

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO.1870
TO BE ANSWERED ON FRIDAY, 21st DECEMBER 2018
AGRAHAYANA 30, 1940 (SAKA)

'POLITICAL FUNDING SYSTEM'

Question

1870. SHRI HARIOM SINGH RATHORE:

Will the Minister of FINANCE (वित्त मंत्री) be pleased to state:

- (a) whether the Government has taken meticulous steps for establishing a transparent political funding system in the country; and
- (b) if so the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. RADHAKRISHNAN)

(a) & (b) The objective of the scheme is to cleanse the political funding system in the country and to achieve the same following steps were put in place while launching the scheme. The Government notified the Electoral Bond Scheme, 2018 on January 02, 2018 to establish the transparent system of political funding in the country. Broad features of the said Scheme are given below:

1. Electoral Bond (EB) would be a bearer instrument in the nature of a Promissory Note and an interest free banking instrument, which may purchased by a person, who is a citizen of India or incorporated or established in India.
2. Electoral bond would be issued for a certain value denominations from the specified branches of the State Bank of India (SBI).
3. The extant instructions issued by the Reserve Bank of India regarding Know Your Customer norms of a bank's customer would apply for buyers of the bonds.

4. Only the political parties registered under section 29A of the Representation of the People Act, 1951 (43 of 1951) and secured not less than one per cent of the votes polled in the last general election to the House of the People or the Legislative Assembly, as the case may be, shall be eligible to receive the bond.
5. The bond shall be encashed by an eligible political party only through a bank account with the authorised bank.
6. Validity of the Electoral Bonds is for 15 days during which it can be used for making donation only to the political parties registered under section 29A of the Representation of the Peoples Act, 1951 (43 of 1951) and which have secured not less than one per cent of the votes polled in the last general election to the House of the People or the Legislative Assembly. It will not carry the name of payee or the donor.
7. The amount of bonds not encashed within the validity period of fifteen days shall be deposited by the authorised bank to the Prime Minister's National Relief Fund.
