



Supreme Court on Tenure Extensions of Enforcement Directorate Chief

For Prelims: [Foreign Exchange Management Act, 1999 \(FEMA\)](#), [Prevention of Money Laundering Act, 2002 \(PMLA\)](#), [Supreme Court, Enforcement Directorate](#), [Central Vigilance Commission Act, 2003](#), [Delhi Special Police Establishment Act, 1946](#), [Mandamus](#), [Money laundering](#).

For Mains: Structure and Function of Enforcement Directorate (ED)

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Why in News?

The [Supreme Court of India](#) has declared the **two tenure extensions granted to the Director of the Enforcement Directorate (ED)**, beyond the fixed cut-off date as **"not valid in law."**

- While the court allowed the director to continue on the post until July 31, it cut short his overall tenure.

What is the Background and Current Status of the Issue?

- The current director was appointed in **November 2018**, for a period of **two years**. In November 2020, **his tenure was extended to three years**, which was subsequently challenged through petition.
 - On September 8, 2021, the Supreme Court dismissed the petition but issued a specific **mandamus prohibiting further extensions**.
- The government later amended the [Central Vigilance Commission Act, 2003](#), and the [Delhi Special Police Establishment Act, 1946](#), to **grant itself powers for three tenure extensions**.
 - The amendments were challenged, arguing that they contradicted a previous directive from the Supreme Court that **advocated for fixed tenures for top officials like the CBI chief (Vineet Narayan Case)**.
- The court ruled that the **amendments themselves were constitutional but declared the specific extensions given to the director of ED as invalid**, as they violated the earlier [mandamus](#).

Note: The **ED Director is appointed under Section 25 of the CVC Act, 2003**. The Central Government appoints a Director of ED on the recommendation of a selection committee. The committee consists of the **CVC Chairperson, Vigilance Commissioners, Secretaries to the Ministry of Home Affairs, the Ministry of Personnel and the Ministry of Finance in the Central Government**.

What is Mandamus?

- Mandamus refers to a writ or order issued by a court to **a public body, tribunal, corporation or lower court**, directing them to perform a specific legal duty that they are obligated to carry out.
 - It is derived from the Latin word meaning **“we command”**.
- In India, it is used to **enforce the [fundamental rights of citizens](#) when they are violated by the state or its agencies**. It is also used to **prevent the abuse of power or discretion by the authorities**.
 - It is only issued by the **Supreme Court or the High Courts in India under Article 32 and Article 226** of the Constitution respectively

What is Enforcement Directorate (ED)?

- **About:**
 - ED is a multi-disciplinary organization mandated with **investigation of offences of [money laundering](#) and violations of [foreign exchange laws](#)**.
 - It operates under the jurisdiction of the **Department of Revenue, Ministry of Finance, Government of India**.
- **Establishment:**
 - **In 1956**, an ‘Enforcement Unit’ was formed, in the Department of Economic Affairs, for handling Exchange Control Laws violations under,
 - **In 1957**, this Unit was renamed as ‘**Enforcement Directorate**’.
 - **In 1960**, the administrative control of the Directorate was **transferred from the Department of Economic Affairs to the Department of Revenue, Ministry of Finance, Government of India**.
- **Enforcement:**
 - ED enforces the following laws:
 - **[Foreign Exchange Management Act, 1999 \(FEMA\)](#)**
 - **[Prevention of Money Laundering Act, 2002 \(PMLA\)](#)**
 - **The Fugitive Economic Offenders Act, 2018 (FEOA):** This law was enacted to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts.
- **Structure:**
 - The **Directorate of Enforcement, with its headquarters at New Delhi**, is headed by the Director of Enforcement.
 - There are **five regional offices at Mumbai, Chennai, Chandigarh, Kolkata and Delhi** headed by Special Directors of Enforcement.