

## ECI seeks restrictions on cash donations to political parties

The Chief Election Commissioner has written to the Union Law Ministry to limit anonymous political donations. He has provided several recommendations reduce election funding via black money.

### Key recommendations

- **Disclose donations above Rs.2,000:** Under the current rules, political parties are required to disclose all donations above Rs.20,000 through their contribution report. The EC recommends disclosure of all donations above Rs.2,000.
- **Capping Cash Donations:** The EC also found that while donations reported by some political parties were nil, their audit accounts statement revealed that they received large amount of money via cash, below the threshold of Rs.20,000. It recommended capping cash donations at 20 per cent or at maximum of Rs.20 crore of the total funds received by a party, whichever is less.
- **Mandatory digital/cheque transactions:** EC called for mandating digital transaction or account payee cheque transfers for all expenses above Rs.2,000 to a single entity/person.
- **Separate account for election finances:** While maintaining separate bank account for poll expenditure is already part of the instruction, the EC wants this to become part of Rule 89 of the Conduct of Election Rules, 1961. This would require the candidate to maintain a separate account for recipient and payments related to elections. This has to be disclosed to the EC as an account of election expenditure.
- **Transparency in foreign donations:** The EC also sought electoral reforms so that no foreign donations can penetrate into the political funding as speculated under the Representation of the People (RP) Act, 1951 and the Foreign Contribution Regulation Act (FCRA), 2010. Currently, there lacks a mechanism segregating foreign donations at the initial stages and the current format of the contribution report is not capable of gaining this information.

### About Election Commission of India

The Election Commission of India (ECI) is a constitutional body established to conduct and regulate elections in India. Article 324 of the Constitution provides the EC to power to organize the elections to parliament, state legislatures, and offices of president and vice president.