

Freebies vs Welfare

- 'freebies' not only include the free distribution of what may be considered 'club goods' such as televisions and gold chains but also welfare schemes such as free or subsidised rations under the Public Distribution System (PDS), cooked meals under the mid-day meal scheme, supplementary nutrition through anganwadis, and work provided through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- Subsidized food grains distributed under the PDS not only contribute to ensuring basic food security but also act as an implicit income transfer allowing the poor to afford commodities that they otherwise could not.
- Further, the PDS also plays an important role in our country where public procurement at minimum support prices (MSPs) is one of the main instruments of support to farmers.
- Welfare schemes that are repeatedly berated as adding to the 'subsidy' burden of the state also contribute to human development and protection of the basic rights of the people to nutrition, work, etc., essentially the right to life with dignity.
- MGNREGA for instance has been another scheme which has been a lifeline for many during the pandemic and earlier.
- It is important to recognize that most welfare schemes contribute to improving human development outcomes, which also results in higher economic growth in future
- Around ₹1 lakh crore is the revenue forgone annually as a result of 'major tax incentives for corporate tax payers.
- Putting together all tax exemptions and concessions, including on foreign trade and personal income taxes, the revenue forgone.

THE HINDU

Crypto regulation

- Crypto is an Internet native asset not limited by geographical boundaries.
- To transfer crypto, one does not need a pipeline or shipping container.
- A steady Internet connection and some elemental knowledge of crypto services are what are that needed will allow anyone in the world to transfer crypto assets.
- Further, crypto assets are not issued or controlled by any enterprise.
- There are a little over 19 million bitcoins in circulation at present, out

of the total capped supply (hence, the scarcity) of 21 million bitcoin.

- The European Parliament and Council, the legislative arms of the European Union, came to a provisional agreement on long-awaited regulations on crypto, namely, the Regulation of Markets in Crypto-Assets, or MiCA.
- The General Data Protection Regulation, or GDPR, first published in 2016 and implemented in 2018, marked a turning point on consumer data protection and privacy not just in Europe but the world over.
- The GDPR introduced a framework for seeking user consent and introduced several progressive rules such as the right to forget.
- MiCA proposes to regulate crypto asset services and crypto asset issuers.
- By regulating these entities, Europe intends to provide consumer protection, transparency, and decentralized regardless of the decentralized nature of the technology.
- For instance, under MiCA, crypto asset service providers will be liable in case they lose investors' assets, and will be subject to European market-abuse regulations, including those on market manipulation and insider trading.
- Then, MiCA goes further to put forth specific regulations for stable coins,

rightly demarcating them from other crypto assets.

- Under the proposed rules, issuers of stable coin asset-referenced tokens is the term it uses are subject to a greater degree of compliance and declaration.
- Under MiCA, stable coin issuers must maintain reserves to cover all claims of the coins, and should implement a process for immediate redemption if and when holders seek one.

What Is a Stable coin?

- Stable coins are cryptocurrencies the value of which is pegged, or tied, to that of another currency, commodity or financial instrument.
- Stable coins aim to provide an alternative to the high volatility of the most popular cryptocurrencies including Bitcoin (BTC), which has made such investments less suitable for wide use in transactions.

THE HINDU

Antarctica Treaty and system

- The Antarctic Treaty was signed in Washington on 1 December 1959 by the twelve nations that had been active during the IGY (Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, United Kingdom, United States and USSR).

- The Treaty, which applies to the area south of 60° South latitude, is surprisingly short, but remarkably effective.
- Through this agreement, the countries active in Antarctica consult on the uses of a whole continent, with a commitment that it should not become the scene or object of international discord.
- In its fourteen articles the Treaty:
 - Stipulates that Antarctica should be used exclusively for peaceful purposes, military activities, such as the establishment of military bases or weapons testing, are specifically prohibited;
 - guarantees continued freedom to conduct scientific research, as enjoyed during the IGY;
 - promotes international scientific cooperation including the exchange of research plans and personnel, and requires that results of research be made freely available;
 - sets aside the potential for sovereignty disputes between Treaty parties by providing that no activities will enhance or diminish previously asserted positions with respect to territorial claims, provides that no new or enlarged claims can be made, and makes rules relating to jurisdiction;
 - Prohibits nuclear explosions and the disposal of radioactive waste;
- Provides for inspection by observers, designated by any party, of ships, stations and equipment in Antarctica to ensure the observance of, and compliance with, the Treaty;
- Requires parties to give advance notice of their expeditions; provides for the parties to meet periodically to discuss measures to further the objectives of the Treaty; and
- Puts in place a dispute settlement procedure and a mechanism by which the Treaty can be modified.
- The Antarctic Treaty System
- The Antarctic Treaty System comprises the Treaty itself and a number of related agreements. It also includes a range of organisations that contribute to the work of the decision-making forums.
- In addition to the related agreements (described below), the Treaty System includes the recommendations, measures, decisions and resolutions of the Consultative Meetings relating to matters such as: scientific cooperation; protection of the Antarctic environment; conservation of plants and animals; preservation of historic sites;
- Designation and management of protected areas; management of tourism; information exchange; collection of meteorological data; hydrographic charting; logistic

cooperation; and communications and safety.

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Sec (45) of PMLA

The story so far:

- Recently, the Supreme Court in the case of Vijay Madanlal Chaudhary vs Union of India gave the judicial stamp of approval to the twin conditions of bail under Section 45(1) of the Prevention of Money Laundering Act, 2002 (PMLA). The conditions were contested as being arbitrary and draconian in as much as they reverse the presumption of innocence at the stage of bail.

What are the conditions under Section 45(1) of the PMLA?

- The PMLA was enacted with the objective to prevent money laundering.
- The Act provides for a higher threshold for the grant of bail as compared to the standard procedure under the Code of Criminal Procedure (CrPC).
- Section 45(1) of the PMLA requires that before a person is released on bail or bond, the public prosecutor must initially be given an opportunity to oppose the application and secondly, when the application is opposed, the court

must be satisfied that there are reasonable grounds for believing that the accused is not guilty of the offence and is not likely to commit any crime while out on bail.

Are there other Acts which impose such conditions?

- A similar provision is provided for in Section 43D(5) of the Unlawful Activities (Prevention) Act, 1967 which requires the court to provide an opportunity to the public prosecutor to oppose the bail application and to not release the accused on bail if there are reasonable grounds for believing that the accusation is prima facie true.
- Section 37(1) of the Narcotic Drugs and Psychotropic Substances Act, 1985 too is in pari materia with Section 45(1) of the PMLA. Previously, Section 20(8) of the Terrorist and Disruptive Activities Act, 1987 (TADA) also carried similar conditions for grant of bail.

THE HINDU

Trade deficit

- India's merchandise trade deficit widened sharply to a record \$31.02 billion in July.
- The Commerce and Industry Ministry attributed the decrease in exports largely to a 7.07% fall in

petroleum products, followed by a 28.3% decline in cotton yarn and handloom products, a 94.3% slump in iron ore and a 2.5% dip in engineering goods.

- While coal and petroleum products continued to drive up imports, like they did in June, silver imports shot up exponentially in July.
- Petroleum imports rose 70.4%, while inward shipments of coal jumped 164.4% to cross \$5.1 billion from just a little less than \$2 billion a year earlier.
- Silver imports were up 9,331%, and electronics goods also escalated 27.8%, the Ministry said.
- Gold imports, however, dropped sharply, both on a year-on-year and sequential bases
- “Lower commodity prices should temper the trade deficit going ahead, although the strength of merchandise and services exports in the face of the global slowdown fears remains crucial.

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