

Benami Law



Benami property

- means any property which is the subject matter of a **benami transaction** and also includes the proceeds from such property



Benami transaction

a transaction or an arrangement—

- (a) where a property is transferred to, or is held by, a person, and the consideration for such property has been provided, or paid by, another person; **and**
- (b) the property is held for the immediate or future benefit, direct or indirect, of the person who has provided the consideration,

Empowering your growth

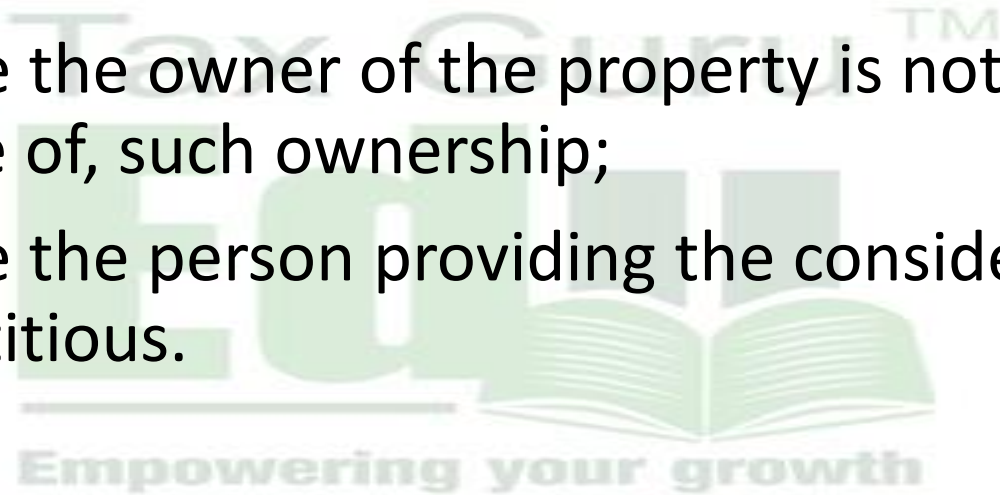
Benami transaction

Except

- Property held by Karta/member in his name for benefit of HUF members and HUF sources are known
- Property held by spouse/child in his/her name for benefit of individual and individual sources are known
- Property held in joint ownership with brother/ sister/ ascendant/ descendent and individual sources are known

Benami transaction

- transaction carried out or made in a fictitious name; or
- transaction where the owner of the property is not aware of, or, denies knowledge of, such ownership;
- transaction where the person providing the consideration is not traceable or is fictitious.



Benamidar & beneficial owner

- "benamidar" means a person or a fictitious person in whose name the benami property is transferred or held and includes a person who lends his name;
- "beneficial owner" means a person, whether his identity is known or not, for whose benefit the benami property is held by a benamidar;

Empowering your growth

consequences

- Confiscation of property
- Penalty on both – 25% of FMV
- Imprisonment = 1 year to 7 years

