

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3010  
ANSWERED ON:15.03.2013  
ELECTORAL TRUSTS SCHEME  
Owaisi Shri Asaduddin

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has notified Electoral Trusts Scheme;
- (b) if so, the details thereof; and
- (c) the manner in which the Government ensures transparency in election funding through the scheme?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes Madam. The Government has notified the Electoral Trusts Scheme, 2013 vide Notification No. S.O.309(E) dated 31st January, 2013. Besides rule 17CA for functioning of electoral trusts for the purpose of section 13B of the Income-tax Act, 1961 has also been notified vide Notification No. S.O.308(E) dated 31st January, 2013.

(b) & (c) The scheme and the rules provide that the electoral trust shall be a company registered for the purposes of section 25 of the Companies Act, 1956. It is provided that 95% of contributions received by the electoral trust, in any financial year, shall be distributed to political parties, registered under section 29A of the Representation of People Act, 1951, within the financial year itself. It is further provided that no contribution shall be received in cash. It is also provided that permanent account number of the contributor who is a resident and passport number in the case of a citizen of India, who is not a resident, would be taken by the electoral trusts at the time of receiving any contribution.