2019

drishti

CURRENT AFFAIRS

ECONOMIC DEVELOPMENT

4th November- 9th November

THE HINDU | The Indian EXPRESS | live mint

BusinessLine | pib

1. <u>**New IT Initiatives - ICEDASH & ATITHI**</u>

Why in News?

- Union Minister of Finance and Corporate Affairs unveiled two new IT initiatives – ICEDASH and ATITHI.These are **developed** by **Central Board of Indirect Taxes and Customs** in collaboration with National Information Centre.
- These initiatives are aimed at improved monitoring and pace of Customs clearance of imported goods and facilitating the arrival of international passengers.

ICEDASH

- It is an Ease of Doing Business monitoring dashboard of the Indian Customs.
- It will help the public to see the daily Customs clearance times of import cargo at various ports and airports.
- It will provide an effective tool that helps businesses compare clearance times across ports and plan their logistics accordingly.

ATITHI

- It is a mobile app for international travellers to file the Customs declaration in advance.
- It will facilitate to file declaration of dutiable items and currency with the Indian Customs even before boarding the flight to India.
- It is available on both-iOS and Android.

2. <u>**Regulatory Sandbox**</u>

Why in News?

The Reserve Bank of India (RBI) has recently announced that retail payments will be the first area for testing under RBI sandbox.

Norms for Regulatory Sandbox

- In August, 2019 the RBI issued final framework for regulatory sandbox to enable innovations in financial technology (fintech) space, having following norms:
  - Entities must meet the criteria of minimum net worth of ₹25 lakh as per their latest audited balance sheet.
  - The entity should either be a company incorporated and registered in the country or banks licensed to operate in India.
  - The proposed FinTech solution should highlight an existing gap in the financial ecosystem and the proposal should demonstrate how it would address the problem, and bring benefits to consumers or the industry and/or perform the same work more efficiently.

Regulatory Sandbox

- A regulatory sandbox is a framework that allows for live-testing of new products or services in a controlled environment.
- The first round of experimentation, will commence in the first half of 2020.
- Regulators along with the shortlisted companies will work towards creating solutions in the field of feature phones, contactless and online based payment services.
- The adoption of 'retail payments' as the theme is expected to spur innovation in digital payments space and help in offering payment services to unserved and under-served segment of the population.

3. DIN System

Why in News?

The **Documentation Identification Number (DIN)** system of Central Board of Indirect Taxes (CBIC) came into existence from November 8th 2019.

Significance

- It is a computer generated number aimed to bring transparency and accountability in indirect tax administration through the use of information technology.
- It can be used for search authorisation, summons, arrest memo, inspection notices and letters issued in the course of any enquiry.
- It would also provide the taxpayer a digital facility to verify its tax-history.

4. Cotton Corporation Starts Procuring At MSP

Why in News?

- The Cotton Corporation of India (CCI) has started procuring cotton at minimum support price (MSP) in Punjab, Rajasthan, Haryana and Gujarat.
- The MSP ranges between ₹5,450 and ₹5,550 per quintal and the market price in many places is lower than that.

About Cotton Corporation of India (CCI)

- CCI was established on 31st July 1970 under the **Ministry of Textiles**, Government of India as a Public Sector Undertaking under the Companies Act 1956.
- CCI operations cover all the cotton growing states in the country comprising of:
  - Punjab, Haryana and Rajasthan in Northern Zone.
  - Gujarat, Maharashtra, Madhya Pradesh & Orissa in Central Zone.
  - Andhra Pradesh, Telangana, Karnataka & Tamil Nadu in Southern Zone.

- CCI buys raw cotton directly from the cotton farmers through the aegis of Agricultural Produce Market Committees (APMCs).
- **Major role of the CCI**:
  - To undertake price support operations, whenever the market prices of cotton fall below the MSP announced by Govt. of India, without any quantitative limit.
  - To undertake commercial purchase operation to meet the raw material requirement of the domestic textile industry particularly for lean season.

5. Liquidity Coverage Ratio

Why in News?

The Reserve Bank of India (RBI) will implement Liquidity Coverage Ratio (LCR) norms for Non-Banking Financial Companies (NBFCs) from December, 2020.

- These guidelines come in the backdrop of rating downgrades and debt defaults by several NBFCs and need for a stronger Asset Liability Management (ALM) Framework.

About LCR

- LCR refers to the proportion of highly liquid assets held by companies to ensure their ability to meet short-term obligations.
- LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario for 30 days.
  - *HQLAs can be readily sold or immediately converted into cash at little or no loss of value, or used as collateral to obtain funds.*
- All non-deposit taking NBFCs (NBFC) with asset size of Rs 10,000 crore and above and all deposit-taking NBFCs have to maintain a liquidity buffer in terms of Liquidity Coverage Ratio (LCR).
  - NBFCs with assets worth ₹10,000 crore and above will have to maintain a minimum of 50% of LCR as high quality liquid assets (HQLA).
  - NBFCs with assets worth ₹5000-10,000 crore will have to maintain minimum 30% LCR.
  - In both cases, LCR will be progressively increased to 100% by December 2024.
- RBI has also proposed to revise the ALM of NBFCs to ensure that NBFCs' reliance on external debt to repay maturing debt is reduced, given the current market conditions where funding from banks and mutual funds has become scarce.

6. Agriculture Ministry Relaxes Fumigation Norms For Imported Onion

Why in News?

In the light of public concern over high prices of onions in the market the Ministry of Agriculture has decided to allow relaxation from the condition of fumigation and endorsement on Phytosanitary Certificate (PSC) as per the Plant Quarantine Order, 2003 for onion imports.

- PSC are issued by the exporting country to indicate that consignments of plants, plant products meet specified phytosanitary import requirements under International Plant Protection Convention (IPPC), 1951.
- Plant Quarantine Order, 2013 ensures the import of pest and fungus free agricultural commodities in the country which is or may be destructive to crops.

Fumigation Norms:

- Till now imported onions were allowed in the country either after they were fumigated and certified by the exporting nation or fumigated in India by the importer through an accredited treatment provider.
- The liberalised fumigation norms will facilitate private import of onions from **Afghanistan, Egypt, Turkey, and Iran**.
- The norms will also provide relaxation from the endorsement on the Phytosanitary Certificate (PSC).
- It will help to boost the availability and check price rise of onions.

7. Government Plans To Extend NPOP Organic Certificate

Why in News?

- The government plans to extend its existing organic certification to textile, cosmetics and ayurveda, yoga & naturopathy, unani, siddha and homeopathy (AYUSH) products.
- The objective is to boost export of organic products.
- At present, organic foods are certified through the National Programme for Organic Production (NPOP) of Agricultural and Processed Food Products Export Development Authority (APEDA) under the Commerce Ministry and the Participatory Guarantee System for India of the Agriculture Ministry.

National Programme for Organic Production (NPOP)

- The Ministry of Industries and Commerce is implementing the National Programme for Organic Production (NPOP) since 2001.
- The aim is to assist organic producers to tap the market which is growing steadily in both in domestic and export segments.
- The objectives of NPOP are:
    - Certification for organic agriculture and products as per the approved criteria.

- Accredit certification of Certification Bodies.
- Certification of organic products in conformity with the importing countries organic standards.
- Encourage development of organic farming and organic processing.

- APEDA is the implementation agency for the NPOP.
- Since 2006, the NPOP has been recognised by the European Union and Switzerland. India has a similar agreement with the US
- NPOP now spans over the entire organic agriculture production scenario and is offering certification services for all possible activity starting from crops, livestock, aquaculture, processing and niche segments like mushrooms and seaweeds.
- Among states, Madhya Pradesh has covered the largest area under organic certification followed by Rajasthan, Maharashtra and Uttar Pradesh.
- During 2016, Sikkim had achieved a remarkable distinction of converting its entire cultivable land (more than 76,000 hectare) under organic certification.

About APEDA

- It was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in 1985.
- The Authority replaced the Processed Food Export Promotion Council (PFEPC).
- APEDA is mandated with the responsibility of export promotion and development of the agricultural and allied products.
- In addition to this, it has been entrusted with the responsibility to monitor the import of sugar.

To Watch the Video on YouTube,
Click Here