Money Bill vs Financial Bill

Why in news?

The Digital Personal Data Protection (DPDP) Bill which was earlier reported as a financial bill, is now categorised as a normal bill by the Ministry of Parliamentary Affairs.

What is a financial bill?

Types of Financial Bill		
Money Bill	Article 110	
Financial Bill I	Article 117(1)	
Finance Bill II	Article 117(3)	

- Any Bill that relates to revenue or expenditure is a financial Bill.
- A *money Bill* is also a specific type of financial Bill, which must deal only with matters specified in *Article 110*.
- It deals with taxes, regulation of the government's borrowing of money, and expenditure or receipt of money from the Consolidated Fund of India.
- **Procedure-** Article 109 delineates the procedure for the passage of such a Bill and confers an overriding authority on the Lok Sabha in the passage of Money Bills.
- **Role of Speaker-** He takes the final call if a bill is a money bill or not. And his decision cannot be challenged in any court of the country.
    - Examples- Money Bills and other financial Bills originating solely in the Lok Sabha.

All money bills are financial bills, but not all financial bills are money bills.

- Article 117 deals with *financial bill* more like normal bill.
- **President role-** The major difference with normal bill is that it involve expenditure from the Consolidated Fund of India and cannot be passed by either House unless the President has recommended its consideration.
- **Prerequisites-** The two conditions necessary for financial bill to become a money bill is,
    - It must be introduced *only in the Lok Sabha* and not the Rajya Sabha.
    - It can be introduced *only on the President's recommendation.*

What is the difference between money bill and financial bill?

Features	Money Bill	Financial Bill
Constitutional Provision	Article 110	Article 117

Introduced by	Introduced only by a minister	Introduced either by a minister or by a private member
Approval of President	Requires prior recommendation before introduction Exemption- Amendments related to reduction or abolition of any tax	No prior recommendation of the President is required
Introduction	Only in Lok Sabha	Finance I bills are introduced in Lok Sabha while Finance II bills can be introduced in any of the two houses
Rajya Sabha	Rajya Sabha cannot amend or reject, it should return the bill with or without recommendations which may be accepted or rejected by the Lok Sabha	Rajya Sabha can amend it
Time period for Rajya Sabha	Can be detained by the Rajya Sabha for a maximum period of 14 days only.	Can be detained by the for a maximum period of 6 months.
Speaker's endorsement	Requires the certification of Speaker	Doesn't require Speaker's certification
Joint sitting	No provision for joint sitting	Has a provision for joint sitting of Lok Sabha and Rajya Sabha
President's assent	He/She can either give assent or withhold it but cannot return the bill	He/She can give assent, return the bill or either withhold the bill

What is the apex court's view?

- **Finance Act 2017-** In 2019, a Constitution Bench struck down amendments to the 2017 Finance Act, which was passed as a Money Bill, altering the structure and functioning of various tribunals.
- **Aadhaar Act 2016-** The Supreme Court held the constitutional validity of Aadhaar Act as money bill.

References

1. Indian Express- Data Protection bill as normal bill
2. Live Mint- Money bill vs normal bill

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