

**Bill No. LXVI of 2023**

THE PUBLIC SERVICE INTEGRITY BILL, 2023

A  
BILL

*to provide for regulation of appointments of retired officers in various government, Constitutional, Statutory bodies etc. by adhering to the mandatory cooling off period post-retirement and for the establishment of a Regulatory Authority and Review and Exemption Committee for granting exemptions in certain cases and for matters connected therewith and incidental thereto.*

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

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|----|---|-------------------------------|
| 1. | (1) This Act may be called the Public Service Integrity Act, 2023.  | Short title and commencement. |
|    | (2) It shall come into force at once.   |                               |
| 5  | 2. In this Bill, unless the context otherwise requires:   | Definitions.                  |
|    | (a) “Appointing Office” means an office under the Government of India or Constitutional body or Statutory body including all bodies, authorities, institutes, |                               |

organizations, regulators of the Government of India or its instrumentalities or such offices instituted by the Constitution of India, where the Scheduled Office Holder is seeking appointment post his retirement from the Scheduled Office;

(b) "appointment" refers to any paid engagement, employment, or work, whether permanently or part-time, including consultancy and does not include *pro bono* services; 5

(c) "Authority" means the Regulatory Authority established under section 6 of this Act; 10

(d) "Committee" means the Review and Exemption Committee established under section 10 of the Act;

(e) "cooling-off period" means the period during which a Scheduled Office Holder is subject to the restrictions in seeking post-retirement appointment imposed by this Act; 15

(f) "prescribed" means prescribed by the rules made under this Act;

(g) "Scheduled Office" mean such bodies or offices established by Government of India or the Constitution of India and Commissions or other Statutory bodies as mentioned in the Second Schedule to this Act, where a Scheduled Office Holder was engaged, employed, appointed, contracted etc., in the discharge of their duties prior to their retirement; and 20

(h) "Scheduled Office Holder" refers to the position or designation of a person, who is seeking appointment post his retirement from the Scheduled Office, as listed in the First Schedule to this Act. 25

Application of Act to Scheduled Office Holders.

3. (1) The provisions of this Act shall apply to every Scheduled Office Holder. 30

(2) The Scheduled Office Holder shall be restricted from seeking or accepting any appointment, after retirement, from an Appointing Office, either before or during the mandatory cooling-off period.

*Explanation-* For the purposes of this Act, the "cooling-off" period shall be three years from the date of retirement of the Scheduled Office Holder. 35

Duty of Appointing Office.

4. (1) It shall be the duty of the Appointing Office to exercise due diligence for ensuring that the mandatory cooling-off period has elapsed before offering or appointing a Scheduled Office Holder post-retirement from such office. 40

5 (2) The due diligence shall be made in writing and shall include a No-Objection Certificate, in such manner and form as may be prescribed, obtained from or issued by the Scheduled Office affirming the elapse of the mandatory cooling-off period, as specified in sub-section (2) of section 3.

10 5. It shall be the duty of each Scheduled Office to maintain a register of Scheduled Office Holders, serving the mandatory cooling off period and upon the elapsing of such period, to mandatorily issue a No-objection Certificate, electronically and through a physical letter to the concerned Scheduled Office Holder, in such manner as may be prescribed.

Duty of Scheduled Office.

15 6. **(1) With effect from the appointed day, the Central Government shall, by notification in the Official Gazette, establish a body to be known as the Regulatory Authority, for implementing the provisions of this Act.**

Regulatory Authority.

**(2) The Regulatory Authority shall be comprised of a Chairperson and such number of members, as may be prescribed.**

20 **(3) The qualifications and experience, term of office, salaries, remuneration and other allowances payable to, and other terms and conditions of service of the Chairperson and members of the Regulatory Authority, shall be such as may be prescribed.**

**(4) The Authority shall have its head office in New Delhi.**

25 **(5) The Authority may appoint such other officers and employees, as it considers necessary, for the efficient discharge of its duties and functions under this Act.**

30 **(6) The qualifications and experience, terms and conditions of service including salary and allowances of the officers and employees of the Authority shall be such as may be prescribed.**

7. (1) It shall be the duty of the Regulatory Authority to ensure prosecutorial enforcement and oversight of the provisions of the Act.

Duties and functions of the Regulatory Authority.

35 (2) An application for investigation, by any person(s) seeking redressal under this Act, shall lie with the Authority.

*Explanation-* For the purposes of this clause, person shall include a juristic person.

40 (3) Notwithstanding anything contained in sub-section (2), the Authority shall have the power to take *suo moto* cognizance of any violation of a provision of this Act and investigate thereupon.

		(4) The Authority, on receipt of an application, as per sub-section (2) or otherwise, upon <i>prima facie</i> determination of violation of any of the provision of this Act, shall institute proceedings against the appointment before the Central Administrative Tribunal of appropriate jurisdiction, and such proceedings shall be subject to the Administrative Tribunal Act, 1985.	5
		(5) Any Scheduled Office Holder, or Scheduled Office or Appointing Office, found guilty of violation of the provisions of the Act, shall be liable to penalties, including fines or other appropriate action, as provided under section 8 or as determined by the Central Administrative Tribunal or the appropriate Court of Appeal.	10
		(6) Nothing in this Act shall bar proceedings in any Tribunal and/or Court of competent jurisdiction for violation of any other law arising from the same cause of action.	15
Offences and Punishment	<b>8.</b>	(1) Where a Scheduled Office Holder commits a violation of sub-section (2) of section 3, he or she shall be immediately terminated from the appointment without any associated privileges, perks, pension, benefits, etc., arising from such appointment and shall also be liable to a fine which may extend to ten lakh rupees.	20
		(2) Where an Appointing Office commits a violation of section 4, it shall be liable to a fine which may extend to ten lakh rupees.	
		(3) Where a Scheduled Office commits a violation of section 5, it shall be liable to a fine which may extend to fifty thousand rupees.	25
		(4) Notwithstanding anything contained in this section, there shall be no bar to the exercise of contempt jurisdiction of the Tribunal and/or Court in proceedings arising out of violation of the provisions of this Bill.	
Appeals from the decision of the Central Administrative Tribunal.	<b>9.</b>	No appeal shall lie to the decision of the Central Administrative Tribunal before any court of any jurisdiction save the exercise of powers of the Supreme Court under article 136 of the Constitution of India.	30
Exemption.	<b>10.</b>	(1) Notwithstanding anything contained in section 3, a Scheduled Office Holder of outstanding caliber or merit and whose expertise is deemed crucial for specific Governmental or Constitutional roles, may be exempted from the mandatory cooling-off period specified in section 3, subject to restriction, as specified under sub-section (2).	35
		(2) An exempted Scheduled Office Holder shall be subject to a minimum cooling-off period of one year from the date of his or her retirement.	40

(3) The determination of eligibility of a Scheduled Office Holder for exemption shall be made by the Review and Exemption Committee, as specified in section 11.

5 11. (1) With effect from the appointed day, the Central Government, shall by notification in the Official Gazette, establish a Review and Exemption Committee, to review and decide on applications for granting exemptions, in a fair and impartial manner, to such Scheduled Office Holders, in whose respect an application has been initiated by the Appointing Office, as per provisions of section 10:

Review and Exemption Committee.

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15 Provided that the Committee shall consider factors such as exceptional skills, expertise, and demonstrated contributions in the respective field(s), suitability to satiate the pressing exigency that requires such exemption, while taking a decision on the applications seeking exemption:

Provided that the Committee shall grant a maximum of five exemptions in a single financial year.

(2) The Committee shall consist of the following —

20 (a) a Judge of the Supreme Court nominated by a resolution of the Supreme Court Collegium-Chairperson;

25 (b) Leader of Opposition in the House of the People or where there is no such Leader of Opposition, then, the Leader of the single largest Opposition Party in the House of the People or such other person nominated by him, in such manner as may be prescribed,- Member; and

30 (c) The Union Minister of Personnel, Public Grievances and Pensions, or such other person nominated by him, in such manner as may be prescribed,- Member.

35 12. (1) The application for seeking exemption of the cooling-off period, under section 10 shall be initiated exclusively by the Appointing Office seeking to appoint the Scheduled Officer Holder.

Application for exemption.

40 (2) The application shall be submitted in writing, in such form and manner as may be prescribed, bringing out clearly therein the reasons for seeking exemption including lack of suitable alternatives for the appointment, due diligence exercised to find suitable alternatives and the pressing exigency for seeking such exemption.

(3) The Scheduled Officer Holder within the purview of the cooling-off period, as specified in section 3, are precluded from submitting applications directly to the Review and Exemption Committee.

Meetings, voting process etc. of the Review and Exemption Committee.

- 13.** (1) The Review and Exemption Committee shall convene as and when required to review applications for exemptions, in such manner and shall observe such rules, as may be prescribed. 5
- (2) Each member of the Committee, including the Chairperson, shall have an equal vote.
- (3) All decisions of the Committee shall be determined by a simple majority vote. 10

Disclosures by the Review and Exemption Committee.

- 14.** (1) All applications for exemption submitted by the Appointing Office, along with the minutes of meeting(s) of the Review and Exemption Committee and related proceedings, shall be subject to mandatory disclosure in the public domain within one week of the meeting, in such manner as may be prescribed. 15
- (2) The information shall be conspicuously published on the official website of the Ministry of Personnel, Public Grievances and Pensions or any other designated platform, ensuring accessibility to the general public, in such manner as may be prescribed. 20
- (3) The Committee shall advertise, in print and digital versions of leading daily newspapers in all the languages specified in the Eighth Schedule to the Constitution and also in the official Gazette, in such manner as may be prescribed, and specify a period of fifteen days to receive letter(s) of objection(s) to a grant of exemption, from the general public. 25
- (4) Upon conclusion of the proceedings on an application by the Committee, a comprehensive disclosure including the decision of the Committee along with the rationale articulated by the Appointing Office for seeking exemption, comprehensive insights into the Committee's deliberations, discussion and response to objections received from the general public shall also be disclosed in the public domain, in such manner as may be prescribed. 30

Appeals on the decision of the Review and Exemption Committee.

- 15.** (1) No appeal shall lie in any court of any jurisdiction impugning the decision of the Review and Exemption Committee save as provided under sub-section (2). 35
- (2) A direct appeal shall lie to a bench of the Chief Justice of India and four senior most puisne Judges of the Supreme Court of India: 40

Provided that such appeal shall be preferred within thirty days from the decision of the Review and Exemption Committee:

Provided further that the appeal shall be exclusively on the grounds of a substantial question of law or, *ultra vires* to the Constitution or, grave and substantial discrepancy in fact, or conflict of interest, or corrupt and/or arbitrary conduct:

5            Provided further that an appeal shall be maintainable by any person.

*Explanation* — For the purpose of this section, “person” shall include an interested member of the public including juristic person(s).

10    **16.** If upon final determination of the application and/or appeal, exemption as specified in section 9, is granted by the Review and Exemption Committee, the seniority and privileges, the date of appointment of the Scheduled Office Holder shall be deemed to be the original date of application by the Appointing Office.

Restoration of  
*Status Quo Ante.*

15    **17.** (1) Any proceedings by the Regulatory Authority and/or proceedings before the Central Administrative Tribunal or subsequent appeal for violation(s) of the provision(s) of this Act shall not stand vitiated upon expiry of the three year cooling-off period.

Vitiation of  
proceedings.

20            (2) Any application for a grant of exemption before the Review and Exemption Committee shall stand vitiated upon application by the Appointing or the concerned Scheduled Office Holder to cancel the proceedings:

25            Provided that such application for cancellation of proceedings shall not deem to grant restoration of *status quo ante* from the date of such application for determination of seniority and privileges.

30            (3) Nothing in this section shall act as a bar for the Supreme Court to continue to conduct hearings on any issue arising herein for purposes of settling a substantial question of law or in the interest of justice.

**18.** Notwithstanding anything contained in this Act, nothing in this Act shall act as a bar against the right of the Scheduled Office Holder to,-

Rights of  
Scheduled  
Office Holder  
after retirement.

35            (a) contest election to any legislative body within the territory of India; or

(b) become a member of a political party and to engage in activities in pursuit thereof,

after retirement from such office.

Savings.

**19.** Notwithstanding anything contained in this Act, anything done or any action taken or purported to have done or taken, or any proceedings taken or any direction given or any proceedings taken or any penalty or fine imposed under the Central Civil Services (Conduct) Rules, 1964, the Central Civil Services (Pension) Rules, 1972, and the All India Services (Conduct) Rules, 1968, regarding commercial employment undertaken by a Government servant, within one year of retirement without government sanction, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act.

Power to make Rules.

**20.** (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.



## THE FIRST SCHEDULE

(See section 3)

### List of Scheduled Office Holder(s)

1. Individual whose last appointment as a part of their service tenure has been in the capacity of Chief Election Commissioner.
2. Individual whose last appointment as a part of their service tenure has been in the capacity of Comptroller and Auditor General.
3. Individual whose last appointment as a part of their service tenure has been in the capacity of Chief Information Commissioner.
4. Individual whose last appointment as a part of their service tenure has been in the senior-most position, including but not limited to the Heads, Chairpersons, Directors, or any equivalent capacity signifying the senior-most position, in the hierarchy of Constitutional and Statutory bodies, including financial bodies and Commissions.
5. Three-star-rank and higher officers in the military, whose last appointment as a part of their service tenure, has been in the position of Army Commander and above or an equivalent rank.
6. Chief Justice of India and puisne Judges of the Hon'ble Supreme Court of India.
7. Chief Justice and puisne Judges of the Hon'ble High Court of Judicature of States and Union Territories.
8. Attorney General of India.

## THE SECOND SCHEDULE

[See section 5]

Scheduled Office(s)

1. Election Commission of India.
2. Indian Audit and Accounts Service.
3. Central Information Commission.
4. All Organizations, Bodies, Agencies, Authorities, Commissions, Instrumentalities etc., in which Scheduled Office Holder(s) under entry 4 of the First Schedule are appointed, engaged, or employed.
5. Research and Analysis Wing.
6. Intelligence Bureau.
7. Enforcement Directorate.
8. Chief Vigilance Commission.
9. All Organizations, Bodies, Agencies, Authorities, Commissions, Instrumentalities, etc., that qualify as “similar Statutory or Constitutional bodies” under entry 5 of the First Schedule.
10. Indian Army.
11. Indian Air Force.
12. Indian Navy.
13. Indian Coast Guard.
14. Hon’ble Supreme Court of India.
15. Hon’ble High Court of Judicature of the States and Union Territories.
16. Ministry of Law and Justice

## STATEMENT OF OBJECTS AND REASONS

The Public Service Integrity Bill, 2023 is a legislative initiative propelled by the imperative to reinforce the ethical underpinnings governing the post-retirement engagements of individuals who have occupied pivotal positions in the realms of government, judiciary, and the armed forces. This enactment seeks to erect a robust framework that safeguards public integrity and elevates the stature of public service by introducing a substantive cooling-off period of three years for retirees from these distinguished roles.

The fundamental goal of this legislation is to institute a mandatory hiatus, wherein individuals of significant standing, upon retirement, are expressly prohibited from actively seeking or accepting governmental or Constitutional appointments for a stipulated period. This cooling-off period is conceived as a prudent mechanism to address potential conflicts of interest that may arise from the immediate transition of high-ranking officials into roles that wield considerable influence. By imposing this temporal restraint, the Bill endeavors to preserve the impartiality and credibility of appointments within public service institutions.

It is essential to underscore that the Bill, while introducing a new layer of ethical restraint, is carefully calibrated to coexist with existing norms and regulations. Expressly, the legislation acknowledges and respects the extant the Central Civil Services (Conduct) Rules, 1964, , and the All India Services (Conduct) Rules, 1968 pertaining to commercial employment within one year of retirement. Additionally, Rule 9 of the Central Civil Services (Pension) Rules, 1972, which mandates government sanction for commercial employment within one year of retirement for members of Central Service Group 'A', is explicitly preserved under the aegis of this legislation. This deliberate synergy is aimed at achieving a harmonious balance between the imperative of maintaining ethical standards and the legitimate career aspirations of retired officials. Additionally, the Act provides a mechanism for exemptions through a well-defined process overseen by the Review and Exemption Panel. This exemption clause incorporates flexibility to consider exceptional cases where the expertise of retired individuals is deemed indispensable for the efficient functioning of certain bodies, ensuring a balanced approach between preserving integrity and recognizing specialized knowledge.

In essence, the Public Service Integrity Bill, 2023 is a forward-looking legislative endeavour, grounded in the principles of transparency, accountability, and ethical governance. By fortifying the ethical foundation of public service, this legislation aspires to enhance public trust in institutions, reaffirm the commitment to the highest standards of integrity, and ultimately contribute to the enduring strength of democratic governance.

Hence, this Bill.

DEREK O'BRIEN

## FINANCIAL MEMORANDUM

Clause 6 of the Bill provides for the establishment of a Regulatory Authority for the purpose of carrying out the provisions of this Bill. Sub-clause (2) thereof provides for the appointment of Chairperson and members therein and sub-clause (3) provides for their terms and conditions of service. Sub-clause (5) of Clause 6 provides for the appointment of such number of officers and employees as the Authority may deem necessary, to assist it in the efficient discharge of its duties and sub-clause (6) provides for their terms and conditions of service.

Sub-clause (1) of clause 11 of the Bill provides for establishment of a Review and Exemption Committee and sub-clause (2) thereof provides for appointment of Chairperson and members.

The Bill, therefore, if enacted, would involve both non-recurring and recurring expenditure from the Consolidated Fund of India. However, at this juncture, it is difficult to estimate the actual expenditure likely to be involved.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 20 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

RAJYA SABHA

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BILL

*to provide for regulation of appointments of retired officers in various government, Constitutional, Statutory bodies etc. by adhering to the mandatory cooling off period post-retirement and for the establishment of a Regulatory Authority and Review and Exemption Committee for granting exemptions in certain cases and for matters connected therewith and incidental thereto.*

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*(Shri Derek O'Brien, M.P.)*