



# Electoral Bonds and Right to Information

## Why in News

The [Central Information Commission \(CIC\)](#), the lead body for implementing the [Right to Information Act 2005](#), has ruled that the **disclosure of identity of electoral bond scheme donors** will not serve any larger public interest and will **violate provisions of the Act itself**.

- The **electoral bond scheme** allows citizens and corporates to buy monetary instruments from the State Bank of India (SBI) and donate them to political parties, who can redeem them for money.
- According to the Association for Democratic Reforms, political parties have received a total of 12,452 **electoral bonds worth Rs. 6210.39 crore** till January 2020.

## Key Points

- The Commission observed that the **disclosure** of names of donors and the donees may be in **contravention of** provisions contained in **section 8(1)(e)(j) of the RTI Act**.
  - The said section **exempts a public authority to give a citizen information available to a person in his fiduciary relationship**, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information.
    - A fiduciary is a person who holds a **legal or ethical relationship of trust** with one or more other parties (person or group of persons).
    - The information related to electoral bonds issued to political parties is held by SBI in a fiduciary capacity.
  - **Earlier** in January 2020, CIC had **directed the Centre to reveal the names of electoral bond scheme donors** who wanted their identities to remain confidential.
  - **Concerns:**
    - **Anonymity:**
      - Neither the donor nor the political party is obligated to reveal whom the donation comes from.
        - a. In 2019, the [Supreme Court](#) held that all political parties who had received donations through electoral bonds must submit details to the Election Commission of India.
      - This undercuts a fundamental constitutional principle, the **freedom of political information**, which is an integral element of **Article 19(1) (a) of the Constitution**.
    - **Black Money:**
      - **Elimination of a cap of 7.5% on corporate donations**, elimination of requirement to reveal political contributions in profit and loss statements and also the elimination of the provision that a corporation must be three years in existence, **undercuts the intent of the scheme**.

- a. Any **troubled, dying company** can donate an unlimited amount anonymously to a political party giving them a convenient channel for business to round-trip their cash parked in tax havens for a favour or advantage granted in return for something.
- **Defeating Transparency:**
  - It defeats the fundamental principle of transparency in political finance because it **conceals from public scrutiny the identity of the corporates and moneybags.**
- **Asymmetric Opacity:**
  - The **government is always in a position to know who the donor is** because the bonds are purchased through the SBI.
  - This asymmetry of information **threatens to colour the process in favour of whichever political party is ruling** at the time.

## Electoral Bond

- Electoral Bond is a financial instrument for making donations to **political parties.**
- The bonds are **issued in multiples** of Rs. 1,000, Rs. 10,000, Rs. 1 lakh, Rs. 10 lakh and Rs. 1 crore **without any maximum limit.**
- **State Bank of India** is authorised to issue and encash these bonds, which are **valid for fifteen days from the date of issuance.**
- These bonds are **redeemable in the designated account of a [registered political party](#).**
- The bonds are available for purchase by **any person (who is a citizen of India or incorporated or established in India)** for a period of ten days each in the months of January, April, July and October as may be specified by the Central Government.
  - A person being an individual can buy bonds, either **singly or jointly** with other individuals.
  - Donor's name is **not mentioned** on the bond.

## Central Information Commission

- **Formation:**
  - It was established by the Central Government in 2005, under the provisions of the Right to Information Act (2005). It is **not a constitutional body.**
- **Composition:**
  - It shall consist of the **Chief Information Commissioner (CIC)** and such number of **Central Information Commissioners not exceeding 10** as may be deemed necessary.
- **Appointment:**
  - They are appointed by the **President** on the recommendation of a committee consisting of the **Prime Minister as Chairperson**, the **Leader of Opposition** in the Lok Sabha and a **Union Cabinet Minister** nominated by the Prime Minister.
- **Tenure:**
  - The Chief Information Commissioner and an Information Commissioner shall hold office for **such a term as prescribed by the Central Government or until they attain the age of 65 years**, whichever is earlier.
  - They are **not eligible for reappointment.**
- **Power and Functions of CIC:**
  - It is the duty of the Commission to **receive and inquire into a complaint** from any person regarding information request under RTI, 2005.
  - The Commission can order an inquiry into any matter if there are reasonable grounds (**suo-moto power**).
  - While inquiring, the Commission has the powers of a **civil court** in respect of **summoning,**

requiring documents etc.

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