

Electoral bonds will have to be redeemed within days: FM Arun Jaitley

The government is planning to impose a time limit for redeeming the electoral bonds announced in the Budget to ensure that the proposed instrument of political funding is not misused as a parallel currency.

A senior government official involved in framing of the new mechanism told ET on condition of anonymity that the bonds will have to be redeemed within a specified number of days to ensure the bonds are credited into the designated banks accounts of political parties at the earliest.

“There will be a fixed time window for redeeming the electoral bonds. In fact, this time window will be in terms of days, not months or years,” the official said.

This will ensure that the proposed electoral bonds do not become a parallel currency for exchange between multiple entities, a prospect that could defeat their entire purpose, the official said. As announced in the Budget, the bonds “shall be redeemable only in the designated account of a registered political party” to ensure the corporate funds are credited to registered political parties at the earliest after the bonds are purchased by the donors.

Although the government is yet to frame exact contours of a scheme for the administration of bonds, officials said that precautions will be built in to ensure the anonymity of the donors’ contributions.

The officials suggested that bank secrecy norms will ensure that the identities of bond purchasers are kept confidential. However, the corporate entities may have to declare the value of electoral bond purchases in their regular filings with the Registrar of Companies.

The political parties will also be required to declare only the “total number of bonds” in their incomes to ensure individual identities of the donors are not compromised.

(Economic Times)