

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

Statement by Finance Minister Shri Arun Jaitley

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Following is the statement by Union Minister for Finance and Corporate Affairs Shri Arun Jaitley:

"Political parties have not been granted any exemption post demonetisation and introduction of Taxation Laws (Second Amendment) Act, 2016 which came into force on 15th December, 2016.

Income & Donations of political parties fall in the purview of Section 13A of the Income Tax Act 1961 & there is no change in its provisions. In this era of instant outrage, a 35 year old law is presented as a new law being passed by the NDA Government.

I implore all journalist friends to be fully outraged against any step of the Government, if it is not against corruption. But in equal measure, I would also implore them to do adequate research before jumping the gun.

Under Section 13A of IT Act 1961, Political parties have to submit audited accounts, income & expenditure details and balance sheets.

Post demonetisation, no political party can accept donations in 500 and 1000 rupee notes since they were rendered illegal tenders. Any party doing so would be in violation of law.

Just like anyone else, political parties can also deposit their cash held in the old currency in banks till the 30th of December provided they can satisfactorily explain the source of income and their books of accounts reflect the entries prior to 8 November.

If there is any discrepancy in the books or records of political parties, they are as liable to be questioned by the Income Tax authorities as is anyone else. They enjoy no immunity whatsoever.

There is no question of sparing anyone, and the political class is no exception. Infact PM Modi is setting a new example of propriety in public life, by asking all MPs & MLAs of BJP to submit their bank account details post demonetization. We would like to urge the other parties to do the same and prove their intentions against corruption."
