Prelim Bits 25-01-2017

Varishtha Pension Bima Yojana

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- It is a part of Government’s commitment for financial inclusion and social security.
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- The scheme will be implemented through Life Insurance Corporation of India (LIC).
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- It is to provide social security to elderly persons aged 60 years and above by giving an assured pension at a guaranteed rate of 8% per annum for 10 years.
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- The differential return, i.e., the difference between the return generated by LIC and the assured return of 8% per annum would be borne by Government of India as subsidy on an annual basis.
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Industrial Licensing

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- The Ministry of Home Affairs will issue the industrial licences for defence manufacturing which includes electronic aerospace and defence equipment.
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- Previously it was issued by Department of Industrial Policy and Promotion (DIPP) under Ministry of Commerce and Industry.
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- The participation of private sector in defence manufacturing was allowed since 2001 subject to licensing from DIPP under Industries (Development and Regulation) Act, 1951.
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- However with the notification of Arms Rule, 2016, Items configured for military use will be handled by Home Ministry instead of DIPP.
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Department of Industrial Policy and Promotion

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- The department is responsible for formulation and \n\n
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    - Implementation of India’s Industrial Policy.
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    - Amendment of the FDI policy.
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    - Industrial Promotion by Implementing Infrastructure Up gradation Scheme (IIUS).
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    - Implementation of Intellectual property Rights Policy.
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- It is also the nodal Department for coordinating and implementing programmes with United Nations Industrial Development Organization (UNIDO) in India.
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- The Statutory bodies under DIPP\n
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    - Intellectual Property Appellate Board
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    - Petroleum and Explosives Safety Organisation (PESO)
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- The following are the 6 industries which require compulsory licensing\n
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    - Arms and ammunition, explosives and allied items of defence equipment,
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    - Defence aircraft and warships,
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    - Atomic substances,
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    - Narcotics and psychotropic substances,
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    - Hazardous chemicals, distillation and brewing of alcoholic drinks,
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    - Cigarettes/cigars and manufactured tobacco substitutes.
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Coal Cess

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- In order to financially support clean energy initiatives, Coal Cess on domestically produced and imported coal, lignite and peat production was introduced by the Government.
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- The National Clean Energy Fund (NCEF) was created in 2010, under the **Ministry of Finance** by pooling the collected Coal Cess.
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- An Inter Ministerial Group (IMG) chaired by Finance Secretary approves the projects/schemes eligible for financing under the NCEF.
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- The major share of the NCEF fund was allocated to Ministry of New and Renewable Energy and it also includes funding projects from other ministries such as Namame Gange, Climate Change Action Plan and conservation of ecosystem, wildlife habitats, conservation of tigers & elephants, etc.,
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- NCEF was renamed as “Clean Environment Fund” during 2015-16 budget.
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Investor – State Dispute Settlement (ISDS)

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- ISDS is an instrument of international public law, it is a neutral international arbitration procedure.
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- ISDS seeks to provide an impartial, law-based approach to resolve conflicts.
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- It is a system through which individual companies can sue countries for alleged discriminatory practices.
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- It is contained in a number of bilateral investment treaties, in certain international trade treaties, such as NAFTA (chapter 11), and the proposed TPP (chapters 9 and 28) and CETA (sections 3 and 4) agreements.
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- ISDS is also found in international investment agreements, such as the Energy Charter Treaty.
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- If an investor from one country (the "home state") invests in another country (the "host state"), both of which have agreed to ISDS, and the host state violates the rights granted to the investor under public international law, then that investor may bring the matter before an arbitral tribunal.
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Trade Facilitation Agreement

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- The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit.
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- It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.
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- It further contains provisions for technical assistance and capacity building in this area.
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- In December 2013, WTO members concluded negotiations on a Trade Facilitation Agreement at the Bali Ministerial Conference, as part of a wider “Bali Package”.
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- In line with the decision adopted in Bali, WTO members adopted on 27 November 2014 a Protocol of Amendment to insert the new Agreement into Annex 1A of the WTO Agreement.

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- The Trade Facilitation Agreement will enter into force once two-thirds of members have completed their domestic ratification process.
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- India has ratified the Trade Facilitation Agreement (TFA) of the World Trade Agreement (WTO) and is the 76th WTO member to accept the TFA.
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Base Erosion and Profit Shifting (BEPS)

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- It is a tax avoidance strategy used by multinational companies, wherein profits are shifted from jurisdictions that have high taxes (such as the United States and many Western European countries) to jurisdictions that have low (or no) taxes (so-called tax havens).
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- BEPS can be achieved through the use of "transfer mispricing" (contracting between subsidiaries in different jurisdictions at prices that are not arm's length).
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- The term is used in a project headed by the OECD which produced detailed reports in September 2014 in response to seven actions agreed previously.
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