

The Chit Funds (Amendment) Bill, 2018

Industry / Commerce / Finance

The Chit Funds (Amendment) Bill, 2018





- The Chit Fund (Amendment) Bill, 2018 was introduced in Lok Sabha on March 12, 2018. The Bill seeks to amend the Chit Funds Act, 1982. The 1982 Act regulates chit funds, and prohibits a fund from being created without the prior sanction of the state government. Under a chit fund, people agree to pay a certain amount from time to time into a fund. Periodically, one of the subscribers is chosen by drawing a chit to receive the prize amount from the fund.
- **Fraternity fund:** The Act specifies various names which may be used to refer to a chit fund. These include chit, chit fund, and kuri. The Bill inserts 'fraternity fund' to this list.
- **Presence of subscribers through video-conferencing:** The Act specifies that a chit will be drawn in the presence of at least two subscribers. The Bill seeks to allow these subscribers to join via video-conferencing.
- **Foreman's commission:** Under the Act, the 'foreman' is responsible for managing the chit fund. He is entitled to a maximum commission of 5% of the chit amount. The Bill seeks to increase the commission to 7%.
- **Application of the Act:** Currently, the Act does not apply to: (i) any chit started before it was enacted, and (ii) any chit (or multiple chits being managed by the same foreman) where the amount is less than Rs 100. The Bill removes the limit of Rs 100, and allows the state governments to specify the base amount over which the provisions of the Act will apply.

SHARE    ...  Print

Current Status: Pending
Ministry: Finance and Corporate Affairs

Stage	Date
Introduction	Mar 12, 2018
Com. Ref.	
Com. Rep.	
Lok Sabha	Introduced
Rajya Sabha	

Relevant Links

-  [Bill Text](#) (26 KB)
-  [-](#) (275 KB)
-  [PRS Bill Summary](#) (654 KB)
-  [-](#) (606 KB)

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com