



## ECI Seeks Limit on Cash Donations

**For Prelims:** ECI Proposals to Electoral Reforms, Election Commission of India.

**For Mains:** Concerns Related to cash Donations in Election.

### Why in News?

Recently, the [Election Commission of India \(ECI\)](#) has suggested a slew of amendments to [RP \(Representation of People Act\) Act, 1951](#) to increase **transparency and accountability on the part of candidates**.

### What are the Concerns?

- It was found that while donations reported by some political parties were nil, **their audited accounts statement showed receipt of huge amounts**, proving large-scale transactions in cash, **below the threshold limit of Rs 20,000**.
- Another area of concern that has been identified by the EC is the **violation of foreign exchange regulations**.

### What are the Key Recommendations of ECI?

- **Report Donations above Rs 2000.**
  - **All donations above Rs 2,000 should be reported**, thereby enhancing transparency in funding.
    - As per rules, political parties have to disclose all donations **above Rs 20,000** through their contribution report that is submitted to the EC.
- **Digital or Cheque Transactions:**
  - Make **digital transactions or account payee cheque transfers mandatory** for all expenses above **Rs 2,000 to a single entity/person**.
- **Limit Cash Donations:**
  - Restrict **cash donations at 20% or at maximum Rs 20 crore out of the total** funds received by a party, whichever is less.
- **Separate Bank Account:**
  - **Every fielding candidate should open a separate bank account for election purposes** and route all expenses and receipts through this account, and **furnish these details in their account** of election expenditure.
- **Segregate Foreign Donations:**
  - The EC has also sought **“electoral reforms” to ensure that no foreign donations creep into the funds of the parties** as stipulated under the RP Act and the [Foreign Contribution Regulation Act \(FCRA\), 2010](#).
    - At present, there is **no mechanism to segregate foreign donations** at the initial stages specifically, and the present format of contribution report.

### What is ECI?

▪ **About:**

- The Election Commission of India is **an autonomous constitutional authority** responsible for **administering Union and State election** processes in India.
- The body administers elections to the **Lok Sabha, Rajya Sabha, and State Legislative Assemblies in India**, and the offices of the President and Vice President in the country.
- Originally the commission had only one election commissioner but after the Election Commissioner Amendment Act 1989, it has been made a multi-member body.
- The commission consists of one Chief Election Commissioner and two Election Commissioners

▪ **Constitutional Provisions:**

- **Part XV** of the Indian constitution deals with elections, and establishes a commission for these matters.
- The Election Commission was established in **accordance with the Constitution on 25<sup>th</sup> January 1950**.
- **Article 324 to 329** of the constitution deals with powers, function, tenure, eligibility, etc of the commission and the members.

Articles related to Elections	
324	Superintendence, direction and control of elections to be vested in an Election Commission.
325	No person to be ineligible for inclusion in, or to claim to be included in a special, electoral roll on grounds of religion, race, caste or sex.
326	Elections to the House of the People and to the Legislative Assemblies of States to be on the basis of adult suffrage.
327	Power of Parliament to make provision with respect to elections to Legislatures.
328	Power of Legislature of a State to make provision with respect to elections to such Legislature.
329	Bar to interference by courts in electoral matters.

## UPSC Civil Services Examination Previous Year Question (PYQ)

**Q. Consider the following statements: (2017)**

1. The Election Commission of India is a five-member body.
2. Union Ministry of Home Affairs decides the election schedule for the conduct of both general elections and bye-elections.
3. Election Commission resolves the disputes relating to splits/mergers of recognised political parties.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 3 only

**Ans: (d)**

**Source: TH**

PDF Refernece URL: <https://www.drishtias.com/printpdf/eci-seeks-limit-on-cash-donations>

