p>
Amendment of section 2.	<p><b>3.</b> In section 2 of the principal Act, in sub-section (J),—</p> <p>(a) clause (a) shall be re-numbered as clause (aa) thereof and before clause (aa) as so re-numbered, the following clause shall be inserted, namely:—</p> <p style="padding-left: 40px;">‘(a) “Administrator” means such officer or authority as may be notified by the Central Government for the purposes of this Act;’;</p> <p>(b) clause (f) shall be omitted;</p> <p>(c) after clause (f) as so omitted, the following clause shall be inserted, namely:—</p> <p style="padding-left: 40px;">‘(fa) “Designated authority” means such officer or authority as may be notified by the Central Government for the purposes of this Act;’;</p> <p>(d) in clause (g), in sub-clause (i), for the words and figures “section 591 of the Companies Act, 1956”, the words and figures “section 379 of the Companies Act, 2013” shall be substituted;</p> <p>(e) in clause (j), in sub-clause (vi), for the words and figures “Companies Act, 1956”, the words and figures “Companies Act, 2013” shall be substituted;</p> <p>(f) after clause (j), the following clause shall be inserted, namely:—</p> <p style="padding-left: 40px;">‘(ja) “key functionary”, in relation to a person other than an individual, includes—</p> <p style="padding-left: 80px;">(i) the Director of a company;</p> <p style="padding-left: 80px;">(ii) a partner in a firm;</p> <p style="padding-left: 80px;">(iii) a trustee of a trust;</p> <p style="padding-left: 80px;">(iv) the <i>Karta</i> of a Hindu undivided family;</p> <p style="padding-left: 80px;">(v) an office bearer, member of the governing body, managing committee or other controlling authority of a society, trust, trade union or association of individuals; and</p> <p style="padding-left: 80px;">(vi) any other officer or person, by whatever name called, who has control over, or responsibility for the management or affairs of such person;’;</p> <p>(g) in clause (m), in sub-clause (iv), for the words and figures “section 25 of the Companies Act, 1956”, the words and figures “section 8 of the Companies Act, 2013” shall be substituted;</p> <p>(h) for clause (n), the following clause shall be substituted, namely:—</p> <p style="padding-left: 40px;">‘(n) “political party” means an association or body of individual citizens of India—</p> <p style="padding-left: 80px;">(i) to be registered with the Election Commission as a political party under section 29A of the Representation of the People Act, 1951; or</p> <p style="padding-left: 80px;">(ii) which has set up candidates for election to any Legislature, but is not so registered or deemed to be registered under the Election Symbols (Reservation and Allotment) Order, 1968;’;</p>	<p>5 10 15 20 25 30 35 40 45</p> <p>1 of 1956. 18 of 2013. 1 of 1956. 18 of 2013. 1 of 1956. 18 of 2013. 1 of 1956. 18 of 2013. 43 of 1951.</p>

25 of 1867. 51 of 2023.	(i) in clause (q), for the words and figures “Press and Registration of Books Act, 1867”, the words and figures “Press and Registration of Periodicals Act, 2023” shall be substituted;	
1 of 1956. 18 of 2013.	5 (j) in clause (r), for the words, brackets and figures “clause (41) of section 2 of the Companies Act, 1956”, the words, brackets and figures “clause (77) of section 2 of the Companies Act, 2013” shall be substituted;	
1 of 1956. 18 of 2013.	(k) in clause (t), for the words and figures “Companies Act, 1956”, the words and figures “Companies Act, 2013” shall be substituted.	
	4. In section 3 of the principal Act, in sub-section (1),—	Amendment of section 3.
10	(a) in clause (g), for the words “association or company”, the word “person” shall be substituted;	
	(b) in clause (h), for the words “the association or company”, the words “an association or company engaged in the activities” shall be substituted;	
45 of 1860. 45 of 2023.	15 (c) in <i>Explanation</i> 1, for the words and figures “section 21 of the Indian Penal Code”, the words, brackets and figures “clause (28) of section 2 of the Bharatiya Nyaya Sanhita, 2023” shall be substituted.	
	5. In section 12 of the principal Act,—	Amendment of section 12.
	(a) in sub-section (4), in clause (e), for the words “directors or office bearers”, the words “key functionaries” shall be substituted;	
20	(b) for sub-section (6), the following sub-sections shall be substituted, namely:—	
	“ <i>(6)</i> The certificate granted under sub-section (3) shall be valid for a period of five years.	
25	“ <i>(7)</i> The prior permission given under sub-section (3) shall be valid for a specific purpose or specific amount of foreign contribution proposed to be received and such foreign contribution shall be received and utilised within such period as may be prescribed.”.	
	6. In section 12A of the principal Act, the words “office bearers or Directors or other” shall be omitted.	Amendment of section 12A.
30	7. In section 13 of the principal Act, in sub-section (2), after clause (b), the following clause shall be inserted, namely:—	Amendment of section 13.
	“ <i>(c)</i> not alienate, encumber or otherwise deal with any asset created out of the foreign contribution, except with the prior approval of the Central Government.”.	
35	8. In section 14A of the principal Act, the words, brackets and figures “, and the management of foreign contribution and asset, if any, created out of such contribution has been vested in the authority as provided in sub-section (1) of section 15” shall be omitted.	Amendment of section 14A.
40	9. After section 14A of the principal Act, the following section shall be inserted, namely:—	Insertion of new section 14B.
	“14B. (1) The certificate shall be deemed to have ceased on the expiry of its period of validity if—	Cessation of certificate.
	(a) the application for renewal has not been made under sub-section (2) of section 16;	
45	(b) the application for renewal has been made, but refused by the Central Government under the second proviso to sub-section (3) of section 16; or	
	(c) the certificate is not renewed before its expiry.	

(2) No person whose certificate has ceased to exist shall either receive or utilise the foreign contribution unless the certificate is renewed.”.

Omission of section 15.  
Insertion of new Chapter IIIA.

**10.** Section 15 of the principal Act shall be omitted.

**11.** After Chapter III of the principal Act, the following Chapter shall be inserted, namely:—

“CHAPTER IIIA

VESTING OF FOREIGN CONTRIBUTION AND ASSETS IN DESIGNATED AUTHORITY

Vesting of foreign contribution and assets created out of foreign contribution in certain cases.

16A. (1) The foreign contribution and the assets created out of foreign contribution of any person—

(a) whose certificate has been cancelled under section 14; or

(b) who has surrendered the certificate under section 14A; or

(c) whose certificate has ceased under section 14B or any rules made under this Act,

shall, from the date of such cancellation, surrender or cessation, vest provisionally in the Designated authority in such manner as may be prescribed.

(2) An asset shall vest wholly in the Designated authority whether created or acquired partly from foreign contribution and partly from other sources:

Provided that the person referred to in sub-section (1) may make an application to the Designated authority for return of any distinct or ascertainable portion of the asset created or acquired from other sources and the Designated authority, on being satisfied, shall by an order, return such portion of the asset to the applicant in such manner as may be prescribed.

(3) Upon vesting of the assets in it under sub-section (1), the Designated authority may either directly or through an Administrator, take possession of the assets and shall—

(a) be responsible for the supervision, management, safeguarding, preserving or maintaining the assets so vested in it;

(b) if considered necessary or expedient so to do in the public interest, undertake the management of activities of the person whose assets are provisionally vested in it under sub-section (1), in such manner and for such period as may be prescribed and the Designated authority may utilise the foreign contribution for managing such assets and activities.

(4) Where, in respect of any person referred to in sub-section (1),—

(a) a fresh certificate is granted under section 12;

(b) the certificate is renewed under section 16; or

(c) the certificate is restored by revision under section 32,

within such period as may be prescribed, then the Designated authority shall return the unutilised foreign contribution and such of the assets vested provisionally in it, subject to such conditions and in such manner as may be prescribed.

(5) If the person referred to in sub-section (1) fails to obtain a fresh certificate or get its certificate renewed or restored within the period referred to in sub-section (4), the foreign contribution and the assets created out of foreign contribution shall thereupon stand permanently vested in the Designated authority.

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(6) The Designated authority shall apply the foreign contribution and the assets permanently vested in it for public purposes and may, by order—

5 (a) transfer such assets to any Ministry, Department, authority or agency of the Central Government or of a State Government or any local authority, in such manner as may be prescribed; or

(b) dispose of such assets through sale or any other appropriate process, in such manner as may be prescribed and credit the sale proceeds together with any unutilised foreign contribution to the Consolidated Fund of India:

10 Provided that no person referred to in sub-section (1) or any of its key functionaries at the time of cancellation, surrender or cessation or any person acting on behalf or for the benefit of such person or any of its key functionaries shall directly or indirectly acquire or derive any interest in the assets so dealt with.

15 (7) Notwithstanding anything contained in sub-section (6), the Designated authority shall, where any asset permanently vested in it or portion thereof is a place of worship, entrust the management or operation of such asset or portion thereof to such person, in such manner and on such terms and conditions as may be prescribed and ensure that the religious character of such place of worship is maintained.

20 16B. The provisions of this Act, as amended by the Foreign Contribution (Regulation) Amendment Act, 2026, shall apply to all foreign contributions and assets created out of foreign contributions vested under section 15 as omitted by the said Act, or any rules made under this Act, as it stood immediately before the commencement of the said Amendment Act, and all such foreign contributions and assets shall, from the date of commencement of the Foreign Contribution (Regulation) Amendment Act, 2026, be deemed to be provisionally vested in the Designated authority under sub-section (1) of section 16A.

Treatment of foreign contributions and assets already vested.

30 16C. Notwithstanding anything contained in any other law for the time being in force, where any person who was permitted to accept foreign contribution under this Act ceases to exist or is rendered inoperative or defunct,—

Vesting of assets where persons cease to exist.

35 (a) the last key functionaries of such person shall inform the Central Government of such cessation or status of being inoperative or defunct, in such form and manner and within such period as may be prescribed;

40 (b) the foreign contribution received by such person and the assets created out of foreign contribution shall stand permanently vested in the Designated authority under sub-section (5) of section 16A.

45 16D. (1) Where the Designated authority sells any immovable property vested in it under this Act, it shall, upon receipt of the sale proceeds, issue a certificate of sale in such form as may be prescribed, in favour of the transferee and such certificate shall, notwithstanding that the original title deeds of the property have not been delivered to the transferee, be conclusive proof of the transferee's ownership of the property:

Certificate of sale or certificate of transfer of vested immovable property.

50 Provided that where such property is transferred by the Designated authority otherwise than by way of sale, the Designated authority shall issue a certificate of transfer in such form as may be prescribed and such certificate shall have the same legal effect as a certificate of sale.

(2) Notwithstanding anything contained in any other law for the time being in force, the certificate of sale issued under sub-section (1) shall be a valid instrument for the registration of the property in favour of the transferee and such registration shall not be refused on the ground of absence of original title deeds. 5

(3) Any property vested in the Designated authority under this Act shall not be transferred, whether by order of attachment, seizure or sale in execution of a decree of a Civil Court or orders of any tribunal or other authority, except in accordance with the provisions of this Act.

Duties and responsibilities of Designated authority.

16E. (1) Without prejudice to the provisions of section 16A, the Designated authority shall be responsible for— 10

(a) maintaining proper records, registers, inventories and accounts of the foreign contributions and assets vested in it;

(b) reporting to the Central Government any violation of the provisions of this Act or any fraudulent activity that comes to its notice during the discharge of its duties; 15

(c) submitting such periodic reports to the Central Government as may be prescribed; and

(d) discharging such other incidental or ancillary functions as may be assigned to it by the Central Government. 20

(2) The Designated authority shall act in accordance with such directions or orders, whether general or special, as may be issued to it by the Central Government from time to time.

Duties and responsibilities of persons whose foreign contributions and assets are vested in Designated authority.

16F. Every person whose foreign contribution or assets are vested in the Designated authority and all key functionaries of such person, shall— 25

(a) afford to the Designated authority or to any person authorised by it, full and unhindered access to its books of account, records (including electronic records), premises and properties and allow inspection, inventory and valuation thereof;

(b) produce or deliver all books, accounts, documents, securities, keys and movable assets and hand over possession or control of bank accounts, lockers and safe deposits, as may be required by the Designated authority; 30

(c) not alienate, encumber, part with possession of, or conceal, remove or otherwise deal with any foreign contribution or asset created out of such contribution, except with the prior approval of the Designated authority; 35

(d) keep such foreign contribution and assets intact and in the same condition, and shall carry on its activities under the supervision of, and subject to such terms and conditions as may be specified by the Designated authority; 40

(e) furnish correct and complete information, returns and declarations and cause an authorised representative to appear when called for; and

(f) provide such assistance and comply with such further directions as may be issued by the Designated authority or the Central Government, as may be required for the purposes of carrying out the provisions of this Act. 45

Powers of Designated authority and Administrator.

16G. The Designated authority and the Administrator, for the purposes of discharging their functions under this Act, shall—

5 of 1908.	5	<p>(a) have all the powers of a Civil Court under the Code of Civil Procedure, 1908, while trying a suit, in respect of summoning and enforcing the attendance of any person, examining them on oath, requiring the discovery and production of documents, receiving evidence on affidavits, issuing commissions and such other matters as may be prescribed;</p>	
45 of 2023.		<p>(b) be deemed to be a public servant within the meaning of clause (28) of section 2 of the Bharatiya Nyaya Sanhita, 2023.</p>	
	10	<p>16H. All officers of the Central Government, State Governments, Union territory Administrations, local authorities, public financial institutions, banks and such other authorities or agencies as may be specified by the Central Government shall extend such assistance to the Designated authority as may be required for the discharge of its duties.</p>	<p>Officers of Government and other authorities to assist Designated authority.</p>
	15	<p>16-I. The Designated authority shall not delegate any of its powers or functions conferred on or assigned to it under this Act or the rules made thereunder, except to such extent, in such manner and subject to such conditions as may be prescribed.</p>	<p>Delegation of powers by Designated authority.</p>
	20	<p>16J. The Designated authority may revise any of its orders passed under this Chapter, either on its own motion or on an application made to it by the person referred to in section 16A or the last key functionaries referred to in section 16C, within ninety days from the date of such order, and pass an order in relation thereto, as it thinks fit.</p>	<p>Power of Designated authority to revise its order.</p>
	25	<p>16K. Any person aggrieved by an order of the Designated authority passed under this Chapter may prefer an appeal, within ninety days—</p>	<p>Appeal against order of Designated authority.</p>
		<p>(a) to the Court of the District Judge within the local limits of whose jurisdiction the vesting, management or disposal was made;</p>	
	30	<p>(b) subject to such pecuniary or other limits as may be prescribed, to such judicial officer, not below the rank of a Civil Judge of Senior Division, as the Central Government may, by notification, specify in this behalf.</p>	
	35	<p>16L. Notwithstanding anything contained in this Chapter, the Central Government may, if it is necessary or expedient so to do in the public interest, exempt such person or class of persons, in such manner and to such extent and subject to such conditions, as may be prescribed, from the provisions of this Chapter.”.</p>	<p>Power to grant exemption from provisions of this Chapter.</p>
		<p><b>12.</b> In Chapter IV of the principal Act, in the Chapter heading, for the words “AUDIT AND DISPOSAL OF ASSETS”, the word “AUDIT” shall be substituted.</p>	<p>Amendment in heading of Chapter IV.</p>
	40	<p><b>13.</b> Section 22 of the principal Act shall be omitted.</p>	<p>Omission of section 22.</p>
1 of 1872. 47 of 2023.		<p><b>14.</b> In section 26 of the principal Act, in sub-section (5), for the words and figures “Indian Evidence Act, 1872”, the words and figures “Bharatiya Sakshya Adhinyam, 2023” shall be substituted.</p>	<p>Amendment of section 26.</p>
	45	<p><b>15.</b> In section 27 of the principal Act, in the marginal heading, for the words and figures “Act 2 of 1974”, the words and figures “Act 46 of 2023” shall be substituted.</p>	<p>Amendment of section 27.</p>
		<p><b>16.</b> For section 35 of the principal Act, the following section shall be substituted, namely:—</p>	<p>Substitution of new section for section 35.</p>

Punishment for contravention of any provision of Act.

“35. Whoever accepts, utilises or assists any person, political party or organisation in accepting or utilising, any foreign contribution or any currency or security from a foreign source, in contravention of any provision of this Act or any rule or order made thereunder, shall be punished with imprisonment for a term which may extend to one year, or with fine, or with both.”. 5

Substitution of new section for section 39.

17. For section 39 of the principal Act, the following section shall be substituted, namely:—

Offences by persons other than individual.

“39. (1) Where any offence under this Act or any rule or order made thereunder has been committed by a person other than an individual, every key functionary of such person who, at the time the offence was committed, was in charge of, and was responsible to, the person for the conduct of the business of the person, as well as the person, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: 10

Provided that nothing contained in this sub-section shall render such key functionary liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence. 15

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or any rule or order made thereunder has been committed by a person other than an individual and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any key functionary of such person, such key functionary shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.”. 20 25

Amendment of section 43.

18. Section 43 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) No investigation shall be initiated for any offence punishable under this Act except with the prior approval of the Central Government.”. 30

Amendment of section 48.

19. In section 48 of the principal Act, in sub-section (2),—

(a) after clause (l), the following clause shall be inserted, namely:—

“(la) the period for receipt and utilisation of the foreign contribution under sub-section (7) of section 12;”;

(b) clauses (n) and (o) shall be omitted; 35

(c) after clause (q), the following clauses shall be inserted, namely:—

“(qa) the manner of provisionally vesting in the Designated authority of the foreign contribution and the assets created out of foreign contribution of any person under sub-section (1) of section 16A; 40

(qb) the manner of returning the distinct or ascertainable portion of the asset created or acquired from other sources by the Designated authority under the proviso to sub-section (2) of section 16A;

(qc) the manner and period of undertaking the management of activities of the person by the Designated authority or the Administrator under clause (b) of sub-section (3) of section 16A; 45

(qd) the period for obtaining, renewing or restoring the certificate of registration and the conditions and manner of returning the unutilised foreign contribution and assets by the Designated authority under sub-section (4) of section 16A; 50

(*qe*) the manner of transferring assets to any Ministry, Department, authority or agency of the Central Government or the State Government or any local authority under clause (*a*) of sub-section (*6*) of section 16A;

5 (*qf*) the manner of disposal of assets through sale or any other appropriate process under clause (*b*) of sub-section (*6*) of section 16A;

(*qg*) the manner and terms and conditions of entrusting the management or operation of assets or portion thereof to an eligible person under sub-section (*7*) of section 16A;

10 (*qh*) the form, manner and period of furnishing information by the last key functionaries under clause (*a*) of section 16C;

(*qi*) the form of issuing a certificate of sale or certificate of transfer by the Designated authority under sub-section (*I*) of section 16D;

15 (*qj*) the submission of periodic reports by the Designated authority under clause (*c*) of sub-section (*I*) of section 16E;

(*qk*) such other matters under clause (*a*) of section 16G;

(*ql*) the extent, manner and conditions of delegation of powers or functions by the Designated authority under section 16-I;

20 (*qm*) the pecuniary or other limits of preferring an appeal by a person aggrieved by an order of Designated authority, to such officer under clause (*b*) of section 16K;

25 (*qn*) the manner, extent and conditions subject to which any person or class of persons may be granted exemption from the provisions of Chapter IIIA under section 16L;”;

(*d*) clause (*v*) shall be omitted.

**20.** In section 53 of the principal Act, after sub-section (*I*), the following sub-section shall be inserted, namely:—

Amendment of section 53.

30 “(*IA*) If any difficulty arises in giving effect to the provisions of the Foreign Contribution (Regulation) Amendment Act, 2026, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient, for the purpose of removing the difficulty:

35 Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.”.

## STATEMENT OF OBJECTS AND REASONS

The Foreign Contribution (Regulation) Act, 2010 (the Act) 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. The Act came into force on 1st May, 2011 and has been amended in the years 2016, 2018 and 2020. At present, approximately 16,000 associations are registered under the Act and receive around ₹ 22,000 crore annually.

2. Over the period, certain operational and legal gaps have been identified, particularly in relation to the management of foreign contribution and assets created therefrom in cases where registration is cancelled, surrendered or otherwise ceases. Section 15 of the Act provides for vesting of assets, but the absence of a comprehensive framework for supervision, management and disposal of such assets has led to administrative uncertainty and scope for misuse. Further, 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 have resulted in implementation challenges.

3. It is therefore proposed to amend the Act to introduce a comprehensive statutory framework for vesting, supervision, management and disposal of foreign contribution and assets through a Designated authority, including provisional and permanent vesting; to provide timelines for receipt and utilisation under prior permission; to provide for cessation of certificate; to regulate handling of assets during suspension; to rationalise penalties; and to require prior approval of the Central Government for initiation of investigation.

4. The Foreign Contribution (Regulation) Amendment Bill, 2026, *inter alia*, seeks to provide for—

(a) amendment of section 12 to provide timelines for receipt and utilisation under prior permission;

(b) amendment of section 13 to regulate dealing with assets during suspension of registration;

(c) insertion of a new section 14B to provide for cessation of certificate upon expiry, non-renewal or refusal of renewal;

(d) omission of section 15 and insertion of a new Chapter IIIA to provide a comprehensive framework for vesting, supervision, management and disposal of foreign contribution and assets, in a Designated authority, including provisional and permanent vesting;

(e) substitution of section 35 to rationalise penalties;

(f) amendment of section 43 to require prior approval of the Central Government for initiation of investigation; and

(g) making other consequential amendments.

5. The Bill seeks to achieve the above objectives.

NEW DELHI;

AMIT SHAH.

*The 19th March, 2026.*

## FINANCIAL MEMORANDUM

The provisions of the proposed legislation do not involve any expenditure, either recurring or non-recurring, from and out of the Consolidated Fund of India.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 19 of the Bill seeks to amend sub-section (2) of section 48 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) (the Act) relating to the power of the Central Government to make rules. The proposed amendments to sub-section (2) of the said section seek to empower the Central Government to make rules in respect of the following matters, namely:—(a) the period for receipt and utilisation of the foreign contribution under sub-section (7) of section 12; (b) the manner of provisionally vesting in the Designated authority of the foreign contribution and the assets created out of foreign contribution of any person under sub-section (1) of section 16A; (c) the manner of returning the distinct or ascertainable portion of the asset created or acquired from other sources by the Designated authority under the proviso to sub-section (2) of section 16A; (d) the manner and period of undertaking the management of activities of the person by the Designated authority or the Administrator under clause (b) of sub-section (3) of section 16A; (e) the period for obtaining, renewing or restoring the certificate of registration and the conditions and manner of returning the unutilised foreign contribution and assets by the Designated authority under sub-section (4) of section 16A; (f) the manner of transferring assets to any Ministry, Department, authority or agency of the Central Government or the State Government or any local authority under clause (a) of sub-section (6) of section 16A; (g) the manner of disposal of assets through sale or any other appropriate process under clause (b) of sub-section (6) of section 16A; (h) the manner and terms and conditions of entrusting the management or operation of portion of assets to an eligible person under sub-section (7) of section 16A; (i) the form, manner and period of furnishing information by the last key functionaries under clause (a) of section 16C; (j) the form of issuing a certificate of sale or certificate of transfer by the Designated authority under sub-section (1) of section 16D; (k) the submission of periodic reports by the Designated authority under clause (c) of sub-section (1) of section 16E; (l) such other matters under clause (a) of section 16G; (m) the extent, manner and conditions of delegation of powers or functions by the Designated authority under section 16-I; (n) the pecuniary or other limits of preferring an appeal by a person aggrieved by an order of Designated authority, to such officer under clause (b) of section 16K; (o) the manner, extent and conditions subject to which any person or class of persons may be granted exemption from the provisions of Chapter IIIA under section 16L.

2. The matters in respect of which rules may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

ANNEXURE

EXTRACTS FROM THE FOREIGN CONTRIBUTION (REGULATION) ACT, 2010

(42 OF 2010)

\* \* \* \* \*

2. (1) In this Act, unless the context otherwise requires,—

Definitions.

\* \* \* \* \*

43 of 1961.

(f) “company” shall have the meaning assigned to it under clause (17) of section 2 of the Income-tax Act, 1961;

(g) “foreign company” means any company or association or body of individuals incorporated outside India and includes—

1 of 1956.

(i) a foreign company within the meaning of section 591 of the Companies Act, 1956;

\* \* \* \* \*

(j) “foreign source” includes,—

\* \* \* \* \*

1 of 1956.

(vi) a company within the meaning of the Companies Act, 1956, and more than one-half of the nominal value of its share capital is held, either singly or in the aggregate, by one or more of the following, namely:—

(A) the Government of a foreign country or territory;

(B) the citizens of a foreign country or territory;

(C) corporations incorporated in a foreign country or territory;

(D) trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory;

(E) foreign company;

42 of 1999.

Provided that where the nominal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999, or the rules or regulations made thereunder, then, notwithstanding the nominal value of share capital of a company being more than one-half of such value at the time of making the contribution, such company shall not be a foreign source;

\* \* \* \* \*

(m) “person” includes—

(i) an individual;

(ii) a Hindu undivided family;

(iii) an association;

(iv) a company registered under section 25 of the Companies Act, 1956; 1 of 1956.

(n) “political party” means—

(i) an association or body of individual citizens of India—

(A) to be registered with the Election Commission of India as a political party under section 29A of the Representation of the People Act, 1951; or 43 of 1951.

(B) which has set up candidates for election to any Legislature, but is not so registered or deemed to be registered under the Election Symbols (Reservation and Allotment) Order, 1968;

(ii) a political party mentioned in column 2 of Table 1 and Table 2 to the notification of the Election Commission of India No. 56/J&K/02, dated the 8th August, 2002, as in force for the time being;

\* \* \* \* \*

(q) “registered newspaper” means a newspaper registered under the Press and Registration of Books Act, 1867; 25 of 1867.

(r) “relative” has the meaning assigned to it in clause (41) of section 2 of the Companies Act, 1956; 1 of 1956.

\* \* \* \* \*

(t) “subsidiary” and “associate” shall have the meanings, respectively assigned to them in the Companies Act, 1956; 1 of 1956.

\* \* \* \* \*

CHAPTER II

REGULATION OF FOREIGN CONTRIBUTION AND FOREIGN HOSPITALITY

Prohibition to accept foreign contribution.

3. (1) No foreign contribution shall be accepted by any—

\* \* \* \* \*

(g) association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in clause (r) of sub-section (1) of section 2 of the Information Technology Act, 2000 or any other mode of mass communication; 21 of 2000.

(h) correspondent or columnist, cartoonist, editor, owner of the association or company referred to in clause (g).

*Explanation 1.*—For the purpose of clause (c), “public servant” means a public servant as defined in section 21 of the Indian Penal Code. 45 of 1860.

\* \* \* \* \*

Grant of certificate of registration.

12. (1) \* \* \* \* \*

(4) The following shall be the conditions for the purposes of sub-section (3), namely:—

\* \* \* \* \*

(e) in case the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;

\* \* \* \* \*

(6) The certificate granted under sub-section (3) shall be valid for a period of five years and the prior permission shall be valid for the specific purpose or specific amount of foreign contribution proposed to be received, as the case may be.

**12A.** Notwithstanding anything contained in this Act, the Central Government may require that any person who seeks prior permission or prior approval under section 11, or makes an application for grant of certificate under section 12, or, as the case may be, for renewal of certificate under section 16, shall provide as identification document, the Aadhaar number of all its office bearers or Directors or other key functionaries, by whatever name called, issued under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, or a copy of the Passport or Overseas Citizen of India Card, in case of a foreigner.

Power of Central Government to require Aadhaar number, etc., as identification document.

18 of 2016.

**13. (1)** \* \* \* \* \*

(2) Every person whose certificate has been suspended shall—

\* \* \* \* \*

(b) utilise, in the prescribed manner, the foreign contribution in his custody with the prior approval of the Central Government.

\* \* \* \* \*

Suspension of certificate.

**14A.** On a request being made in this behalf, the Central Government may permit any person to surrender the certificate granted under this Act, if, after making such inquiry as it deems fit, it is satisfied that such person has not contravened any of the provisions of this Act, and the management of foreign contribution and asset, if any, created out of such contribution has been vested in the authority as provided in sub-section (1) of section 15.

Surrender of certificate.

\* \* \* \* \*

**15. (1)** The foreign contribution and assets created out of the foreign contribution in the custody of every person whose certificate has been cancelled under section 14 2 or surrendered under section 14A shall vest in such authority as may be prescribed.

Management of foreign contribution of person whose certificate has been cancelled 2 or surrendered.

(2) The authority referred to in sub-section (1) may, if it considers necessary and in public interest, manage the activities of the person referred to in that sub-section for such period and in such manner, as the Central Government may direct and such authority may utilise the foreign contribution or dispose of the assets created out of it in case adequate funds are not available for running such activity.

(3) The authority referred to in sub-section (1) shall return the foreign contribution and the assets vested upon it under that sub-section to the person referred to in the said sub-section if such person is subsequently registered under this Act.

\* \* \* \* \*

CHAPTER IV

ACCOUNTS, INTIMATION, AUDIT AND DISPOSAL OF ASSETS, ETC.

\* \* \* \* \*

**22.** Where any person who was permitted to accept foreign contribution under this Act, ceases to exist or has become defunct, all the assets of such person shall be disposed of in accordance with the provisions contained in any law for the time being in force under which the person was registered or incorporated, and in the absence of any such law, the Central Government may, having regard to the nature of assets created out of foreign contribution received under this Act, by notification, specify that all such assets shall be disposed off by such authority, as it may specify, in such manner and procedure as may be prescribed.

Disposal of assets created out of foreign contribution.

\* \* \* \* \*

Disposal of seized article or currency or security.

**26. (1) \*** \* \* \* \* \*

(5) Notwithstanding anything contained in the Indian Evidence Act, 1872 or the Code of Criminal Procedure, 1973, every court trying an offence under this Act, shall treat the inventory, as certified by the Magistrate, as primary evidence in respect of such offence.

1 of 1872  
2 of 1974

\* \* \* \* \*

Seizure to be made in accordance with Act 2 of 1974.

**27.** The provisions of the Code of Criminal Procedure, 1973 shall apply in so far as they are not inconsistent with the provisions of this Act to all seizures made under this Act.

\* \* \* \* \*

Punishment for contravention of any provision of the Act.

**35.** Whoever accepts, or assists any person, political party or organisation in accepting, any foreign contribution or any currency or security from a foreign source, in contravention of any provision of this Act or any rule or order made thereunder, shall be punished with imprisonment for a term which may extend to five years, or with fine, or with both.

\* \* \* \* \*

Offences by companies.

**39. (1)** Where an offence under this Act or any rule or order made thereunder has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or any rule or order made thereunder has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm, society, trade union or other association of individuals; and

(b) “director”, in relation to a firm, society, trade union or other association of individuals, means a partner in the firm or a member of the governing body of such society, trade union or other association of individuals.

\* \* \* \* \*

Power to make rules.

**48. (1) \*** \* \* \* \* \*

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

\* \* \* \* \*

(n) the authority with whom the foreign contribution to be vested under sub-section (1) of section 15;

(o) the period within which and the manner in which the foreign contribution shall be managed under sub-section (2) of section 15;

\* \* \* \* \*

(v) the manner and procedure to be followed in disposing of the assets under section 22;

\* \* \* \* \*

LOK SABHA

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**BILL**

further to amend the Foreign Contribution (Regulation) Act, 2010.

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*(Shri Amit Shah, Minister of Home Affairs and Cooperation)*