# Prelim Bits 23-04-2022 | UPSC Daily Current Affairs

## Account Aggregator

*Around 2.5 lakh accounts were linked to Account Aggregator (AA) System, and nine banks go live on the AA System.*

- **Account aggregation** or financial data aggregation is a process whereby data from several or all of an individual's or household's financial accounts are collected in one place.
- Account aggregating allows customers to aggregate data on all their financial assets within a single financial institution.
- In terms of online banking, the user may be provided with a service that curates a home page on which account holders can see information from all of their checking, savings, CDs, and brokerage accounts.
- The data is then stored in the account aggregation software, allowing access to balance information and transaction records.
- **Account Aggregators** (AAs) are personal finance software, apps, and online services that provide account aggregation services.
- They allow individuals to share and access data from one financial institution to another in the consolidated networks of AAs.
- These aggregators have received approval to access and share data by the Reserve Bank of India (RBI).
- **Structured as NBFCs**, account aggregators would disrupt the borrowing system from institutionalized financial institutions that make money on having custody of the borrower's financial data.

  With the launch of this mechanism to make credit availability easy, the big business of packaging, analyzing, and selling financial information would be disrupted, just as UPI disrupted the e-wallet business.

- **Benefits** - The borrower can avail services such as access to loans and access to money management if their banks join the AA network of data sharing.
- Account aggregators as facilitators of small credit.

**Reference**


1. https://bfsi.economictimes.indiatimes.com/news/banking/around-2-5-lakh-accounts-linked-to-account-aggregator-system-nine-banks-go-live/90925454#:~:text=Exclusive-,Around%202.5%20lakh%20accounts%20linked%20to%20Account%20Aggregator%20system%2C%20nine,the%20process%20of%20joining%20it
2. https://economictimes.indiatimes.com/small-biz/money/how-account-aggregators-can-bring-an-era-of-democratised-credit/articleshow/8757778cms

# Fincluvation

*India Post Payments Bank (IPPB) announced the launch of Fincluvation.*

- Fincluvation will be a permanent platform of IPPB to co-create **inclusive financial solutions** with participating Fintech Start-ups.
- It is an **Industry first initiative** to create a powerful platform to mobilize the start-up community towards building meaningful financial products aimed at financial inclusion.

> IPPB and Department of Post (DoP) collectively serve close to 430 million customers through post offices and at their doorsteps via more than 4,00,000 Post Office employees and Gramin Dak Sevaks - making it one of the **largest and most trusted postal networks in the world.**

- Fincluvation will allow the start-ups to work together with IPPB and DoP experts to develop solutions and conduct pilots using the postal network and IPPB's technology stack.
- It invites startups to Participate, Ideate, Develop and Market intuitive and tailored products and services that can be taken to the customers.
- Startups are encouraged to develop solutions aligned with any of the following tracks-
    1. **Creditization** - Develop Innovative & Inclusive credit products aligned with the use cases of target customers and take them to their doorsteps through Postal network.
    2. **Digitization** - Bring convenience by converging traditional services with the Digital Payment Technologies like making usual Money Order service as Interoperable Banking service.
    3. **Any Market-led solutions** that can help solve any other problem relevant to IPPB and/or DoP in serving the target customers
- **Fincluvation mentors** will work closely with the startups to tweak products to the customer needs and align the go-to-market strategies with operating models of IPPB and DoP.

## India Post Payments Bank

- India Post Payments Bank (IPPB) has been established in 2018.
- It comes under the Department of Posts (DoP), Ministry of Communication with 100% equity owned by Government of India.
- The bank has been set up with the vision to build the most accessible, affordable and trusted bank for the common man in India.
- The fundamental mandate of IPPB is to remove barriers for the unbanked and under-banked and reach the last mile leveraging a network comprising 160,000 post offices (145,000 in rural areas).
- IPPB's reach is built on the key pillars of India Stack - enabling Paperless, Cashless and Presence-less banking in a simple and secure manner, through a CBS-integrated smart phone and biometric device.
- IPPB's motto - Every customer is important; every transaction is significant, and every deposit is valuable.

**Reference**


1. https://pib.gov.in/PressReleasePage.aspx?PRID=1818635
2. https://www.ippbonline.com/web/ippb/fincluvation

# Damascus Gate

*Since the start of Ramadan 2022, Israeli forces have assaulted and arrested Palestinian residents in the Damascus Gate area.*

- The Damascus Gate, or Bab al-Amud ('gate of the pillar'), has been a flashpoint between Palestinians and Israeli forces in occupied East Jerusalem for a long time.
- It is an Ottoman-era plaza, which has been in its current form since 1537.
- It is the largest of the 7 open gates to the wall of the Jerusalem's Old City, which lies in East Jerusalem.
- [The wall was built during the times of Sultan Suleiman the Magnificent from the 16$^{th}$ century.]
- A social, cultural, and political Palestinian landmark, Damascus Gate is one of the few open spaces available for residents to gather.
- The Damascus Gate has become a national symbol for Jerusalemites and for Palestinians more generally - a symbol that expresses the national identity in the city.
- **History** - Israel occupied the Palestinian-majority East Jerusalem during the 1967 war and annexed it in breach of international law.
- Israel declares all of Jerusalem its "complete and united" capital.
- But, the majority of countries around the world does not recognise Israeli sovereignty in East Jerusalem, consider it occupied territory.

**Reference**


1. https://www.ndtv.com/world-news/rocket-fired-from-gaza-into-israel-amid-tensions-in-jerusalem-2905656
2. https://www.aljazeera.com/features/2022/4/21/what-east-jerusalem-damascus-gate
3. https://www.itraveljerusalem.com/ent/damascus-gate/


# Whakaari White Island

*A new research detects pre-eruption warning signals at Whakaari White Island and other active volcanoes.*

- Whakaari/ White Island is a **volcanic island** located in the **Bay of Plenty** 50 km offshore of North Island, New Zealand.
- It has been **New Zealand's most active volcano** since 1976.
- This **stratovolcano** (composite cone volcano) formed out of the **convergent plate boundary** between the Pacific and Australian plates.
- It is made of layers of andesite lava flows and pyroclastic deposits (tephra).
- It is an active volcano at the top of a submarine vent at the northern end of the Taupō-Rotorua Volcanic Zone.
- The full Māori name is **Te Puia o Whakaari** - The Dramatic Volcano.
- Until it was shattered in 2019 by high-pressure steam and gas explosions, the Whakaari White Island was a tourist magnet, with its alien landscape and spectacular hydrothermal features.

**Reference**


1. https://www.downtoearth.org.in/blog/natural-disasters/new-research-detects-pre-eruption-warning-signals-at-whakaari-white-island-and-other-active-volcanoes-82486
2. https://volcano.si.edu/volcano.cfm?vn=241040
3. https://www.geonet.org.nz/about/volcano/whiteisland

4. https://www.britannica.com/place/Whakaari-White-Island

# Legal Entity Identifier

- The Legal Entity Identifier (LEI) is a **20-digit** alpha-numeric code used to uniquely identify parties to financial transactions globally.
- LEI code is based on the ISO 17442 standard developed by the International Organization for Standardization (ISO).
- It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions.
- Each LEI contains information about an entity's ownership structure and thus answers the questions of 'who is who' and 'who owns whom'.
- LEI was conceived as a key measure to **improve the quality and accuracy of financial data systems** for better risk management post the global financial crisis.

  The publicly available LEI data pool can be regarded as a global directory that greatly enhances transparency in the global marketplace.

- **Recently**, the Reserve Bank of India (RBI) has extended the guidelines on LEI to large borrowers of Non-Banking Financial Companies (NBFCs) and Primary (Urban) Co-operative Banks (UCBs).
- It also advised that non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks and financial institutions (FIs) shall be required to obtain LEI codes as per the given timeline.
- As per the timeline, the borrowers having exposure of ₹25 crore are required to obtain LEI by April 30, 2023.
- Borrowers who fail to obtain LEI codes from an authorized Local Operating Unit (LOU) shall not be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure.
- However, departments/agencies of Central and State Governments (not PSUs registered under Companies Act or established as Corporation under the relevant statute) shall be exempted from this provision.

**Reference**


1. https://www.livemint.com/news/india/rbi-extends-legal-entity-identifier-for-larger-borrowers-of-nbfcs-ucbs-11650557801386.html
2. https://www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei



SHANKAR IAS PARLIAMENT
Information is Empowering