



drishti

Finance Bill, 2020 Passed

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Why in News

Recently, the Lok Sabha passed the **Finance Bill**, 2020 without any debate due to the situation arising out of the Coronavirus pandemic.

Finance Bill

- A Finance Bill is a Bill that, as the name suggests, concerns the country's finances — it could be about taxes, government expenditures, government borrowings, revenues, etc. Since the Union Budget deals with these things, it is passed as a Finance Bill.
- **Rule 219 of the Rules of Procedure of Lok Sabha** states: 'Finance Bill' means the Bill ordinarily introduced in each year to give effect to the financial proposals of the Government of India for the following financial year and includes a Bill to give effect to supplementary financial proposals for any period.
- It is introduced in Lok Sabha after the presentation of the annual Budget is passed by the House. It is also certified as a Money Bill.
- The Constitution defines financial legislation into two categories: Money Bills and Financial Bills.
 - **Money Bills** –Article 110
 - **Financial Bills (I)**– Article 117 (1)
 - **Financial Bills (II)**– Article 117 (3)
- **All Money bills are Financial bills but all Financial bills are not Money bills.**
 - Only those financial bills are Money bills which contain exclusively those matters which are mentioned in Article 110 of the Constitution.
 - Money bills are **certified by the Speaker of Lok Sabha**.

Financial Bills (I)

- A financial bill (I) contains not only any or **all the matters mentioned in the Money Bill, but also other matters of general legislation.** It is dealt under Article 117 (1) of the Constitution.
- It is **similar to a money bill in two respects-**
 - Both of them can be introduced only in the Lok Sabha and not in the Rajya Sabha.
 - Both of them can be introduced only on the recommendation of the President.
- In all other respects, a financial bill (I) is treated as an ordinary bill. ie.
 - it can be either rejected or amended by the Rajya Sabha.
 - In case of a disagreement between the two Houses over such a bill, the President can summon a joint sitting of the two Houses to resolve the deadlock.
 - When the bill is presented to the President, he can either give his assent to the bill or withhold his assent to the bill or return the bill for reconsideration of the Houses.

Financial Bills (II)

- A financial bill (II) contains provisions involving **expenditure from the Consolidated Fund of India**, but does not include any of the matters mentioned in Article 110. It is dealt under Article 117 (3) of the Constitution.
- It is governed by the **same legislative procedure which is applicable to an ordinary bill.**
- Such Bills can be introduced in either House of Parliament. However, recommendation of the President is essential for consideration of these Bills by either House and unless such recommendation is received, neither House can pass the Bill.
In other words, the recommendation of the President is not required at the introduction stage but is required at the consideration stage.

Source: TH