

Elephant Bonds

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Why in News

- A High Level Advisory Group on Trade Policy (HLAG) headed by Surjit S Bhalla has recently suggested the government to issue 'Elephant Bonds'. This will help India to recover up to \$500 billion of black money that is stashed overseas.
- Elephant Bonds is a class of proposed debt instruments in India.
- An Elephant Bond is a **Rupee denominated** bond with **25 years maturity**; and its fund is to be used **exclusively** for **infrastructure**
- The committee has recommended making investment in such bonds compulsory for the people declaring undisclosed income.
- People declaring undisclosed income will have to mandatorily invest 50% of that amount in these securities.
- The move is also expected to bring down the real interest rate. It will also strengthen the rupee.