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Doing it again like:

- **A Master Check List**
- **Some Topics**

Do Cover these Concepts - 4

External Sector

1. Balance of Payment
2. Current Account
3. Capital Account
4. Reserves
5. Current Account Deficit (CAD) or Surplus (CAS)
6. BoP Crisis
7. External Debt
8. Foreign Investments
9. FII Vs FDI
10. Who can get registered as FII
11. Where all can FIIs invest
12. Foreign Portfolio Investors
13. Categories of FPI
14. Qualified Foreign Investor (QFI)
15. Participatory Note
16. Concerns related to P-Notes
17. Broad based fund
18. Fixed Currency Regime
19. Floating Currency Regime
20. Managed Exchange Rates

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21. Exchange Rate in India
22. Depreciation
23. Appreciation
24. Devaluation
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26. NEER & REER
27. Convertibility of currency
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38. Restricted List and Negative List
39. Indian Basket Price of Crude Oil
40. International Financial Service Centre (IFSC)
41. National Investment and Infrastructure Fund (NIIF)
42. Invest India
43. India Brand Equity Foundation (IBEF)

Some Important Updates for This Year

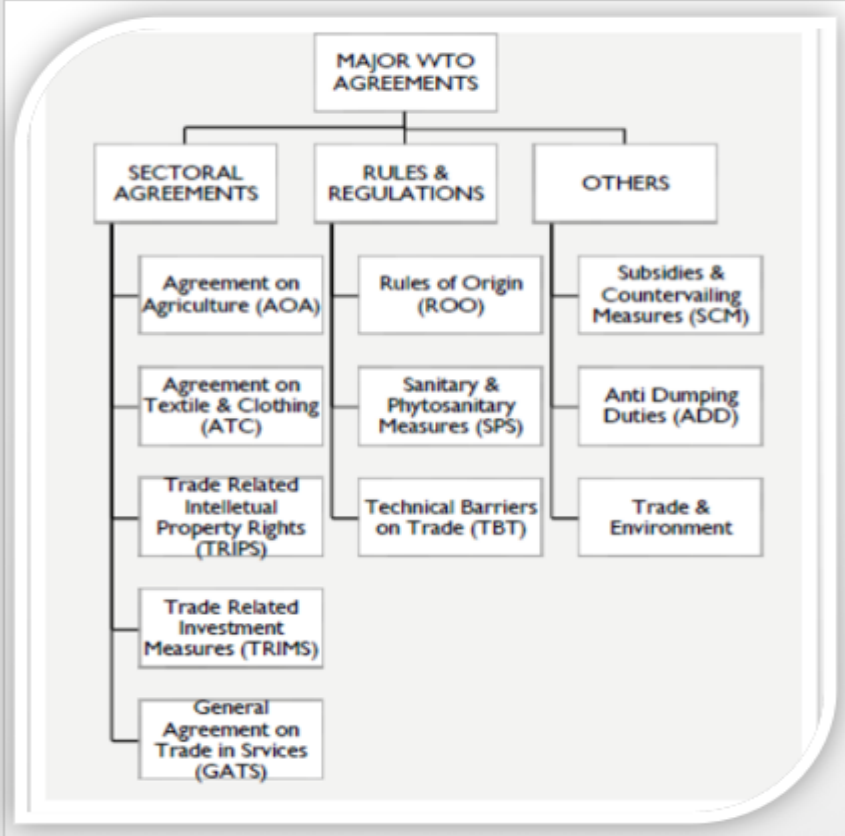
1. Rupee, NDF & GIFT
2. Rupee Derivatives in GIFT-IFSC
3. Globalisation & COVID-19

4. MCX Crude Futures Crisis
5. Rising FOREX and ECBs
6. Remittances
7. Exim Bank
8. Line of Credit
9. GSP Trade Privilege
10. Bangladesh's first Preferential Trade Agreement (PTA)
11. Invest India & UN Investment Promotion Award
12. Sovereign Fund Flow
13. US, India & Currency Watchlist

Do Cover these Concepts - 5

Global Institutions

- WTO
- Non-Discrimination
- Most Favoured Nation
- National Treatment
- Freer Trade
- Predictability
- Promoting fair competition
- Encouraging Development and
- Economic Reforms
- Major WTO Agreements
- Modes of GATS
    - Mode 1: Cross border
    - Mode 2: Consumption abroad
    - Mode 3: Commercial presence
    - Mode 4: Movement of natural persons



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- TRIMS
- SPS Measures
- AoA
- Boxes of WTO
    - Amber
    - Blue
    - Green
    - Development Box
- Doha Development Agenda
- IPA Section 84(1) – Compulsory Licensing
- IPA Section 3D – Evergreening
- Special 301 Report
- Important Meets of WTO
    - Bali 2013
    - Nairobi 2015
    - Buenos Aires 2017
    - The 12th Ministerial Conference (MC12) December 2021 in Geneva, Switzerland.
    - MC12 was originally scheduled to take place in June 2020 in Kazakhstan's capital, Nur-Sultan, but was postponed due to the COVID-19 pandemic.
    - The Conference will be chaired by Kazakhstan's Minister of Trade and Integration, Bakhyt Sultanov, as approved by WTO members in December 2019.
- India's Isssues at WTO

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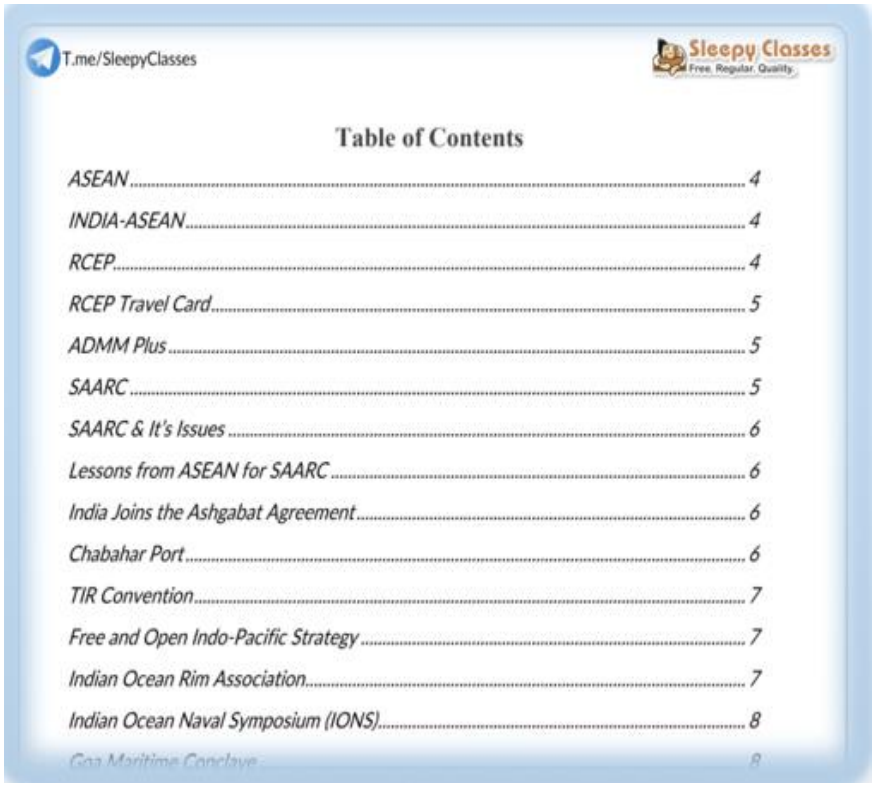

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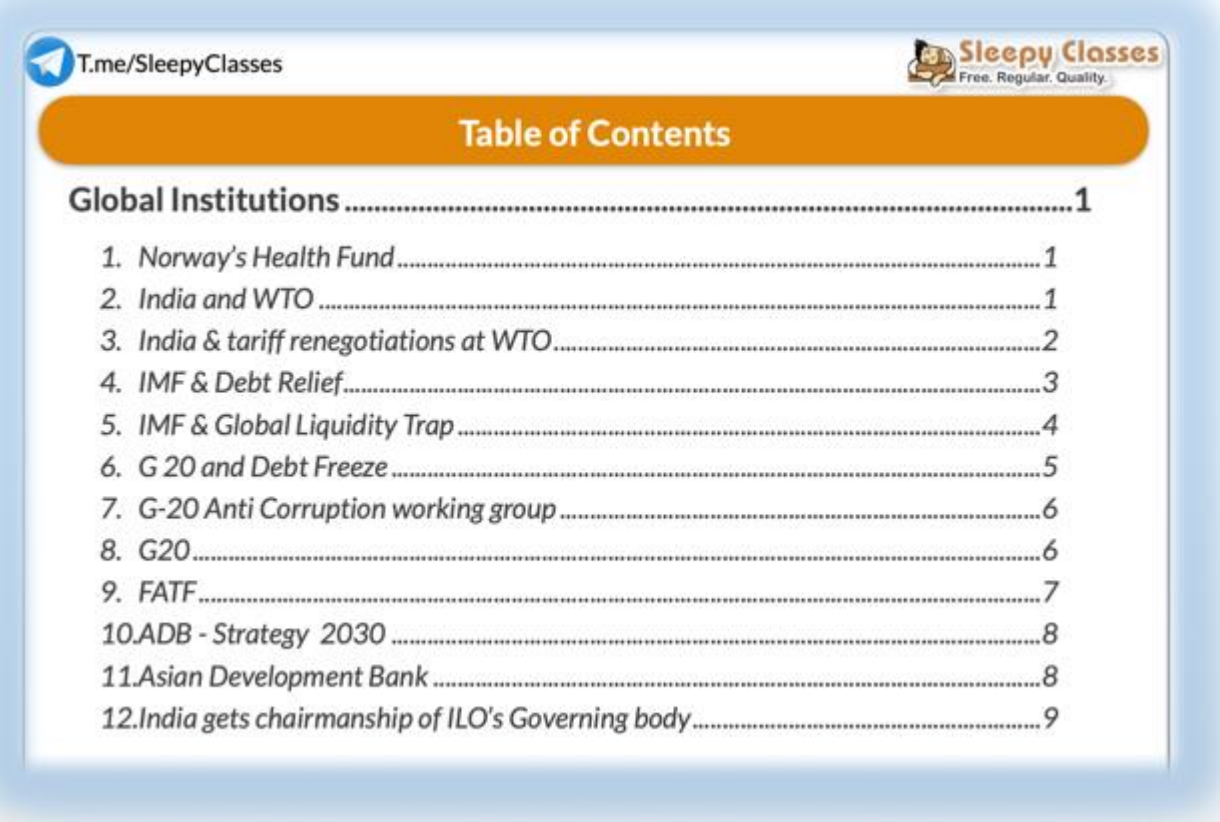

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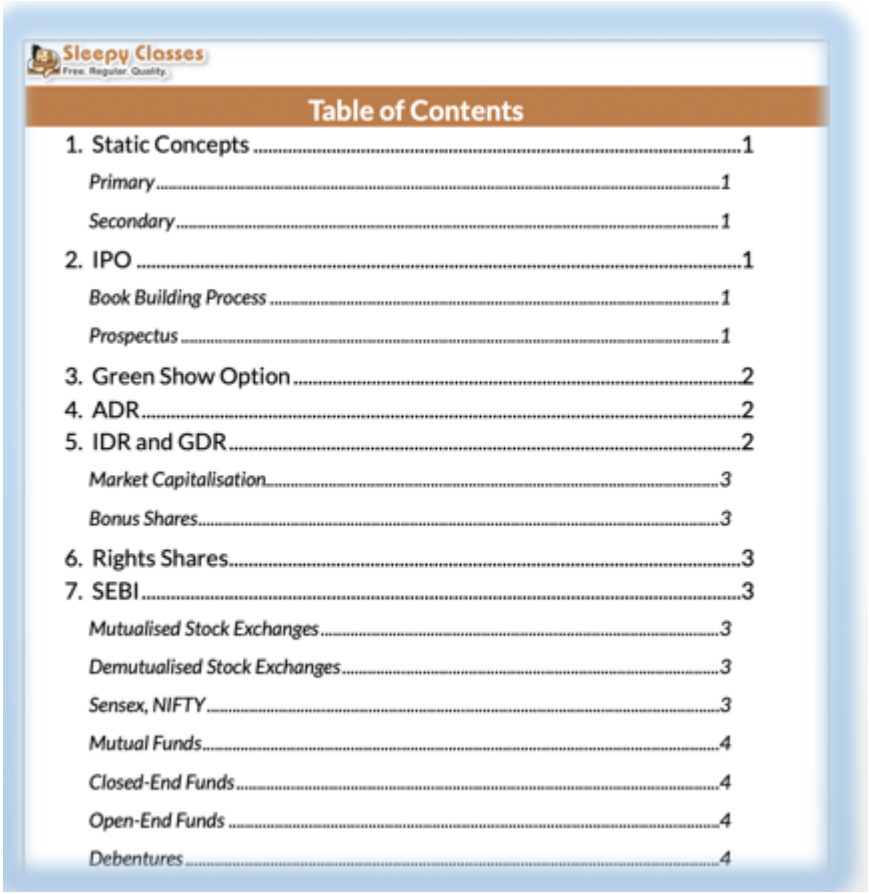

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Some Topics in Detail

DGFT Trade Facilitation App

About DGFT

- DGFT is Directorate General of Foreign Trade.
- DGFT is the government body that implements the foreign trade policy of India.
    - It promotes exports of India.
    - It operates under Ministry of Commerce and Industry.
    - It is headed by the Director-General. He or she is the head of Indian Trade Services.
    - DGFT was known as the Chief Controller of Imports and Exports till 1991.
- DGFT was formed as a part of Economic Reforms in 1991 when the Liberalisation, Globalisation and Privatisation policies began in India.
- It provides licenses to the import and export businesses in India.
- It holds complete data about the importers and exporters in the country.
- It provides EIC number.
    - EIC is Exporter Importer Code. It is a ten- digit number that is needed for all people conducting import or export business in the country.

- It regulates and permits the transit of goods between India and its neighbours according to the bilateral agreements.
- It controls the DEPB rates. DEPB is Duty Entitlement Pass Book.
- It is an export incentive scheme of Government of India.

NBFC Get Nod to Function in GIFT

Non-bank finance companies, both local and global, can now start operations in Gujarat's GIFT City

- They will be allowed to offer the whole range of services — loans, exotic derivative trades, investment banking, and third-party product sales.
- The move by the International Financial Services Centre (IFSC), the regulator of the special economic zone, should draw top financial services companies from across the world, helping localise services that are typically offered overseas.
- An entity shall commence business as a Finance Company or Finance Unit, as the case may be, in International Financial Services Centres (IFSCs) only after obtaining a certificate of registration from the Authority.
- A Finance Company can be set up either as a subsidiary or a joint venture, or as a newly-incorporated company under the Companies Act, 2013.
- Those entities can be set up at IFSC through a single-window clearance under the unified regulator – IFSCA.
- The move will also help large local NBFCs seeking global exposure.

Seven core activities are permitted

- While a company can lend in the form of loans, commitments and guarantees, securitisation, and sale or purchase of portfolios, it can undertake investments, including subscribing, acquiring, holding, or transferring securities or such other instruments.
- Equipment leasing is also allowed with Finance Companies that can run global or regional corporate treasury operations.
- Under non-core activities, FCs can run portfolio management services, merchant banking services, investment advisories, and trusteeship services.
- They can sell units of mutual funds and insurance products via the same platform.
- Asset Management support services can also be undertaken through the Framework for Ancillary Services.

Boao Forum

- The Boao Forum for Asia was initiated in 2001 by 25 Asian countries and Australia (increased to 28 in 2006).
- It is a non-profit organisation.
- It has provided a high-end platform for political, business and academic leaders in Asia and the world.
- It is modelled on the World Economic Forum held annually in Davos, Switzerland.
- The Forum is committed to promoting regional economic integration and bringing Asian countries even closer to their development goals.

The opening ceremony of the Boao Forum for Asia Annual Conference 2021 was held in Boao, south China's Hainan Province

- The theme was "A World in Change: Join Hands to Strengthen Global Governance and Advance Belt and Road Cooperation."
- In terms of purchasing power parity, Asia's share in the global economic aggregate in 2020 reached 47.3 percent, up 0.9 percentage points from 2019, indicating the increasing role of Asia in the global economy.
- In particular, the signing of the Regional Comprehensive Economic Partnership Agreement (RCEP) in November 2020 has been injecting strong momentum into regional and global economic growth, which is expected to give renewed impetus to further accelerate the negotiation of free trade agreements in Asia.

Oxygen Devices Import Rules

Legal Metrology (Packaged Commodities) Rules, 2011

- The Legal Metrology (Packaged Commodities) Rules, 2011, make it mandatory to get the approvals prior to the import.
- The devices that are given this concession are nebulisers, oxygen concentrators, continuous positive airway pressure devices, bilevel positive airway pressure devices, oxygen concentrators along with flow meter, regulator, connectors and tubing and others.
- This exemption would also be available to oxygen canisters, oxygen filling systems, oxygen cylinders, including cryogenic cylinders, oxygen generators, devices and parts used for ventilation as well as different types of oxygen generation plants and parts used for setting them up.

- The importers, however have been told to inform all such imports along with the quantity of import to Director (Legal Metrology) and the controller (Legal Metrology) in the States where the import is made, immediately after the import.

Legal Metrology Act 2009

- The Department of Consumer Affairs, administers the Legal Metrology Act 2009.
- The act provides for application of legal requirements to measurements and measuring instruments.
- The objective of Legal Metrology is to ensure public guarantee from the point of view of security and accuracy of the weighments and measurements.
- The Legal Metrology (Packaged Commodities), Rules 2011 are primarily intended to ensure that the consumers are able to make informed choices by being informed of essential declarations on the pre- packed commodities.

Remittances

India received $83 billion in remittances in 2020

- India received over USD83 billion in remittances in 2020, a drop of just 0.2 per cent from the previous year, despite a pandemic that devastated the world economy, according to a World Bank report.
- China, which received USD 59.5 billion in remittances in 2020 against USD 68.3 billion the previous year, is a distant second in terms of global remittances.
- In 2019, India had received USD83.3 billion in remittances
- India and China are followed by Mexico (USD42.8 billion), the Philippines (USD34.9 billion), Egypt (USD29.6 billion), Pakistan (USD26 billion), France (USD24.4 billion) and Bangladesh (USD21 billion)
- The World Bank, in its latest Migration and Development Brief, said despite COVID-19, remittance flows remained resilient in 2020, registering a smaller decline than previously projected. Remittances outflow from India in 2020 was USD7 billion, against USD7.5 billion in 2019.

Social Security Agreements

SSAs

- SSA is a bilateral agreement between India and a foreign country designed to protect the interests of cross border workers.
- The agreement provides for avoidance of 'double coverage' and ensures equality of treatment to workers of both countries from a social security perspective.
- As on date, India has signed SSAs with 18 countries.

Benefits of SSAs

- Avoiding making of double social security contributions by the workers (detachment).
- Easy remittance of benefits (Exportability).
- Aggregating the contribution periods (in two countries) to prevent loss of benefits (Totalization).
- Provide for disability insurance benefits to the Indian nationals working abroad.

BRICS Employment Working Group (EWG) Meeting

- Secretary, Labour and Employment chaired the 1st BRICS Employment Working Group (EWG) Meeting in virtual format.
- India has assumed BRICS Presidency in 2021.
    - The prime agenda for the discussions were Promoting Social Security Agreements amongst BRICS Nations, Formalization of labour markets, Participation of women in labour force and Gig and platform workers – Role in labour market.
    - Social Security Agreement would help the international workers to port their benefit to their home countries thereby preventing loss of their hard earned money.
    - Further they will be exempted from contributing both in home as well as host countries.
    - On the issue of formalization of labour market, Member Nations discussed various initiatives taken by them towards formalization of jobs and how Covid-19 has enhanced informalization risk.

Minimum and Floor Wages

Labour Ministry sets up expert group to fix minimum and floor wages

- The Ministry of Labour & Employment has constituted an expert group led by Prof Ajit Mishra, Director, Institute of Economic Growth to provide technical inputs and recommendations on fixation of Minimum Wages and National Floor Minimum Wages.
- A floor wage is a minimum wage established by law.
    - It functions as a benchmark for wages in order to ensure that the wages do not fall below the set limit.
    - It is applicable to all the categories of workers across the country.
- Minimum wages, on the other hand, varies across different categories of workers.

Singapore's VCC model

India considers Singapore's VCC model to get funds for GIFT City

- India is likely to adopt Singapore's Variable Capital Company model for investment funds at the International Financial Services Centre (IFSC) in Gujarat's GIFT City --- with a separate legislation that is not part of the Companies Act, 2013, for the same.
    - An IFSC appointed-committee headed by Dr KP Krishnan submitted a report on the feasibility of a VCC structure at IFSC after evaluating structures in jurisdictions such as the UK, Singapore, Ireland and Luxembourg.
    - Singapore has succeeded with this model, with more than 200 VCCs established since January 2020 despite the coronavirus pandemic, according to reports.

VCC Model

- The VCC structure aims at doing away with the following limitations of other structures:
- It aims to enable:
    - Effective segregation and ring fencing of different pools of asset.
    - The ability to issue different classes of shares, altering the funds' capital structure without regulatory approvals.
    - The freedom to choose the appropriate accounting standards applicable to funds with different characteristics.
    - The ability to wind up quickly.

Singapore's VCC model

- The Singapore structure allows investment funds for traditional and alternative strategies.
- Such funds are either open or closed-ended.
- A VCC can be set up as a stand- alone entity, or as an umbrella entity with multiple sub-funds.
- Foreign corporate fund structures can be inward re-domiciled to Singapore as a VCC.
- Funds in India pool through limited liability companies governed under the Companies Act, 2013 or LLPs under the Limited Liability Partnership Act or trusts governed under the Indian Trusts Act, 1882.
- Such structures may not be ideal for fund management activities.
- Alternative investment funds (AIFs) operationalise in IFSC under the trust structure.

India considers Singapore's VCC model to get funds for GIFT City

Replicating the success of Singapore's VCC framework in India, however, may not be easy.

- Indian laws today do not recognize umbrella structures and any introduction of VCC-type structures would necessitate changes to the corporate, taxation and trust laws.
- Whether we need a separate law for setting up such a structure or amend the Companies Act itself is something that needs to be looked at.
- The VCC offers a lot of benefits under the Singaporean regulatory framework but whether similar benefits will apply for such structures under the Indian Companies Act needs to be assessed.
- The cost factor also needs to be borne in mind.

VCC model in GIFT City

In 2020, Singapore's VCC grant scheme helped defray costs involved in incorporating or registering a VCC by co-funding up to 70 per cent of eligible expenses paid to Singapore-based service providers. The grant was capped at about $111,160 for each application, with a maximum of three VCCs per fund manager.

- It is being recommended that VCC structure should be made available for AIFs set up in the mainland as well. This is to mitigate any unintended competition between them, and the AIFs set up at the IFSC.

- IFSC already provides concessions and tax benefits for fund managers to consider it as an option over mainland funds, he said
- Last year saw a slew of relaxations for the AIFs in IFSC with regard to diversification norms, co- investment and permissibility of leverage by PE/VC category of funds.
- A VCC structure, however, is touted to be a game changer for the investment funds industry.

GIFT City

- The Gujarat International Finance Tec-City (GIFT City) is a business district near Ahmedabad in Gujarat, India.
- It is India's first operational Greenfield smart city and international financial services centre, which the Government of Gujarat promoted as a Greenfield project.
- The city is located on the banks of the Sabarmati River.

International Financial Services Centres (IFSC)

- An IFSC caters to customers outside the jurisdiction of the domestic economy.
- Such centres deal with flows of finance, financial products and services across borders.
- London, New York and Singapore can be counted as global financial centres.

International Trade Finance Services platform (ITFS)

- The International Financial Services Centres Authority (IFSCA) has been set up vide IFSCA Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres (IFSCs).
- Towards this end, IFSCA has issued a framework for Setting up and operating International Trade Finance Services Platform (ITFS) for providing Trade Finance Services at International Financial Services Centres ('IFSCs').
- The framework will enable Exporters and Importers to avail various types of trade finance facilities at competitive terms, for their international trade transactions through a dedicated electronic platform viz, ITFS.
- This will help in their ability to convert their trade receivables into liquid funds and to obtain short term funding.

Trade Finance

- Trade finance is a broad term which covers several financial products that companies and bankers make use of to make transactions go through with no hassles.
- Products and financial instruments that a company uses in order to support international commerce and trade are referred to as trade finance.
- Trade finance facilitates exporters and importers to facilitate their trade and business transactions smoothly.
- The functional wing of trade finance is to bring in a third party to make transactions in order to take out the risk involved in supply and payment.
- Trade finance offers a means to the exporters to receive payments as per what is mentioned in the agreement when the importer is being provided with a credit in order to stand in their order.
- The following are some of the parties that are generally involved in trade finance – banks, insurance companies, exporters and importers, trade finance firms, credit agencies that are involved in export business, and service providers.
- The trade finance concept varies a lot from traditional credit issuance and financing. Regular financing is utilised to handle liquidity or solvency, while trade financing does not essentially point to a lack of liquidity and funds on the buyer's side.
- Trade finance is rather used to save oneself from the risks that are prevalent in international trade activities. The risks involved are the movement of foreign exchange rates, political changes, non-payment of dues, and so on.

LIC & Anchor Investors

LIC looks to raise up to ₹25,000 crore from anchor investors

- The government plans to bring in a clutch of anchor investors to invest up to ₹25,000 crore in the shares of Life Insurance Corp. of India (LIC) in its planned mega initial public offering (IPO).
- The country's largest insurer will also undergo a change in its board structure and adopt new accounting norms before the IPO.

Anchor Investors

- They are essentially brought in to enhance the confidence of investors and gauge the demand for the IPO in the market.

- Anchor investors are QIBs who agree to buy the company's shares at a particular price by applying to invest at least ₹10 crore in the IPO before it opens, according to the listing norms of the Securities and Exchange Board of India (Sebi).
    - As much as 50% of the shares of an IPO can be offered to QIBs.
    - Of this, up to 60% can be allocated to anchor investors.
    - One-third of this is reserved for mutual funds.
- Allocation to anchor investors is done on a discretionary basis for IPOs above ₹250 crore.
- There is no cap on the number of anchor investors and an additional 10 such investors are allowed for every additional ₹250 crore worth of issue size, in which ₹5 crore is minimum allotment required for each such investor.
- There is a lock-in of 30 days on shares for every anchor investor, according to Sebi.
- Anchor investors will buy LIC's shares to help measure market demand.
- They will buy a portion of the shares meant for qualified institutional buyers (QIBs).
- If anchor investors pay a certain amount and the market is ready to pay more than that on the day of IPO, the anchor investors will have to bring in the extra amount to match the market price.
- If the market shows a demand of less, no amount have to refund the extra amount to anchor investors. This is the benefit of having anchor investors.

Why LIC's IPO is important

- LIC is a crucial divestment for the government to get:
    - Non-tax revenue
    - Narrow the country's fiscal deficit
    - Compensate for budgetary expenses outlined by the exchequer.
- LIC, in which the government holds a 95% stake, is the largest insurer in the country with assets worth more than ₹34 trillion.
- LIC commands a market share of 67% in the life insurance space.
- At present, LIC pays 5% of the surplus to the government, while the remaining 95% goes to its policyholders.
- In comparison, private insurance firms pay 10% of surplus to shareholders and the rest goes to policyholders.

EU 'Authenticity Protocol'

India faces tricky new EU 'authenticity protocol' for Basmati rice

- The Food Authenticity Research Network, which is part of the European Commission, has done a detailed project on Basmati authenticity between 2016 and 2018.
- The focus of the project was "Basmati rice bulked up with cheaper alternatives".
- The Joint Research Centre of European Commission has been conducting research on Basmati authenticity for over a decade now, as EU is trying to set up a "New Basmati Authenticity Protocol".
- India is negotiating with the European Union (EU) to resolve with Pakistan its dispute over Protected Geographical Indication (PGI) status for Basmati rice.

Why this new EU 'authenticity protocol'

- Trade experts point out that the EU came up with this statement after India sought PGI status for its Basmati rice.
- India had 11 varieties of Basmati rice that were validated through DNA testing protocol in 2005 when the EU Basmati Import Regime was modified through negotiations on General Agreement on Tariffs and Trade (GATT) Article XXVIII.
- Subsequently, India notified 24 more Basmati varieties.
- During the Indo-EU summit in 2017, India sought inclusion of additional Basmati rice varieties as per the Modification of Concession under GATT.
- Efforts were made to include additional varieties so that the PGI status can be given to all additional varieties.
- The question is, will the 24 varieties be scrutinised for authenticity and to see if they have links to the native traits.

CN (combined nomenclature) code

- On its part, the EU contends that if more new varieties enter Europe, it needs to identify whether they are Basmati or some other variety. It plans to come out with a new protocol for this.
- The EU plans to create a new protocol also because of the UK's "Brexit".
- From January 1, 2017, EU statistics began quantifying the share of aromatic rice (Basmati and others such as Jasmine) among its total imports.

- In order to facilitate this, it published the revision of the CN (combined nomenclature) code for aromatic/fragrant rice on October 28, 2016, and created new codes for aromatic rice.
- This is viewed as another reason for the EU's keenness for the new authenticity protocol.
- The situation is tricky because all additional Basmati varieties will have to pass the native trait tests.

CN (combined nomenclature) code

- Also, it is likely that Pakistan's varieties may not pass muster as the cultivation of the fragrant rice variety began only after Partition.
- India could have sought time with this in mind to ensure no problem crops up in the future.
- A joint application by both nations for PGI status to Basmati rice has also been suggested.

PGI Status

- It grants intellectual property rights for products linked to a geographic area where at least one stage of production, processing, or preparation takes place.
    - India's Darjeeling tea enjoys such a status.
- India had applied for the PGI status in August 2020 for the status that would give it sole ownership of the Basmati rice title in the European Union.
- Pakistan opposed the application in December.
- As per EU regulations, both countries had time till May 9 to settle the issue through talks but nothing has happened yet.
- Although it will be difficult for India to jointly apply for PGI status along with Pakistan.
- Because in August 2020, Pakistan had changed its map to include Jammu and Kashmir.
- When both nations apply for a joint status, Pakistan would be presenting Jammu and Kashmir as its integral part where Basmati rice is grown. India, too, will include Jammu and Kashmir.
- This will create problems for both but more importantly, in the case of joint application it would look as if India is endorsing Pakistan's map showing Jammu and Kashmir as its integral part.

- Until the Indian government finds a solution on this issue, the option of a joint application is ruled out.
- Trade experts say that India could probably speed up the negotiations with the EU to get a special status for its Basmati rice.

Record Levels of Forex

India fourth largest forex reserves holder

- India's foreign exchange reserves crossed $600 for the first time.
- As on June 4, 2020, the foreign exchange reserves stood at $605 billion, almost tying with Russia as the fourth largest reserve holder in the world.
- While India's forex reserve was $605.008 billion, Russia's was $605.2 billion.
- It took just about a year for the reserves to rise by $100 billion.
- This improves India's import cover substantially.
- At the end of December 2020, the foreign exchange reserves cover of imports increased to 18.6 months.
- The ratio of short-term debt (original maturity) to reserves has declined to 17.7 per cent at end- December 2020.

Why have forex reserves

- The idea behind accumulation of reserves has been that it should work as a buffer when there is a taper tantrum like event.
- These are indicative of better elbow room for the RBI if there is a flight of capital.
- The RBI must have enough forex reserves to stem a sudden rupee fall, should there be a taper tantrum like event as witnessed in 2013.
- However, the fast accumulation of reserves has made India be clubbed with other nations in the 'currency manipulator' watchlist of the US government.
- India however has maintained that the reserves are an insurance for the emerging markets and India will continue to accumulate reserves as needed.
- The reserves are invested in foreign assets, such as US treasury bonds.
- However, in a low yield environment, the RBI is also struggling to generate enough returns on its investments.

- **India's Forex Reserve include:**
    - Foreign Currency Assets
    - Gold reserves
    - Special Drawing Rights
    - Reserve position with the International Monetary Fund (IMF)

itat e-dwar

e-filing portal of Income Tax Appellate Tribunal, itat e-dwar

- Union Law Minister formally launched the e-filing portal of Income Tax Appellate Tribunal (ITAT), 'itat e- dwar
- The portal will enable online filing of appeals, applications and documents by various parties.

Largest export partners of India

China is now second largest export partner of India

- China replaced the UAE as the second largest export destination for India in fiscal 2021, with outbound shipments to the neighbouring country rising 27.53% to $21.18 billion in the pandemic year.
- The US remained the country's top export partner, according to government data, but shipments declined 2.78% to $51.63 billion in a year when India's merchandise trade — both exports and imports — fell amid global lockdowns and disruption to logistics due to the pandemic.

China is now second largest export partner of India

- Iron ore, organic chemicals and petroleum were the top exports to China in the year ended March 31.
- Exports to China increased last fiscal year despite tensions between New Delhi and Beijing over border skirmishes.
- Hong Kong, Bangladesh and Singapore were the other top markets for India last fiscal year.
- China's share in India's export basket rose to 7.29% in FY21 from 5.3% the year before.
- Farm products followed by pharmaceuticals drove exports last fiscal year.

- India's imports from China declined marginally, but its share of total imports increased.
- India aims to post $400 billion of merchandise exports in the ongoing FY22. Exports in FY21 shrank 7.3% to $290.6 billion while imports fell 18% to $389.2 billion, leading to a trade deficit of $98.6 billion.
- Meanwhile, the growth in India's pharmaceutical exports at 10% in 2016-20 has outpaced the 8% global growth of imports.
- As per the World Trade Organization, the volume of world merchandise trade is expected to increase 8% in calendar year 2021 after having fallen 5.3% in 2020.

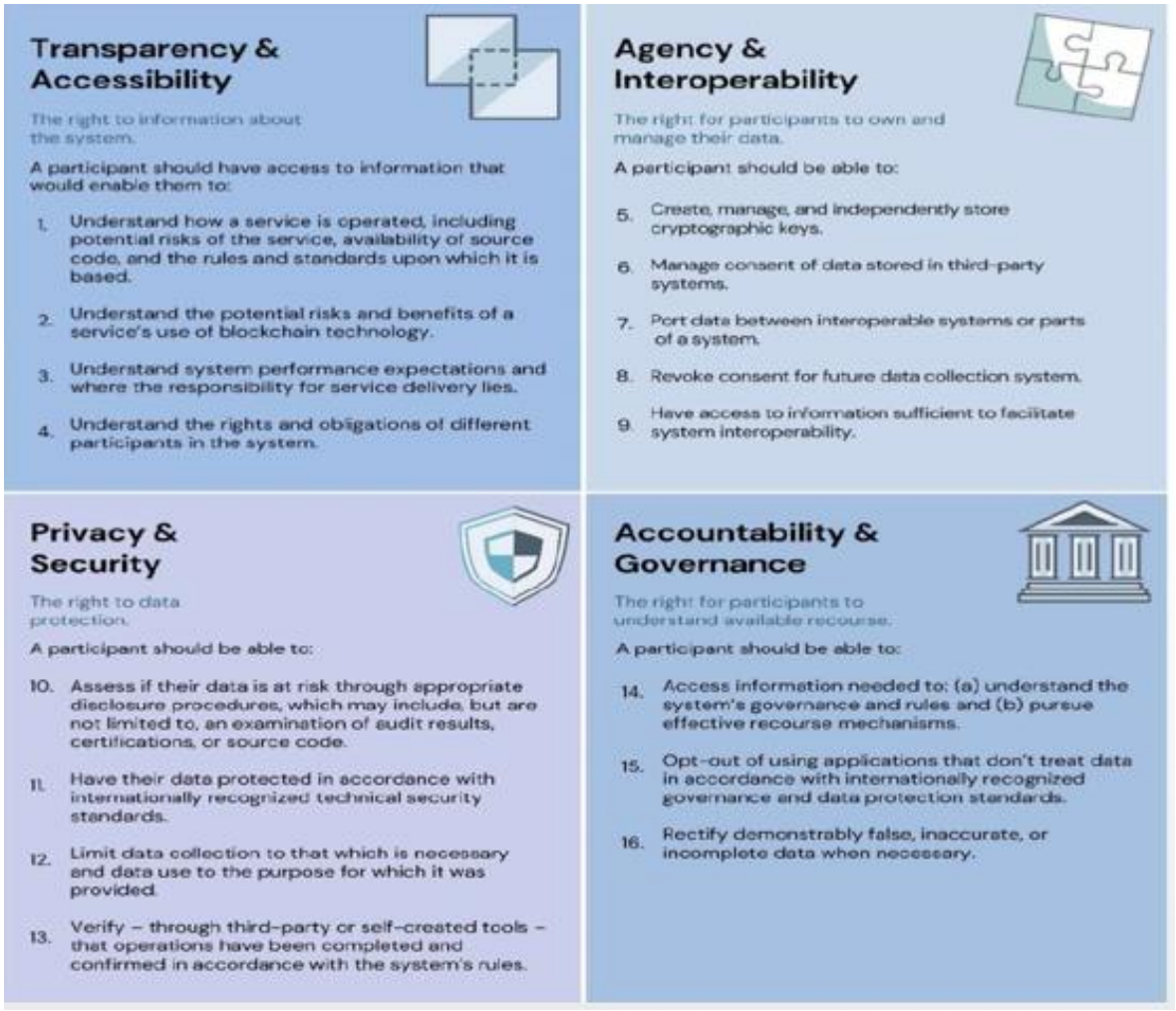
India's top 5 Export Destinations

Bangladesh is now among India's top 5 export destinations

- Bangladesh has surpassed Hong Kong to become India's fourth biggest export destination and climbed four notches to fare in the country's top five export destinations in 2020-21 because of New Delhi's diplomatic efforts, logistical ease and a robust demand for Indian farm produce.
- India, which follows the April-March financial year, saw Bangladesh at the fifth position in its list of top export destinations for FY-21, a jump from the ninth rank in 2019-20, with an annualised growth of 10.83% to $9.09 billion.
- The top four export destinations in 2020-21 are the US ($51.63 billion), China ($21.2 billion), UAE ($16.68 billion) and Hong Kong ($10.15 billion).
- One of the reasons for increased export to Bangladesh is relatively fewer disruptions in movement of goods to the country compared to other export destinations in the US and Europe due to Covid restrictions.
- A combination of three factors helped in rising exports to Bangladesh – diplomatic efforts, logistics in terms of rail and waterways, and demand for agricultural items.
- Land customs stations and other border facilities too have been upgraded and there is greater coordination between the two sides.
- Dhaka had also benefited from concessions under the South Asian Free Trade Area (SAFTA).

Presidio Principles

- The World Economic Forum's Global Blockchain Council drafted the following principles to help safeguard the promise of this Blockchain technology.
- The Presidio Principles are a bill of rights, a guidepost that provides a foundation for us align the technology we're building to the social values of the system we want to be a part of.
- The four Presidio Principles are:
    - Transparency & Accessibility – The right to information about the system
    - Agency & Interoperability – The right for individuals to own and manage their data
    - Privacy & Security – The right to data protection
    - Accountability & Governance – The right for participants to understand available recourse.



Currency Swap Arrangement

- The word swap means exchange.
- A currency swap between the two countries is an agreement or contract to exchange currencies with predetermined terms and conditions.
- Central banks and Governments engage in currency swaps with foreign counterparts to meet short term foreign exchange liquidity requirements or to ensure adequate foreign currency to avoid Balance of Payments (BOP) crisis till longer arrangements can be made.

Currency Swap Arrangement for SAARC

- In 2019, the Reserve Bank of India revised the framework on currency swap arrangement for SAARC countries till 2022.
- A currency swap between countries is an agreement to exchange currencies with predetermined terms and conditions.
- Under the framework for 2019-22, the central bank will continue to offer swap arrangement within the overall corpus of $2 billion.
- The framework is valid from November 14, 2019 to November 13, 2022.

Currency Swap Arrangement for Sri Lanka

- Sri Lankan President had in May 2020 asked Prime Minister Modi for a "special" $1.1-billion currency swap to help the country boost its foreign reserves.
- Sri Lanka thus banked on a $1 billion currency swap from India to meet its debt repayment obligations this year and tide over its current economic crisis.

Agriculture Export Facilitation Centre

India's first Agriculture Export Facilitation Centre launched in Pune

- India's first Agriculture Export Facilitation Centre (AFEC) established by the Mahratta Chamber of Commerce Industries and Agriculture (MCCIA) in association with the National Bank for Agriculture and Rural Development (NABARD).
- It was initially launched virtually on May 15, 2021.
- The physical facility is now open to potential exporters of agri-food products from Maharashtra and will serve as a one-stop destination to provide them with all possible assistance.

Department of Public Enterprise Merged

Govt merges Department of Public Enterprises with Finance Ministry

- The government has merged the Department of Public Enterprises (DPE) with the Finance Ministry.
- DPE has been added as serial F under allocation of business rules under the Finance Ministry.
    - FinMin will now have 6 departments with this addition.
    - This move will help the government in speeding up strategic divestment and privatisation of PSEs.
    - The Ministry of Heavy Industries and Public enterprises will be called the Ministry of Heavy Industries.
    - This will help in coordinating matters of general policy affecting all PSEs, rendering advice with reference to revival, restructuring and closure of PSEs.

UNESCAP's Global Survey on Digital & Sustainable Trade Facilitation

India & UNESCAP

- India has scored 90.32 per cent in United Nation's Economic and Social Commission for Asia Pacific, UNESCAP's latest Global Survey on Digital and Sustainable Trade Facilitation.
- The survey hails this as a remarkable jump from 78.49 per cent in 2019.
- India has achieved a 100 per cent score for the Transparency index and 66 per cent in the Women in trade component.
- The survey notes that India is the best performing country when compared to South and South West Asia region and Asia Pacific region.
- The overall score of India has also been found to be greater than many OECD (Organisation for Economic Co-operation and Development) countries including France, UK, Canada, Norway and Finland and the overall score is greater than the average score of EU.
- Central Board of Indirect Taxes and Customs, CBIC, has been at forefront of path breaking reforms under the umbrella of 'Turant' Customs to usher in a Faceless, Paperless and Contactless Customs by way of a series of reforms.
- The Global Survey on Digital and Sustainable Trade Facilitation is conducted every two years by UNESCAP.

Global Innovation Index

- It provides detailed metrics about the innovation performance of 131 countries and economies around the world.
- Its 80 indicators explore a broad vision of innovation, including political environment, education, infrastructure and business sophistication.
- It is published annually by Cornell University, INSEAD and the WIPO.
- 2020 Theme: Who will Finance Innovation?

ONDC

What is open network for digital commerce?

- ONDC aims at promoting open networks developed on open-sourced methodology, using open specifications and open network protocols independent of any specific platform.
- According to the ministry, ONDC is expected to digitise the entire value chain, standardise operations, promote inclusion of suppliers, derive efficiencies in logistics, and enhance value for consumers.
- In simple words, the ONDC initiative aims to promote open networks for all aspects of the exchange of goods and services over digital or electronic networks.
- ONDC will work for both products and services.

India and ONDC

- The central government is moving fast on its promise of creating an open network for digital commerce (ONDC), which aims to democratise digital commerce.
- The initiative is being spearheaded by the commerce and industry ministry and can bring bad news for large e-commerce companies like Amazon and Flipkart.
- The government has set up a nine-member advisory council to suggest the steps required for the adoption of ONDC.

A UPI of e-commerce?

- The commerce ministry said that ONDC is globally first-of-its-kind initiative that aims to democratise digital commerce, moving it from a platform-centric model to an open-network.

- Elaborating further, the ministry said that ONDC will enable, buyers and sellers to be digitally visible and transact through an open network, no matter what platform/ application they use.
- ONDC will empower merchants and consumers by breaking silos to form a single network to drive innovation and scale, transforming all businesses from retail goods, food to mobility, said the ministry.
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- The government also plans to establish an independent regulatory authority for e-commerce like Sebi.

Ubharte Sitaare Fund

- Union finance minister launched the Ubharte Sitaare Fund (USF) for export- oriented small and mid- sized companies and start-ups
- The fund, jointly sponsored by Exim Bank and SIDBI, has a size of Rs 250 crore with a green shoe option of Rs 250 crore.
- The fund will invest by way of equity, and equity-like products, in export- oriented units, both in the manufacturing and services sectors.
- Stating that the ambitious programme was to support the champion sectors.
- The fund is a mix of structured support, both financial and advisory services through investments in equity or equity like instruments, debt (funded and non-funded) and technical assistance (advisory services, grants and soft loans) to the Indian companies.

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