



Ministry of Finance

Benami Transactions Across the Country

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The Government of India has taken several steps to address the problem of benami transactions across the country.

(i) The Benami Transactions (Prohibition) Act, 1988 (the Act) was comprehensively amended through the Benami Transactions (Prohibition) Amended Act, 2016 to provide for an effective regime for prohibition of benami transactions. The amended Act, 2016 came into effect from 1st November, 2016.

(ii) Relevant rules relating to the Act were duly notified.

(iii) The Act prohibits benami transactions and empowers the authorities specified in the Act to provisionally attach and eventually confiscate the benami properties.

(iv) The Act also provides for prosecution of any person found guilty of the offence of benami transaction by the competent court. The offence of entering into a benami transaction is punishable with rigorous imprisonment for a term not less than one year but which may extend to 7 years and shall also be liable to fine which may extend to 25% of the fair market value of the property.

(v) The Government has set up 24 Benami Prohibition Units (BPUs) across India for taking effective action under the Benami Act.

(vi) Action against the benami transactions under the new law is an ongoing process. More than 400 benami transactions have been identified since the coming into effect of the amended law. Provisional attachment of properties under the Act has been done in more than 230 cases. The market value of properties under attachment is more than Rs. 800 crore. The benami properties attached include deposits in bank accounts, immovable properties etc.

This was stated by Shri Santosh Kumar Gangwar, Minister of State for Finance in written reply to a question in Rajya Sabha yesterday.

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