



## Fugitive Economic Offenders Act

### Description

#### What is Fugitive Economic Offenders Act :-

- Fugitive Economic Offenders Act, 2018 was brought to deal with the economic offenders that left the country to escape from investigation.
- Many high-profile economic offenders such as Nirav Modi, Mehul Choksi, Vijay Malya, Jatin Mehta, Deepak Talwar, Sanjay Bandari, Lalit Modi left the country to escape from prosecution.
- One will be declared as a fugitive economic offender, if he/she has committed some specified offences involving an amount of one hundred crore rupees or more and has left India to avoid prosecution.

#### Benefits :-

- If one is declared as a fugitive economic offender, the creditor can confiscate and sell his/her properties. The properties include not just the properties that were earned through fraud but all the properties of the economic offender including benami properties and the properties in other countries too. This will improve the health of financial institutions of India.
- This Act can help in solving the issue of Non-Performing Assets to a great extent.
- This will improve the trust on banking system of India.
- Fugitive economic offenders cannot file a civil claim in any Indian court regarding the confiscated properties, which will reduce the burden on Judiciary.

#### Loopholes :-

- This Act applies to the economic offenders that left India, but not to those who stay in India but commit the fraud.
- This Act applies to specified offences involving an amount of one hundred crore rupees or more. All the other high-profile economic offences that involves less than hundred crore rupees together form a large part of NPA.



- There are many laws in India, but the lack of proper implementation is the problem. So, a new act may not gain public trust.
- Declaring people as fugitive economic offenders violates the principle that everyone is innocent until proven guilty.
- Through this act, creditors can confiscate and sell all of the properties of economic offenders. Thereby Innocent shareholders too have to bear the brunt.

### **Conclusion :-**

Till now, economic offenders used to leave the country to escape from interrogation. Now, they have to return to India and co-operate with the prosecution, otherwise they will lose their properties, which is a good thing. But implementation should be effective to make it a success.

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