

1. Electoral Bonds – CEC objected 1% Vote Share

Prelims Level: Election & Electoral Returns

Mains Level: GS-II Salient features of the Representation of People's Act.

Why in News?

- Law ministry and Chief Election Commission (CEC) have objected the 1% vote share norm in Electoral Bonds.

About Electoral bonds:

- Electoral bonds will allow donors to pay political parties using banks as an intermediary.
- Although called a bond, the banking instrument resembling promissory notes will not carry any interest.
- The electoral bond, which will be a bearer instrument, will not carry the name of the payee and can be bought for any value, in multiples of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh or Rs 1 crore. As per provisions of the Scheme, electoral bonds may be purchased by a citizen of India, or entities incorporated or established in India.
- A person being an individual can buy electoral bonds, either singly or jointly with other individuals.
- Only the registered Political Parties which have secured **not less than one per cent** of the votes polled in the last Lok Sabha elections or the State Legislative Assembly are eligible to receive the Electoral Bonds.
- The electoral bonds are aimed at rooting out the current system of largely anonymous cash donations made to political parties which lead to the generation of black money in the Economy.

What is the Issue?

- The Law Ministry recommended the imposition of a 6% vote share requirement (similar to the requirement for recognised State and national parties) or the removal of the current 1% vote share requirement entirely.
- The Chief Election Commissioner (CEC) also objected to the vote share requirement as discriminatory, while political parties themselves were not consulted.
- However, the Finance Ministry chose to ignore these concerns and insisted that only registered political parties which had “secured not less than one percent of votes polled in the last general election to the House of the People or the Legislative Assembly, as the case may be, shall be eligible to receive the bond.”

- According to the latest data from the Election Commission of India, there are eight recognised national political parties, 52 recognised State parties and 2,487 unrecognised parties registered with the commission.
- A 6% vote share is one condition for recognised parties. It is not clear how many of the unrecognised parties have a 1% vote share.
- Individual candidates and new political parties would not be able to receive donations under the scheme and this is “somewhat discriminatory” provision which might be challenged in the courts.
- Under the RPI Act, “every political party may accept any amount of contribution voluntarily offered to it”. But now putting a 1% vote share condition would override a substantive provision of the Act.

