Benami Transactions (Prohibition) Act, 1988

Section 3 - Prohibition of Benami Transactions

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(1) No person shall enter into any benami transaction.

[(2) Nothing in sub-section (1) shall apply to --

(a) the purchase of property by any person in the name of his wife or unmarried daughter and it shall be presumed, unless

the contrary is proved, that the said property had been purchased for the benefit of the wife or the unmarried daughter;

(b) the securities held by a--

(i) depository as a registered owner under sub-section (1) of section 10 of the Depositories Act, 1996;

(ii) participant as an agent of a depository.

Explanation.--The expressions "depository" and "Participants" shall have the meanings respectively assigned to them in clauses (e) and (g) of sub-section (1) of section 2 of the Depositories Act, 1996.]

(3) Whoever enters into any benami transaction shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974) an offence under this section shall be non-cognizable and bailable.

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