

CIC Ruling on Electoral Bond scheme

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In news

Recently, the Central Information Commission (CIC) stated that revealing names of donors not in public interest, violates RTI

What is the ruling of CIC on the Electoral Bond scheme?

- CIC which is the lead body for implementing the Right to Information Act, has now ruled that the disclosure of identity of electoral bond scheme donors will not serve any larger public interest and will violate provisions of the Act itself.
- CIC in its order, while dismissing an appeal by a Maharashtra-based activist Vihar Durve – who had sought information of the scheme donors – remarked that “there appears to be no larger public interest overriding the right of privacy of the donors and donees concerned”.
- It upheld the contention of the Central Public Information Officer (CPIO) of the State Bank of India (SBI)
- The **commission further observed that the “disclosure of names of donors and the donees may be in contravention of provisions contained in section 8 (1) (e) (j) of the RTI Act itself,**
 - The **section exempt a public authority to give a citizen information available to a person in his fiduciary relationship, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information”.**
- Durve had first sought the information in this regard from SBI’s CPIO on June 16, 2018.

- Dissatisfied by the CPIO's reply, he had appealed to the First Appellate Authority (FAA) with the bank,
 - FAA also ruled that the "information related to electoral bonds issued to political parties was held by the SBI in fiduciary capacity" and that the names of the donors could not be disclosed as these fell in the bracket of third party information.
- In its previous order issued this January, CIC had directed the Centre to reveal the names of electoral bond scheme donors who wanted their identities to remain confidential.
- Citizen groups have been arguing that the information of donors must be disclosed in the interest of transparency

About Electoral Bond scheme

- The Government of India notified the Electoral Bond Scheme 2018 in January 2018.
- As per provisions of the Scheme, Electoral Bonds may be purchased by a person, who is a citizen of India or incorporated or established in India
- Only the Political Parties registered under Section 29A of the Representation of the People Act, 1951 and which 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 of the State, shall be eligible to receive the Electoral Bonds.
- **Electoral Bond is a bearer Banking Instrument (in the nature of promissory note) to be used for funding eligible Political Parties.**
- These are **issued by the State Bank of India upon authorisation from the Central Government to intending donors**, but only against cheque and digital payments (it cannot be purchased by paying cash).
- The party will be allotted a verified account by the ECI and the electoral bond transactions can be made only

through this account

Working of electoral bonds

- The Electoral Bonds under this Scheme may be purchased by a Person, who is a Citizen of India or Incorporated or Established in India. The definition of “Person” includes
 - An Individual.
 - Hindu Undivided Family
 - A Company.
 - A Firm.
 - An Association of Persons or a Body of Individuals, whether incorporated or not.
 - Every Artificial Juridical Person, not falling within any of the preceding sub clauses
 - Any Agency, Office or Branch owned or controlled by such a person.
- **The Security Printing & Minting Corporation of India (SPMCIL), has been authorised to print the electoral bonds.**
- The range of a bond is between Rs 1,000 to Rs 1 crore.
- A donor with a KYC-compliant account can purchase the bonds and can then donate them to the party or individual of their choice.
- The first 10 days of January, April, July and October have been specified by the government for purchase of electoral bonds.
- An additional period of 30 days shall be specified by the government in the year of Lok Sabha elections.
- A donor will get a tax deduction and the recipient, or the political party, will get tax exemption, provided returns are filed by the political party.
- The electoral bond will be valid only for fifteen days.