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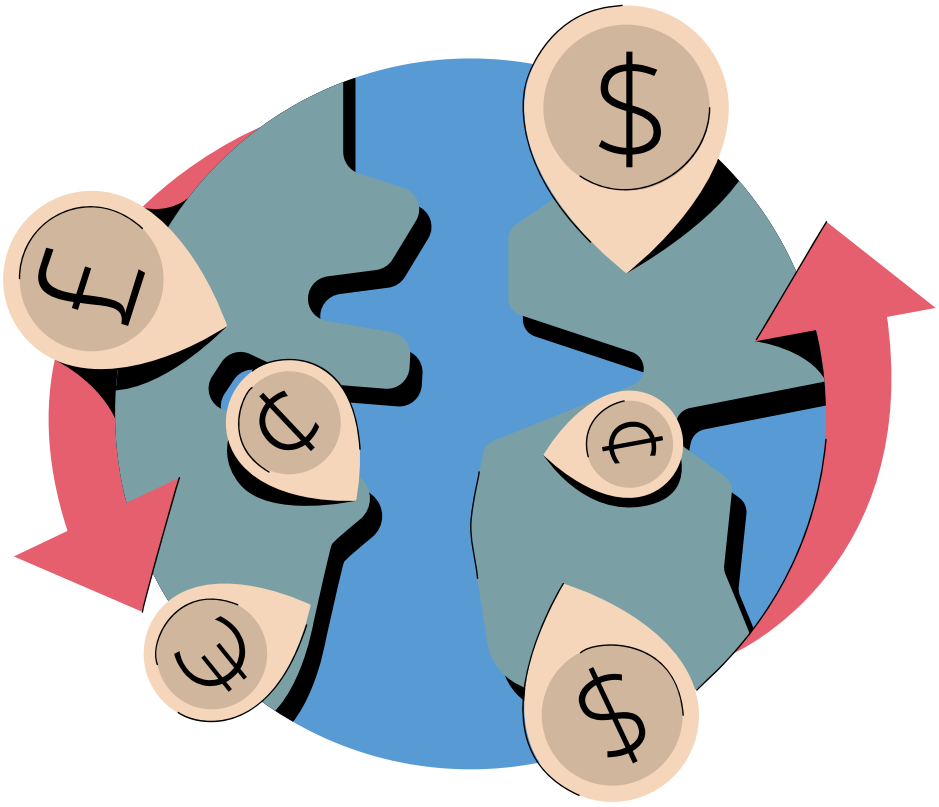
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Tensions, nodes, and the questions we left open from

Pacta's Community of Practice (CoP) on

Foreign Contribution (Regulation) Act (FCRA) Amendments (FC6F / FC6C)

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Reflections by Nivedita Krishna,
Founder-Director, Pacta

Sitting With the Ambiguities of the FCRA Law



A Community of Practice (CoP) only works if we set down the pretense that we are “experts” on any topic. This humility is fundamental at Pacta and it shaped the spirit of the first CoP, in the wake of the June 2026 FCRA Amendment.

A diverse audience from 20+ organisations participated: a government-linked research foundation, a yoga and health organisation, an arts and innovation centre, non-profits working on public health, nutrition and wellbeing, hospital and child protection initiatives.

That day, I realised that several of us hold unanswered questions. Oftentimes one is under the impression that a well resourced organisation with access to good lawyers and advisors may have figured the ONE RIGHT answer to that question. But, Pacta’s first CoP showed me evidence that answers are neither just one nor binary (right/wrong), but exist as a wide range of options each informed by a specific context and risk matrix.

> **This is what CoPs are meant to do: uncover the range of possible approaches to meet a specific compliance greyness, which no “capacity building” or “training programme” might.**

The discussion revealed several nodes:



The First Node
Breadth vs. Honesty in Activities we Declare

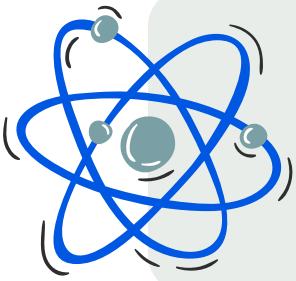
Form FC 6F asks every FCRA holder to declare its States of operation and its purposes, and what once sat under five broad heads is now some hundred and ten subcategories. The fee multiplies: ₹300 per purpose, per State and the initial filing is being interpreted as an “intimation,” needing no approval, while every later addition becomes a fresh application.

The tension surfaced quickly: the room leaned toward declaring generously as a measure of safety, every purpose you might plausibly grow into. But someone pushed back on whether an over-broad declaration is honest, or whether it strains the alignment the regime otherwise demands.

Still open:

If we declare purposes we never act on, can those unused declarations be read against us later or are they simply the margin of safety they appear to be? Nobody could say for certain.

The discussion revealed several nodes:



The Second Node
Unnamed Categories of Work

The categories fit some work and leave out others. Ecological research isn't named; the nearest place-holder is a “research institution” framing under education. Nursing fellowships could sit in several boxes at once, each defensible, none obviously right. Advocacy simply isn't there, and the room pointed out that it has become a bad word.

Underneath this was the need for alignment. The objects clause, activity reports, and FCRA purposes must triangulate into one story, with non-profits being watched closely. The boldest position offered in the room was to proceed on a clear narrative where work is defensible and not prohibited, and let the ministry carry the burden of proving otherwise, rather than shrinking a mission to fit a dropdown.

Still open:

What is the right order to follow when you want to modify the objects clause of your institutions especially when FCRA renewal is looming close?

The discussion revealed several nodes:



The Third Node
Where Control Actually Sits - Key Functionary

On paper a key functionary is a list: directors, partners, trustees, the karta of an HUF, office bearers. But the operative test is control: who can hire and fire, amend the mission, mobilise resources, or change the organisation's direction.

The room considered this carefully: foreign nationals (except OCI holders, treated as foreign) cannot hold the role of a key functionary without special exemption, funders that fund most of your budget may wield real but indirect influence.

What unsettled everyone was the disclosure riding on it: key functionaries are named to the Ministry, and a forensic audit can reach into their social-media profiles, publications, and affiliations.

Still open:

Where does indirect control tip into direct? In the dominant funder question, where one funder holds the purse, what sort of boundaries should be built?

The discussion revealed several nodes:



The Fourth Node
Transparency or Surveillance - Tracing Donors & Publications

The disclosures now reach back through donors: ultimate-donor detail once funds pass through a donor-advised fund or aggregator, with the shortcut that whoever both decided and transferred is the donor. Another was on disclosures of an organisation's own social handles and its publications under the new in FC4. Beside this sits the Section 31J undertaking against journalism-type publications.

The room asked if op-eds written based on research stay clear, but acknowledged that public-policy writing and social media advocacy live in the grey.

Sensible safeguards emerged, a written communications policy, disclaimers on individual authorship, a communications team confined to a go/no-go rather than editorial shaping.



Still open:

Where is the line between informing the public and influencing it and, more pointedly, who gets to draw it?

The discussion revealed several nodes:



The Fifth Node
Building Things that Last, in a Regime that Can Take them

The bill before the Lok Sabha would let the government seize assets bought with foreign funds even after registration is cancelled, surrendered, or expired, with no clear protection for pre-FCRA era assets. Where domestic and foreign money are inseparably invested in assets, exposure of the whole stack, land bought and a building raised on mixed funds, puts the entire property at risk.

The pragmatic responses were clear enough: put foreign funds into depreciating assets rather than real estate, keep funding streams cleanly separated, and make grant agreements spell out IP, publishing rights, and fund use.

Still open:

What is the process for writing off fixed assets acquired using foreign contribution?

A Safe Space
to Vent into



What struck me most, as a host, was how much tension each of the CFOs in the room were holding. Grey areas in the law mean the threat of losing mission critical FCRA. Rights advocacy is a given 3rd sector activity that is now characterised as “dangerous” when using FCRA funds.

Whom to ask and where to go? What we need, and what I think we found that afternoon, was simply a safe space: somewhere to think aloud about the ambiguities, to vent an opinion without it being weighed against us, to hear our own confusions spoken back by someone facing the very same ones.

Not every question was answered. Many were not. But every question was heard, and that mattered more than I had expected.

> **“To know you are not alone with the doubt is its own kind of steadying. We need these types of conversations”**

This is a personal reflection on a community-of-practice session and the discussion within it. It captures tensions and interpretations raised in the room, not settled legal positions, and it is not legal advice. Organisations should confirm specifics - forms, deadlines, fees, and the status of pending legislation - with qualified FCRA counsel before acting.

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Contact Us

www.pacta.in

enquiries@pacta.in

@PactaIndia

P/37, 11th Cross Road, Jeevanbhima Nagar,
Bengaluru, Karnataka, 560075.