Electoral Bonds

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About Electoral Bonds:

- The electoral bonds system was introduced in 2017 by way of a money bill introducing amendments in the Finance Act and the Representation of People Act.
- It was **implemented in 2018.**
- The electoral bonds are issued in multiples of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh and Rs 1 crore.
- **State Bank of India** is the only bank authorised to sell electoral bonds.
- Buyers can donate the bonds to a party of their choice and the bonds have to be cashed by the party through its verified account within **15 days.**
- No payment shall be made to any political party if the electoral bond is deposited after expiry of the validity period of 15 days.

- Eligible political parties are allotted a verified account by the Election Commission of India (ECI) and the electoral bond transactions can be made only through this account.
- Buyers of the bonds have to submit full KYC details at the time of buying. However, the beneficiary political party is not required to reveal the identity of the entity that has given it the bonds.

Eligibility:

- Electoral Bonds can be purchased by a person, who is a citizen of India or a company incorporated or established in India.
- Only political parties registered under section 29A of the Representation of the Peoples Act, 1951 are eligible to receive electoral bonds.
- Further, in order to be eligible the party must have secured at least one per cent of the votes polled in the most recent Lok Sabha or State elections.

Duration of availability:

- The bonds are available for purchase for a period of 10 days each in the beginning of every quarter, i.e. in **January, April, July and October**, as specified by the Central Government.
- An additional period of 30 days shall be specified by the Central Government in the year of Lok Sabha elections.
- However, there have been some occasions when the government has deviated from the specified schedule for issuance of these bonds.

Source : The Hindu