



## SC Strikes Down Electoral Bonds Scheme

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Recently, the [Supreme Court\(SC\)](#) struck down the [electoral bonds](#) scheme that allows anonymous donations to political parties, citing it as unconstitutional.

- SC asserted that transparency regarding funding to political parties is crucial for informed electoral decisions, affirming that the scheme infringes upon the right to information as enshrined in [Article 19\(1\)\(a\)](#).
- Electoral bonds are money instruments that act as [promissory notes](#) or **bearer bonds** that can be purchased by individuals or companies in India.
  - They are issued specifically for the contribution of funds to the political parties.
  - The **SBI is the only bank authorized to issue and encash electoral bonds.**
  - The donations made under this scheme **enjoyed 100% tax exemption.**
- SC has directed the [State Bank of India](#) to stop issuing electoral bonds immediately and submit all the details to the [Election Commission](#) by **6<sup>th</sup> March, 2024.**

**Read more:** [Electoral Bonds](#)

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