

Fugitive Economic Offender

September 29, 2020

An FEO is defined by **The Fugitive Economic Offenders (FEO) Act, 2018** as any individual against whom a warrant for arrest in relation to a scheduled offence has been issued by any court in India, **who has left India so as to avoid criminal prosecution; or being abroad, refuses to return to India to face criminal prosecution.**

Provisions of Fugitive Economic Offender Act, 2018

- Fugitive economic offender (FEO): An FEO is a person against whom an arrest warrant has been issued for committing **any offence listed in the schedule, and the value of the offence is at least Rs 100 crore.**
- The Act lists **55 economic offences in the Schedule**, which include:
 - . counterfeiting government stamps or currency
 - . dishonouring cheques
 - . benami transactions
 - . transactions defrauding creditors
 - . tax evasion
 - . money-laundering
- The **authorities under the PMLA, 2002** will exercise powers given to them under the Act. These powers will be **similar to those of a civil court**, including:
 - . search of persons in possession of records or proceeds of crime
 - . search of premises on the belief that a person is an FEO

- . seizure of documents
 - The authorities appointed under the PMLA may **file an application before a Special Court (designated under the PMLA) to declare a person an FEO**. The application will contain:
 - . reasons to believe that an individual is an FEO
 - . information about his whereabouts
 - . list of benami properties, properties believed to be proceeds of a crime, or foreign properties for which confiscation is sought
 - . list of persons having an interest in these properties.
 - If the person does not appear in person or through his counsel at the stipulated time, the Special Court will proceed with hearing the application. **After hearing the application, the Special Court may declare the person an FEO.**
 - Upon declaration as an FEO, **properties of a person may be confiscated and vested in the central government, free of encumbrances** (rights and claims in the property). Further, the FEO or any company associated with him may be **barred from filing or defending civil claims.**
 - Appeals against the orders of the Special Court will lie **before the High Court**. Such appeals can only be filed **within 30 days of the order** (extendable to 90 days if the High Court is satisfied with the reasons for delay).