

The Electoral Bond Scheme, 2018

UNION OF INDIA

India

The Electoral Bond Scheme, 2018

Rule THE-ELECTORAL-BOND-SCHEME-2018 of 2018

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The Electoral Bond Scheme, 2018 Published vide Notification No. S.O. 29(E), dated 2.1.2018 S.O. 29(E). - In exercise of the powers conferred by sub-section (3) of Section 31 of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby makes the following Scheme, namely:-

1. Short title and commencement.

(1) This scheme may be called the Electoral Bond Scheme, 2018. (2) It shall come into force on the date of its publication in the Official Gazette.

2. Definition.

- In this Scheme, unless the context otherwise requires, --(a) "electoral bond" means a bond issued in the nature of promissory note which shall be a bearer banking instrument and shall not carry the name of the buyer or payee; (b) "authorised bank" means the State Bank of India authorised to issue and encash the bonds in the branches specified in Annexure I to this notification; (c) "issuing branch" means a designated branch of the authorised bank specified in Annexure I for issuing electoral bonds; (d) "person" includes--(i) an individual; (ii) a Hindu undivided family; (iii) a company; (iv) a firm; (v) an association of persons or a body of individuals, whether incorporated or not; (vi) every artificial juridical person, not falling within any of the preceding sub-clauses; and (vii) any agency, office or branch owned or controlled by such person.

3. Eligibility for purchase and encashment of electoral bond.

(1) The Bond under this Scheme may be purchased by a person, who is a citizen of India or incorporated or established in India. (2) A person being an individual can buy bonds, either singly or jointly with other individuals. (3) 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.(4)The bond shall be encashed by an eligible political party only through a bank account with the authorised bank.

4. Applicability of Know Your Customer Norms.

(1)The extant instructions issued by the Reserve Bank of India regarding Know Your Customer norms of a bank's customer shall apply for buyers of the bonds.(2)The authorised bank may call for any additional Know Your Customer documents, if it deems necessary.

5. Denomination.

- The bonds shall be issued in the denomination of Rs. 1000, Rs. 10,000, Rs. 1,00,000, Rs. 10,00,000 and Rs. 1,00,00,000.

6. Validity of Bond.

(1)The bond shall be valid for fifteen days from the date of issue and no payment shall be made to any payee political party if the bond is deposited after expiry of the validity period.(2)The bond deposited by any political party to its account shall be credited on the same day.

7. Procedure for making application for purchase of bonds.

(1)Every buyer desirous of purchasing bond can apply with a physical or through online application in the format specified in Annexure II to this notification.(2)Every application shall contain particulars as per the format in Annexure-II and shall be accompanied with the specified documents.(3)On receipt of an application, the issuing branch shall issue the requisite bond, if all the requirements are fulfilled.(4)The information furnished by the buyer shall be treated confidential by the authorised bank and shall not be disclosed to any authority for any purposes, except when demanded by a competent court or upon registration of criminal case by any law enforcement agency.(5)A non-Know Your Customer compliant application or an application not meeting the requirements of the scheme shall be rejected.(6)The bond shall be issued to the buyer on non-refundable basis.

8. Periodicity of issue of bonds.

(1)The bonds under this Scheme shall be available for purchase by any person for a period of ten days each in the months of January, April, July and October as may be specified by the Central Government.(2)An additional period of thirty days shall be specified by the Central Government in the year of general elections to the House of People.

9. Interest.

- No interest shall be payable on the bond.

10. Issuing offices and commission payable.

- No commission, brokerage or any other charges for issue of bond shall be payable by the buyer against purchase of the bond.

11. Payment options.

(1) All payments for the issuance of the bond shall be accepted in Indian rupees, through demand draft or cheque or through Electronic Clearing System or direct debit to the buyer's account. (2) Where payment is made through cheque or demand draft, the same shall be drawn in favour of the issuing bank at the place of issue such bond.

12. Encashment of the bond.

(1) The bond can be encashed only by an eligible political party by depositing the same in their designated bank account. (2) The amount of bonds not encashed within the validity period of fifteen days shall be deposited by the authorised bank to the Prime Minister Relief Fund.

13. Tax treatment.

- The face value of the bonds shall be counted as income by way of voluntary contributions received by an eligible political party, for the purpose of exemption from Income-tax under section 13A of the Income tax Act, 1961.

14. Trading of bonds.

- The bonds shall not be eligible for trading. Annexure I Name of Authorised Bank: State Bank of India [refer clause 2 (b)] List of Issuing Branches: [refer clause 2 (c)]

S.No.	State	Bcode	Branch Name
1	Andhra Pradesh	952	Visakhapatnam
		948	Vijayawada
2	Andaman & Nicobar	156	Port Blair
3	Arunachal Pradesh	6091	Itanagar
4	Assam	78	Guwahati
5	Bihar	152	Patna Main Branch
6	Chandigarh	626	Chandigarh Main Branch

7	Chhatisgarh	461	Raipur
		336	Bilaspur
8	Dadar & Nagar Haveli	6586	Silvassa
9	Daman & Diu	514	Daman
10	Delhi	691	New Delhi Main Branch
11	Goa	509	Panaji
12	Gujarat	1355	Gandhi Nagar
		301	Ahmedabad
13	Haryana	645	New Colony Gurgaon
14	Himachal Pradesh	718	Shimla
15	Jammu& Kashmir	2295	Badami Bagh Br Srinagar
		657	Jammu
16	Jharkhand	167	Ranchi
17	Karnataka	813	Bangalore Main Branch
		846	Hubli
18	Kerala	941	Thiruvananthapuram Main
19	Lakshadweep	5080	Kavaratti
20	Madhya Pradesh	1308	Bhopal Main Branch
		377	Gwalior Main Branch
21	Maharashtra	300	Mumbai Main Branch
		432	Nagpur
		454	Pune Main Branch
22	Manipur	92	Imphal
23	Meghalaya	188	Shilong
24	Mizoram	1539	Aizawl
25	Nagaland	214	Kohima
26	Odisha	41	Bhubaneshwar
		59	Cuttack
27	Puducherry	900	Puducherry
28	Punjab	674	Ludhiana
29	Rajasthan	656	Jaipur Main Branch
		659	Jodhpur
30	Sikkim	232	Gangtok
31	Tamilnadu	800	Chennai Main Branch
		827	Coimbatore
32	Telangana	916	Secunderabad
		5324	Nizamabad

		847	Hyderabad Main Branch
33	Tripura	2	Agartala
34	Uttar Pradesh	125	Lucknow
		86	Gorakhpur
		102	Jhansi
		602	Agra Main Branch
35	Uttarakhand	630	Deharadun Main Branch
36	West Bengal	1	Kolkata Main Branch
		184	Siligudi

Annexure II Format Of Application For Issue Of Electoral Bond:

Application Form For Electoral
Bonds _____ (Year)

Name Of Issuing Bank:

Name Of
Branch:

Date

Mode of Subscription

Cheque/DD Electronic
Transfer

Details Of
Cheque/dd/ Dated

Amount In Figures:

Amount In
Words:

Denomination & Number Of
Electoral Bonds Required (In
Denomination Of Rs. 1000, Rs.
10,000, Rs. 1,00,000, Rs. 10,00,000
And Rs. 1,00,00,000)

Pan No. / Tan No. As Applicable

Applicant Status (As Per Clause 3(A) of

The Notification No Dated Individual Huf Company Firm Charitable
Trust Others

Applicant (S) Details (In Block
Letters)

First/ Sole Applicant's Name In Full:

Details Of Identity: (Passport,
Aadhaar/voterId)

Second Applicant's Name In
Full: (Name Of More Applicant's Can
Be Added, If Situation So Demands)

Details Of Identity: (Passport,
Aadhaar/voterId)

First / Sole Applicant's Address In
Full:

Contact Details :Phone/ Fax:Email:

Declaration: I/ We hereby declare
and undertakethat(i) The information
furnished in the applicationform is
correct in all respects.(ii) I have read
and understood the details
ofinformation for the buyer of the
Electoral Bonds as well as therights
and duties of the Electoral Bond
holder.

Signature1st Applicant

Signature2nd
Applicant

In Case Of Thumb Impression,
Attestation By TwoWitnesses:

1st Witness (Details)

2nd Witness
(Details)

Huf Decalaration :I,

_____residing

At The AddressGiven Against First
Applicant, Do SolemnlyAffirm That I
Am The Karta Of The Hindu
Undivided Family AndAs Such Have
FullPowers To Purchase And Other
Wise Deal In The Electoral
BondsStanding In The NameOf The
Huf.Specimen Signature For And On
Behalf Of The Huf (Name Of
TheHuf):Place

_____Date_____Signature

of the Karta

For Office Use

Date of receipt of application	BLA No./ CIF No.	HUF status(Y/N)	Any other information
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Information For Buyers of Electoral Bond:

Item Electoral Bond

Who can buy (1) The Bond underthis Scheme may be purchased by a person, who is a
citizen ofIndia or incorporated or established in India.(2) A person being an
individual can buy bonds,either singly or jointly with other individuals.

Limit of Investment	None
Form of Electoral Bonds	Non-refundable banking instrument, in physical form
Interest Option	No interest shall be payable
Life of Electoral Bond	To be encashed within fifteen days from date of issuance.
Tradability	Not tradable.
Loans From Banks Against Security of these Electoral Bonds	Not permitted.
Application Forms	Available at designated branches of authorised Banks. 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.
Encashment	