

Fugitive Economic Offenders Act

The Fugitive Economic Offenders Act is often in the news because of the many high-profile economic offenders such as Vijay Mallya, Nirav Modi, etc. leaving the country to avoid prosecution. This is an important legislation for the [UPSC exam](#), since it is related to current affairs also. In this article, you can read all about the Fugitive Economic Offenders (FEO) Act, 2018.

Fugitive Economic Offenders Act, 2018 [FEO Act]

The Fugitive Economic Offenders Act was passed by the Lok Sabha and the Rajya Sabha in 2018 and it received presidential assent the same year. The chief intent behind the enactment of this law is to bring fugitive economic offenders to book. Many such offenders evade facing the judicial process in India by leaving the country and staying outside the jurisdiction of the courts in India. Since most such crimes deal with the non-payment of loans, this has weakened the Indian economy and the authorities felt the need to enforce this law so that such offenders staying overseas are not able to circumvent the Indian judicial system.

Who is a Fugitive Economic Offender?

Under the FEO Act, a person can be declared a fugitive economic offender (FEO) upon the satisfaction of **two conditions**:

1. An arrest warrant has been issued against the person for any Scheduled Offences where the value involved is over Rs 100 crore, and
2. He/she has left the country and refuses to return to face prosecution.

How is an individual declared an FEO?

- In order to declare an individual a 'fugitive economic offender', an application should be filed in a Special Court designated under the [Prevention of Money-Laundering Act, 2002](#).
- The application should contain details of the properties to be confiscated and any details about the person's whereabouts.
- Then, the Special Court would issue a notice asking the individual to be present at a prescribed place at least six weeks from the date of notice.
- If the person presents himself/herself, the proceedings would be dropped.
- The Act allows designated authorities to provisionally attach properties of an accused, while the application is pending before the Special Court.

When a person is declared an FEO, his properties may be confiscated and vested in the Central Government, free of encumbrances (rights and claims in the property). Also, the person declared an FEO or any company associated with him can also be barred from filing or defending any civil claims.

Requisites for filing an application for an individual to be declared an FEO:

1. Reasons to believe that a person is an FEO;
2. Any information available about the person's whereabouts;

3. A list of properties or the value of such properties believed to be the proceeds of crime, including any such property outside India for which confiscation is sought;
4. A list of properties or benami property owned by the individual in India or abroad for which confiscation is sought; and
5. A list of persons who may have an interest in any of the properties listed under (3) and (4).

For a [list of important acts in India](#), click the linked article.

Economic Offence

Economic offences relate to counterfeiting, fraud, money laundering, tax evasion and others. The other laws in the country which handled such offences include:

1. Prevention of Money-Laundering Act – prohibits money laundering.
2. Benami Properties Transactions Act, 1988 – bans benami transactions.
3. Companies Act, 2013 – punishes fraud and unlawful acceptance of deposits.
4. [Indian Penal Code, 1860](#) – covers various crimes such as cheating, forgery, counterfeiting, etc.
5. Code of Criminal Procedure, 1973

Fugitive Economic Offenders Act Concerns

There are a few concerns associated with the FEO Act, 2018. They are discussed below.

- The Act allows a court or tribunal to bar the FEO or any company associated with him from filing or defending civil claims. This might go against the [Right to Life](#) under the Constitution's Article 21 which also encompasses the right to access justice as per some interpretations.
- The Act allows the central government to confiscate the properties of an FEO. There are also exemptions allowed to certain properties wherein there are persons with an interest in such properties like secured creditors. But, the Act does not specify if the central government will share the sale proceeds of properties with other claimants who do not have such an interest like unsecured creditors.
- The Act empowers the authorities to conduct a search without a warrant and without the presence of a witness. These safeguards are present in the other laws to prevent harassment and abuse of power like planting of evidence, etc. Such safeguards should ideally be present in a law.
- Upon a person being declared an FEO, his/her property can be confiscated. This is different from the other laws like the [Criminal Procedure Code, 1973](#) where confiscation is final two years after the person is proclaimed absconder.