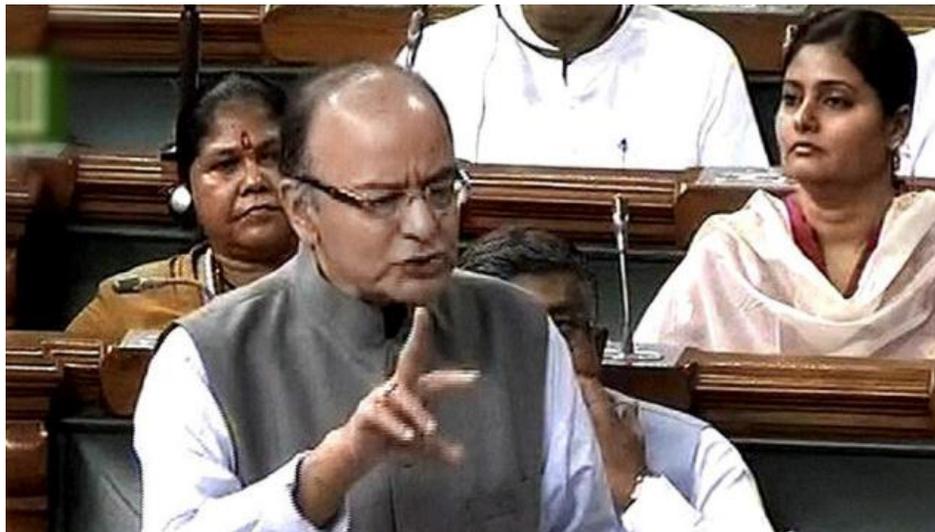


Lok Sabha passes Bill to curb Benami deals

K. R. Srivats



Finance Minister Arun Jaitley speaking in the Lok Sabha on Wednesday

PTI

Jaitley introduces some amendments

New Delhi, Jul 27:

The Modi government's anti-black money crusade got a new impetus on Wednesday with the Lok Sabha passing a crucial Bill to amend the nearly three decade old 'Benami Transactions Prohibition' law.

This Bill, Benami Transactions (Prohibition) Amendment Bill 2016, was passed by the lower more than a year after its introduction in May 2015. This is significant as the Centre can once the law is enacted by Parliament initiate steps to establish machinery for enforcement of this anti-black money law.

Although the government had enacted a law as early as 1988 to curb benami transactions, this law was never implemented due to absence of machinery for enforcement.

No rules to administer this original 1998 law, which was small one with just nine provisions, had been issued till date as the bureaucracy felt that it could be seen as *ultra vires* given the excessive delegation in the legislation.

To correct the situation, the government introduced a comprehensive Bill in May 2015. On Wednesday, Finance Minister Arun Jaitley brought 10 more amendments – many of them procedural.

Replying to the discussion on the Bill in the lower house, Jaitley among other things defended the government's decision to not go in for an entirely new law as suggested by Veerappa Moily-headed Standing Committee on Finance.

"If we had repealed and created a new Act, it would have given immunity to people who had undertaken benami transactions between 1988 and 2016. A new law would have meant repeal of penal provisions of original law," said Jaitley.

He also pointed out that the Centre cannot make penal provisions to apply on retrospective basis in the wake of Article 20 of the Constitution.

"We did not go in for a new law deliberately as it would go against public interest. We do not see any reason to provide immunity to those who have resorted to benami transaction all these 28 years," Jaitley added.

The amendments

The amendments moved by Jaitley on Wednesday included allowing 'benamidar' to appoint authorised representatives including legal practitioners to represent their case before authorities administering the Benami Transactions (Prohibition) law.

In reply to another question as to why property confiscated under this law had to be vested with the Centre alone and not with the States, Jaitley said that this had to be so given that the law in question – Benami Transactions (Prohibition) Law – was a Central legislation.

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