Approval of Fugitive Economic Offenders Bill

Why in news?

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Lok Sabha has approved Fugitive Economic Offenders Bill.

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What is Fugitive Economic Offenders bill about?

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- The Bill defines the fugitive economic offender “as an individual who has committed a scheduled offence or offences involving an amount of Rs.100 crore or more and has absconded from India or refused to come back to India to avoid facing criminal prosecution in India.”
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- There is a provision in the Bill that economic offenders who flee from the country will be brought back, prosecuted and their properties will be confiscated.
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- The law will apply to all those who have been declared fugitives in big economic crimes by Indian courts.
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What is the plan on fugitive economic offenders?

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- Union government has already promulgated an ordinance on fugitive economic offenders.
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- The recent bill once approved by both the houses and assented by the President, will become an Act and replace the Ordinance promulgated.
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- All actions taken under the Ordinance will have the same legal validity once the law is enacted.

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- Empowered by the Ordinance, the Enforcement Directorate has already moved a special court for action against most wanted economic offenders.
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- Fugitive Economic Offenders Law will be applicable to “any individual who is, or becomes, a fugitive economic offender on or after the date of coming into force of this Act.
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- It means the Bill will not be effective from a retrospective date, however this does not provide any relief for offenders who have already been declared fugitive by Indian courts.
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What is the significance of the bill?

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- It seeks to quickly recover the losses to the exchequer or public sector banks in cases of frauds.
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- Among other things, the Bill makes a provision for a Special Court under the Prevention of Money Laundering Act, 2002 to declare a person a Fugitive Economic Offender.
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- Fugitive Economic Offenders Bill gave power to agencies to seize properties that are not only in the name of the offender, but ‘benami’ assets.
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Source: Business Standard

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