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Get Benami Property Law Up and Running

Editorial

The Centre should swiftly notify the law and rules to unearth property registered in the name of third parties by owners who remain anonymous. Lok Sabha has cleared amendments to the three-decade-old legislation on benami property. Such property is an obvious instrument to generate and hide black money. Nevertheless, [the Benami Transactions \(Prohibition\) Act 1988](#) has not been made operational as rules have not been framed to empower an authority to acquire benami property. The dither by successive governments is inexcusable.

[The amendments establish adjudicating authorities](#) and an [Appellate Tribunal](#) to deal with benami transactions. It [excludes](#) from the ambit of benami [transactions](#) transfer of property [via power of attorney](#). This makes sense.

Land is a state subject. However, the Centre has not accepted the standing committee's recommendation to vest rights and titles with the state government [whenever](#) benami property is [confiscated](#). [All the rights and titles](#) will vest [with the central government](#). Unclear titles to land lead to fraud in land transactions. Who owns a piece of land should be clear. State governments [already capture electronic records of land ownership](#), similar to holding of securities in an electronic form. The need is also to ensure guaranteed titles to property holders. It makes sense for India to adopt the [Torrens system where the ownership of land is directly registered by the state](#). Clear government guaranteed titles will curb sham realty deals.

The law should be supported by [larger institutional reform](#) to reduce the artificial scarcity of urban land and [stop off the book funding of political parties](#). They should be mandated to show the source of income for their spending. Benami property deals will vanish when every rupee is accounted for.

