

**26– 02 – 2024**

**News:** Electoral Bonds

- Recently, the **Supreme Court (SC)** struck down the electoral bonds scheme that **allows anonymous donations to political parties, citing it as unconstitutional.**

## **Electoral Bonds**

- Electoral Bonds are financial **instruments that allow donors to pay political parties** using banks as an intermediary.
- The instrument **will not carry any interest.** The bonds **will not carry the name of the donor** and can be brought for any value, **in multiples of 1000.**
- Electoral bonds will be **valid for 15 days from the date of purchase.**
- The bonds will be available for purchase for a period of 10 days each in the beginning of every quarter. Additional 30 days would be given for Lok Sabha Elections.
- Bonds can be **purchased in January, April, July and October of every year.**
- **One cannot get loan, cannot pledge against purchases and it is not listed in any exchanges.**
- An **Indian Citizen** (individual or entity) is only eligible to purchase the bonds whereas **only registered parties which have secured at least 1% of votes in last**

**Lok Sabha General Election** or elections to the State Legislative Assembly are eligible to receive the Electoral bonds.

- Donors who contribute less than Rs. 20,000 to political parties through purchase of electoral bonds need not provide their identity details such as PAN, etc.
- The Electoral Bond deposited by an eligible political party in its account shall be credited the same day.