

India recognises the threat from trusts

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[Trusts, NGOs under ambit of money-laundering law](#).

India is to extend its money laundering laws:

Charitable trusts, whether temples, churches or mosques, non-government organisations (NGOs), educational institutions or societies, if registered as non-profit organisations (NPOs), will not only have to disclose the source of their funds, but also be scrutinised for large monetary transactions.

The change has been done by an amendment to the Prevention of Money Laundering Act (PMLA) 2002, notified in the Official Gazette on November 12, to bring NPOs under the purview of the law. Earlier, the entities that fell under the ambit of the law included only chit fund companies, banking companies, financial institutions and housing finance companies.

I warmly applaud this. NGOs should be on the record, as should be other charitable bodies. They get special status, they must account for it. But the extension to trusts is especially welcome: they are a perfect conduit for abuse. Nothing less than full public registers of trusts with accounts on public record will do.

And for those who argue this is an invasion of privacy I have a simple response: no one asked anyone to form a trust. It is done to secure advantage. Advantage carries responsibility, in this case the duty to report.