

**14 MARCH 2019**

## 1. Much to gain if Paris climate goals are met

### Why in News?

India could save at least \$3 trillion (Rs. 210 trillion approx.) in healthcare costs if it implemented policy initiatives consistent with ensuring that the globe didn't heat up beyond 1.5 degrees Celsius by the turn of the century, says the sixth edition of the Global Environmental Outlook (GEO), prepared by the United Nations Environment Programme.

### Significant of the report:

The poor environmental conditions cause approximately 25% of global disease and mortality, around 9 million deaths in 2015 alone.

1.4 million People die each year from preventable diseases such as diarrhoea and parasites (due to the intake of polluted waters).

Air pollution causes 6-7 million early deaths annually.

Food waste accounts for 9% of global greenhouse gas emissions.

### Global Environment Outlook (GEO)

The Global Environment Outlook (GEO) is often referred to as UN Environment's flagship environmental assessment.

The first publication was in 1997 and was originally requested by Member States.

It is a flagship report because it fulfills the core functions of the organization, which date back to the UN General Assembly resolution that established the UN Environment Programme in 1972.

The Global Environment Outlook (GEO) is a consultative and participatory process to prepare an independent assessment of the state of the environment, the effectiveness of the policy response to address these environmental challenges and the possible pathways to be achieve various internationally agreed environmental goals.

The process also builds capacity for conducting integrated environmental assessments and reporting on the state, trends and outlooks of the environment.

The Global Environment Outlook (GEO) is also a series of products that informs environmental decision-making for not only governments but also various stakeholders such as the youth, businesses and local governments and aims to facilitate the interaction between science and policy.

### United Nations Environment Programme (UNEP)

- It is an UN agency, coordinates UN's environmental activities, assisting developing countries in implementing environmentally sound policies and practices.
- It was founded as a result of the UN Conference on the Human Environment (Stockholm Conference) in 1972

### Note



- Its activities cover a wide range of issues regarding the atmosphere, marine and terrestrial ecosystems, environmental governance and green economy.
- UNEP has also been active in funding and implementing environment related development projects.
- UNEP has aided in the formulation of guidelines and treaties on issues such as the international trade in potentially harmful chemicals, transboundary air pollution, and contamination of international waterways
- UNEP is also one of several Implementing Agencies for the Global Environment Facility (GEF) and the Multilateral Fund for the Implementation of the Montreal Protocol
- The International Cyanide Management Code, a program of best practice for the chemical's use at gold mining operations, was developed under UNEP's aegis.



## 2.CBDT yet to set up angel tax exemption infrastructure

### Why In News?

The Central Board of Direct Taxes (CBDT) has not started work on setting up the back-end infrastructure required to automatically exempt registered start-ups from angel tax.

The Department for Promotion of Industry and Internal Trade (DPIIT) had, last month, issued a notification that stated that registered start-ups would be exempt from the angel tax if they met certain conditions.



### In Brief:

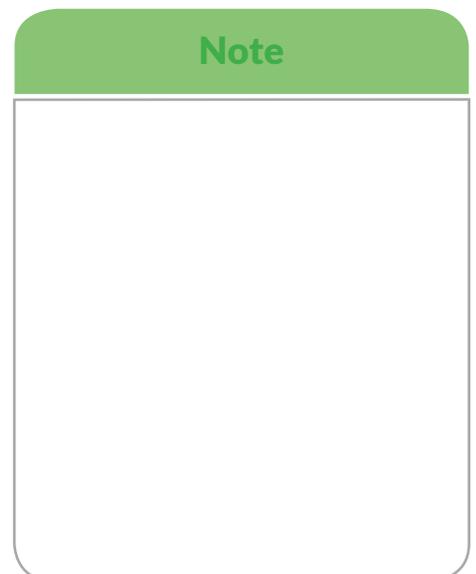
#### What is Angel Tax?

**Angel Tax is a 30% tax that is levied on the funding received by startups from an external investor.** However, this 30% tax is levied when startups receive angel funding at a valuation higher than its 'fair market value'. It is counted as income to the company and is taxed.

**The tax, under section 56(2)(viib), was introduced by in 2012 to fight money laundering.** The stated rationale was that bribes and commissions could be disguised as angel investments to escape taxes. But given the possibility of this section being used to harass genuine startups, it was rarely invoked.

#### Why is Angel tax problematic?

There is no definitive or objective way to measure the 'fair market value'



of a startup. Investors pay a premium for the idea and the business potential at the angel funding stage. However, tax officials seem to be assessing the value of the startups based on their net asset value at one point. Several startups say that they find it difficult to justify the higher valuation to tax officials.

In a notification dated May 24, 2018, the Central Board of Direct Taxes (CBDT) had exempted angel investors from the Angel Tax clause subject to fulfilment of certain terms and conditions, as specified by the Department of Industrial Policy and Promotion (DIPP) now renamed as the Department for Promotion of Industry and Internal Trade. However, despite the exemption notification, there are a host of challenges that startups are still faced with, in order to get this exemption.

### About CBDT:

- CBDT is nodal policy-making body of Income Tax (IT) department under Finance Ministry.
- It is a statutory authority established under The Central Board of Revenue Act, 1963.
- It is supreme body in India for framing policies related to direct taxes and is also tasked to enforce direct tax laws in the country. The composition of CBDT includes Chairman and six members.

### LEAK OF SENSITIVE INFORMATION ON RAFALE

#### About:

The Government of India alleged the newspaper The Hindu for photocopying of sensitive documents on the war capacity of the Rafale combat aircraft.

The Government also intend to invoke the official secrets act, 1923 against the Hindu but at the same time its affidavit does not mention the name “The Hindu”.

#### About Official Secrets Act, 1923:

- The Official Secrets Act is a British era legislation enacted in 1923 to suppress spying of the British Government.
- This act clearly states that actions which involve helping an enemy state against India are strongly condemned.
- It also states that one cannot approach, inspect, or even pass over a prohibited government site or area.
- Punishments under the act range from three to fourteen years imprisonment.
- This act is controversial to the modern RTI act, 2005.
- In the clause 6 of OSA, information from any governmental office is considered official information, hence it can be used to override Right to Information Act, 2005 requests. This has drawn harsh criticism.
- The Union Home Ministry in 2017 agreed to amend the OSA to make it more transparent and in line with the Right to Information Act, 2005.

#### Note

## GLOBAL ENVIRONMENT OUTLOOK



## Why in News?

The United Nations Environment programme recently released the Global Environment Outlook.

### Significant points to be noted from the report:

- The poor environmental conditions cause approximately 25% of global disease and mortality, around 9 million deaths in 2015 alone.
- 1.4 million People die each year from preventable diseases such as diarrhoea and parasites (due to the intake of polluted waters).
- Air pollution causes 6-7 million early deaths annually.
- Food waste accounts for 9% of global greenhouse gas emissions.

## China places hold on listing Azhar as designated terrorist:

### Why in news?

Azhar the founder and the leader of the JeM, meets the criteria for designation by the UN. The United Nation Security Council (UNSC) 1267 committee proposed in listing Azhar as designated terrorist. The JeM has been responsible for numerous terrorist attacks and is a threat to regional stability and peace.

### Background:

Jaish-e-Mohammed or JeM is a Pakistan based terrorist group. The founder of this group Maulana Masood Azhar had created the group with sole aim of separating Kashmir from India and merge it with Pakistan. Since its inception in 2000, the terror outfit has carried out several attacks in the state of Jammu and Kashmir. The group's recent attack was suicide bombing on 14 February in Indian-administered Kashmir.

### What is UNSC?

- The Security Council has primary responsibility for the maintenance of international peace and security. It has 15 Members, and each Member has one vote. Under the Charter of the United Nations, all Member States are obligated to comply with Council decisions.
- The Security Council takes the lead in determining the existence of a threat to the peace or act of aggression. It calls upon the parties to a dispute to settle it by peaceful means and recommends methods of adjustment or terms of settlement. In some cases, the Security Council can resort to imposing sanctions or even authorize the use of force to maintain or restore international peace and security.

### content:

- The listing request was co-sponsored by US, UK and France on Feb 27, came in response to the suicide attack in Pulwama. It would have resulted in Azhar being designated as a terrorist and subjected him to sanctions, including an arms and travel ban as well as an asset freeze.
- This is the fourth time in 4 years that China has opposed the listing of Azhar. It had also opposed the listing after the Mumbai attacks, when proposals at the UNSC had been filed.
- The U.S. has said Jaish-e-Mohammad (JeM) is a threat to regional stability and peace and that China preventing the UN designation of JeM leader Masood Azhar would run counter to the U.S. and China's shared goals for stability.

### Note



**China’s real intentions behind its ‘Technical hold’ on Masood Azaar :**

•China was virtually the last country to condemn the attack.China’s romance with terrorists in the AF-Pak region has a historical legacy based on its vested economic, security and geostrategic interests. China’s Uyghur Muslim-dominated Xinjiang province came under religious and cultural influence of Pakistan as it was opened up post the reform period of 1978.

•Externally, China courted with the Taliban and other terror groups to contain any “spillover” of terrorism to Xinjiang. China hoped that its romance with extremist groups in the Af-Pak region would prevent them from supporting Uyghur separatism and the East Turkestan Islamic Movement (ETIM).

**Economic and geo-strategic interests:**

•It is estimated that 5,00,000 Chinese nationals will be living in the Gwadar port city by 2022. China is courting Azhar to secure the CPEC and the Chinese living in Pakistan.

•China recognised Azhar’s influence over radicalised elements and used him to safeguard its own strategic and economic interests in the region.

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**RBI to inject liquidity via forex swaps:**

**Why in News?**

In order to meet the durable liquidity needs of the system, the Reserve Bank has decided to augment its liquidity management toolkit and inject Rupee liquidity for longer duration through long-term foreign exchange buy/sell swap in terms of its extant Liquidity Management Framework.

**Content:**

- Through this step it would buy as much as \$5 billion from the banks in a swap deal that could inject nearly 35,000 crores into the system. Banks would be required to park dollar funds with RBI with a deal to buy it back from the RBI after three years.
- The auction for this first of its kind US dollar buy/sell swap auction will take place on March 26. The auction cutoff would be based on the premium amount in paisa terms and the auction would be a multiple price based auction.
- This is the first time the central bank is using a foreign exchange auction to augment banking liquidity after generally using bond purchases for this fiscal .
- RBI also has raised the trade credit limit under the automatic route to \$150 million for oil/gas refining and marketing, airline and shipping firms. For others, the limit is set at \$50 million or equivalent per import transaction.

**Note**



**Significance:**

- The move is seen to lower the dependence on open market operations which have been a significant amount of the overall borrowing. “Higher OMOs can distort the rates curve,”
- The move would boost RBI’s foreign exchange reserves which were at \$401.7 billion for the week ended March 1.
- The revised framework has reduced the all inclusive cost (all in cost) for overseas loans to benchmark rate plus 250 basis points from the earlier 350 bps

**What is Open Market Operation, Foreign exchange swaps (Forex)?**

- Open Market Operation (OMO) is a transaction on the open financial market, involving fiscal instruments such as governments’ securities, or commercial papers, commenced by a central banking authority, with the purpose of regulating the money supply and credit conditions.
- OMO is a direct instrument of monetary policy, because the instrument influences the money supply directly. Forex swaps and other types of foreign exchange operations are also open market operations.
- In a foreign exchange swap, two parties exchange specific amounts of two different currencies and repay the amount of the exchange at a future date, according to a predetermined rule reflecting both interest payments and amortization of the principle.

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**1. Centre, Assam lax on illegal migration, says SC**

**Why in News?**

The Supreme Court on Wednesday blamed the Centre and the Assam government for being lax, that is it is not being careful about tackling the illegal inflow of foreigners into the northeastern State and their deportation.

The court is hearing a petition filed by activist Harsh Mander about the dismal living conditions in the detention centres in the State.

**Supreme Court’s Observance:**

The court pointed out that though the State’s foreigners tribunals had identified over 58,000 illegal immigrants, the detention centres house only 900.

Assam government has explained that the variance in numbers is because orders of the tribunals are given ex-parte as the alleged foreigner absconds and merges with the local populace the moment proceedings against him begin.

**Prelims titbits:**

**About National Register of Citizens, 1951**

- The National Register of Citizens (NRC) is a document manufactured by the Government which contains the names of Indian citizens. The updation of the NRC is a periodical process. It requires to be updated at regular intervals so as to ensure proper documentation of the citizens as well as to check possible illegal migration.

**Note**



- In Assam, the updation of NRC could not be carried out since 1951 due to several political compulsions.
- The Assam Movement in 1980's, the language Movement and such other identity movements fought on ethnic lines have heavily impinged on the system of governance in the state thereby leading to a stalemate on the NRC updation issue. After five decades of the stalemate, the present government has initiated steps to update the NRC under the direct supervision of the Hon'ble Supreme Court of India.

### Is This the First such register?

- No, there was an NRC across the country in 1951, but that was based on the Census of that year. and this is the first time it is being revised and only in Assam and it is not based on the census.

### Who will be considered Indian citizen?

- Those whose names were in the 1951 NRC or in any or the electoral rolls up to the midnight of March 24, 1971 and their descendants

### What is Section 6A of the Citizenship Act, 1955

- Section 6A of the Citizenship Act, 1955 those who came from Bangladesh between 1966 and 1971 will have to register themselves with the Foreigners Regional Registration Officer, and will be included in the NRC, but will not have voting rights for 10 years from the date of registration.

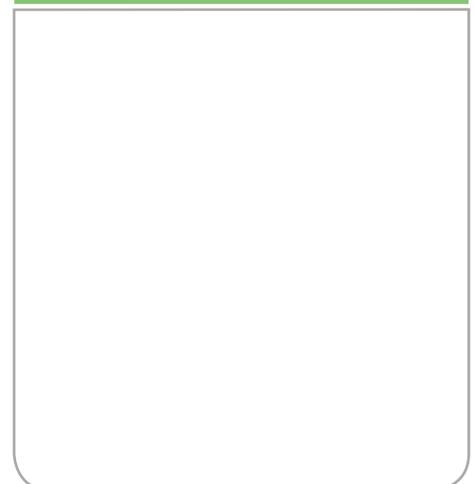
- But According to Article 6 of the Constitution, the cutoff for determining citizenship in India is July 19, 1948.

### Why is an updation necessary?

- It is the struggle of those who wanted to save their culture from being extinct and be reduced to an ethnic minority section in their homeland
- The Indigenous people of Assam fear that the unabated influx or growing stream of immigrants and infiltrators from across the border would one day reduce them into a small minority
- Immigration problem has been regarded as a "Security Threat" as it creates problem not only for personal security and human rights issues but also creates internal and international security problem.
- The NRC is to be updated to comply with the demands in the Assam Accord. signed in 1985 by Rajiv Gandhi and leaders of the Assam Movement



### Note



**Also read:** Citizenship (Indian Polity),

**MAP related Questions –**

north eastern states, bordering countries.

Tropic of Cancer passing states in India.

Rivers and mountains in the North east.

## Officers with minimum 6-month tenure left to be considered for post of DGP, says SC

### Why in News?

The Supreme Court on Wednesday said the post of Director General of Police (DGP) of a State was reserved for the best. It was meant neither for the political establishment's favourite officers, who were on the verge of retirement, nor only for those with a minimum residual tenure of two years before superannuation, the court clarified.

The bench passed the order on an application filed by former DGP of Uttar Pradesh, Prakash Singh.

### In Brief:

Dispelling confusion regarding an order issued on July 3, 2018, a Bench led by Chief Justice of India Ranjan Gogoi said senior police officers with a residual tenure of six months before normal retirement could be considered for the post of DGP.

The order came on a plea by former Uttar Pradesh DGP Prakash Singh, who contended that the Union Public Service Commission (UPSC) was only considering police officers with a minimum two years' residual tenure for appointment as DGP. This had led to many competent officers being overlooked.

### Background:

On July 3, 12 years after introducing drastic reforms to free the police from political influence, the Supreme Court had barred State governments from appointing DGPs without first consulting the UPSC.

### Prelims titbits:

#### UPSC, its structure, powers and functions with respect to Indian Polity

Also read:

Police reforms & A model policy for women in the police: <https://www.thehindu.com/opinion/op-ed/a-model-policy-for-women-in-the-police/article26524978.ece>

### Note

