

# 02 Aug 2019: UPSC Exam Comprehensive News Analysis

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## A. GS1 Related

### Category: HISTORY

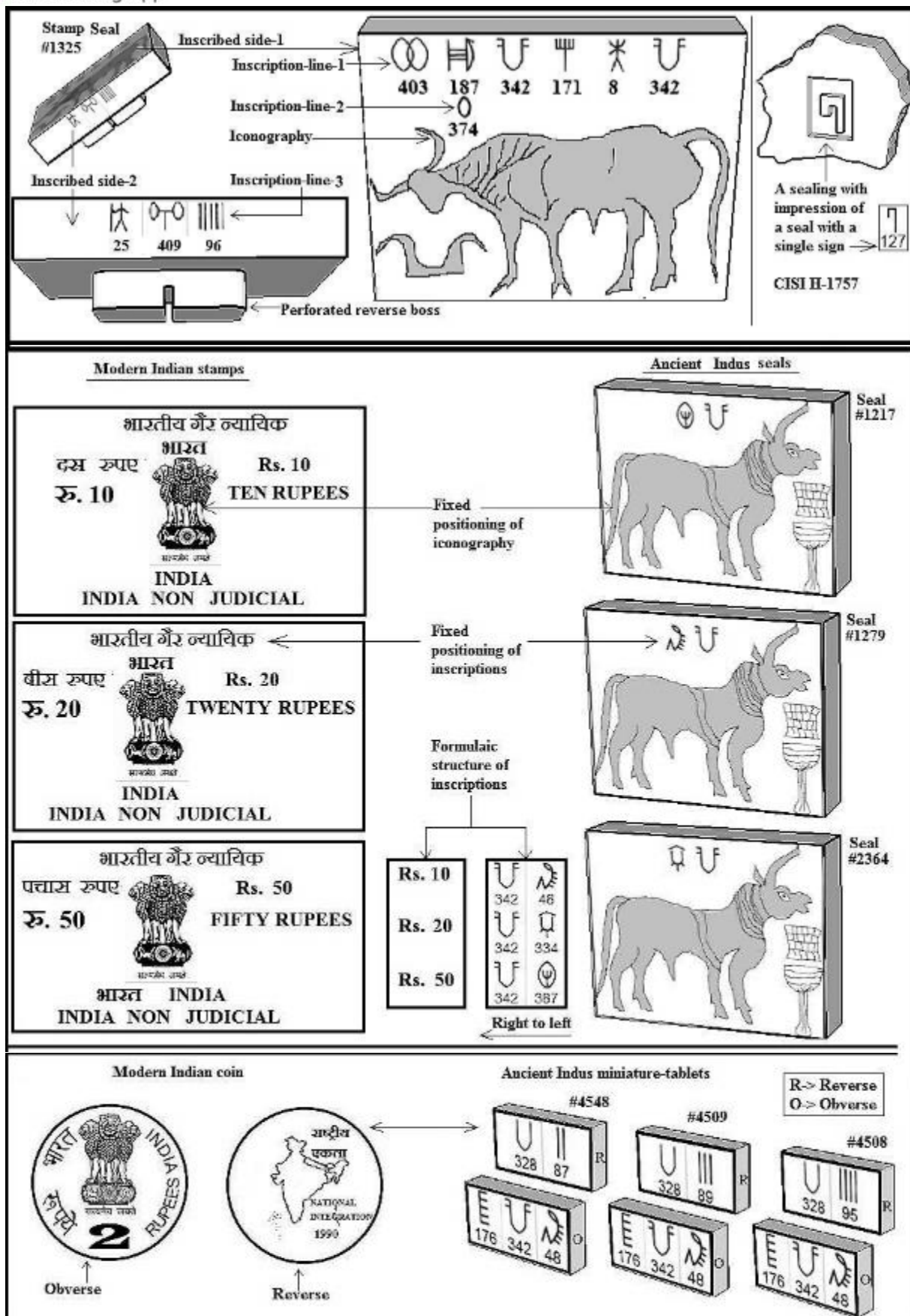
#### 1. [Indus Valley seals carried meaning like modern coins do, shows study](#)

#### Context:

A research paper titled Interrogating Indus inscription to unravel their mechanism of meaning conveyance, was recently published in Palgrave Communications, a Nature group journal.

#### Issue:

- Nearly 4,000 ancient Indus inscriptions such as inscribed objects, including seals, tablets, ivory rods, pottery shards, etc., have been discovered.
- These mysterious legacies of the Indus Valley civilization have not been deciphered due to
  - The absence of bilingual texts
  - Extreme brevity of the inscriptions
  - Ignorance about the language(s) encoded by Indus script.



### Details:

- The research paper mainly focuses on understanding how Indus inscriptions conveyed meanings, rather than on deciphering what they conveyed.

- The paper claims that a majority of the Indus Valley inscriptions were written logographically (by using word signs) and not by using phonograms (speech sounds units).
- It points out that the inscriptions can be compared to the structured messages found on stamps, coupons, tokens and currency coins of modern times.
- In the publication, signs are classified into nine functional classes.
- Epigraphic analysis claims that the inscribed seals and tablets were used in some administrative operation that controlled the commercial transactions prevalent in the trade-savvy settlements of the ancient Indus Valley Civilisation.
- It is said that these inscriptions can be compared to the messages found on stamps, coupons, tokens and currency coins of modern times, where we expect formulaic texts that encode certain type of information in some pre-defined ways, rather than freely composed narrative.
- A common perception among some scholars is that the Indus script is logo-syllabic, where one symbol can be used as a word sign at one time and as a syllable-sign at another. This method, where a word-symbol also gets sometimes used only for its sound value, is called the rebus principle. For example, you can combine the pictures of a honey bee and a leaf to signify the word “belief” (bee+leaf).
- However, according to the research paper, the inscriptions found on the Indus seals and tablets have not used rebus as the mechanism to convey meaning.

It is believed that this work could serve as a basis in the future for the deciphering of the script.

## B. GS2 Related

### Category: POLITY AND GOVERNANCE

#### 1. Lok Sabha passes Bill for death for rape of minors

##### Context:

- Members of the Lok Sabha have passed the Protection of Children from Sexual Offences (Amendment) Bill, 2019, providing for the death penalty for aggravated sexual assault on children.
- The bill was passed by the Rajya Sabha and will now require the President’s assent to turn it into law.

##### Details:

The amendment bill has a number of provisions to safeguard children from offences of sexual assault and sexual harassment.

- The bill aims at making offences against children gender-neutral.
- The definition of ‘Sexual Assault’ has been extended to incorporate administration of hormones or chemical substances to children to attain early sexual maturity for the purpose of penetrative sexual assault.
- The bill is critical because it clearly defines child pornography and makes it punishable.
  - The Bill defines child pornography as any visual depiction of sexually explicit conduct involving a child including photograph, video, digital or computer generated image indistinguishable from an actual child.
  - The amendments also penalize the transmitting of pornographic material to children and propose to synchronise it with the Information Technology Act.
- The bill seeks to enhance punishment for sexual offences against children, with a provision of death penalty.
  - According to the amendment bill, those committing penetrative sexual assaults on a child

below 16 years of age would be punished with imprisonment up to 20 years, which might extend to life imprisonment as well as fine.

- In case of aggravated penetrative sexual assault, the bill increases the minimum punishment from ten years to 20 years, and the maximum punishment to death penalty.
- To curb child pornography, the Bill provides that those who use a child for pornographic purposes should be punished with imprisonment up to five years and fine.
- However, in the event of second or subsequent conviction, the punishment would be up to seven years and fine.

The government has also sanctioned over one thousand fast track courts for speedy disposal of pending cases under POCSO.

## **Category: INTERNATIONAL RELATIONS**

### **1. U.S. imposes sanctions on Iran Minister**

#### **Context:**

The U.S. has imposed sanctions on Iran's Foreign Minister Mohammad Javad Zarif.

#### **Background:**

- Tensions have escalated between Iran and the U.S since the US President Donald Trump last year unilaterally withdrew Washington from a landmark nuclear deal signed between Iran and world powers in 2015.
- Since then, it has reimposed punishing sanctions on Iran, including measures aimed at slashing its oil exports to zero, as part of a campaign aimed at pressuring Tehran to negotiate a new nuclear deal.
- Fears of a direct US-Iranian conflict have risen with several suspected attacks on oil tankers in the Gulf, Iran's downing of a US surveillance drone, and a plan for US air raids on Iran that Trump called off at the last minute.

#### **Concerns:**

- The highly unusual action of penalising the top diplomat of another country comes a month after Trump signed an executive order placing sanctions on Iran's Supreme Leader, Ayatollah Ali Khamenei.
- Through this move, the U.S has essentially cut off • the clearest avenue for talks with Iran by punishing the man who negotiated the 2015 nuclear agreement.

#### **Details:**

- The sanctions freeze any of Mr. Zarif's assets in the U.S.
- It would also freeze Mr. Zarif's assets that are controlled by U.S. entities.
- It would curtail his international travel.
- Zarif said that Iran may cut its commitments under the nuclear deal further unless European partners move to protect it from US sanctions by ensuring it can sell oil and receive income.

## **C. GS3 Related**

## Category: SCIENCE AND TECHNOLOGY

### 1. Japan approves growing human organs in animals for the first time

#### Context:

The government has given permission to the scientists in Japan to begin trying to grow human organs in animals.

#### Details:

- This is the first study of its kind in the country that has received approval after Japan changed its rules on implanting human cells into animals.
- Japan had previously required researchers to terminate animal embryos implanted with human cells after 14 days and prevented the embryos from being placed into animal wombs to develop.

#### Procedure:

- The cutting-edge, but controversial research involves implanting modified animal embryos with human “induced pluripotent stem” (iPS) cells that can be coaxed into forming the building blocks of any part of the body.
- It is the first step in what researchers caution is a very long path towards a future where human organs for transplant could be grown inside animals.
- The research involves generating animal embryos — mice, rats or pigs — that lack a particular organ such as a pancreas.
- The modified embryos are then implanted with human iPS cells that can grow into the missing pancreas. The embryos would be transplanted into wombs where they could theoretically be carried to term with a functioning human pancreas.

#### Significance:

- It is the first step in what researchers caution is a very long path towards a future where human organs for transplant could be grown inside animals.
- The technique involves genetically modifying sheep or pig embryos so they cannot grow a specific organ.
- Human stem cells are then injected into the embryo in the hope that the DNA will fill in the missing code.
- The hybrid embryos would then be implanted back into the original animal or a surrogate, and the baby animal would be born with a human organ.
- If successful, it could mean an unlimited supply of organs for transplants or even a cure for Type 1 diabetes, if an entirely new pancreas could be created.

#### Concerns:

- Implanting animal embryos with human cells creates what is known as a chimera - an entity with both animal and human cells.
- The process throws up complex ethical issues, particularly over concerns that it may not be possible to completely control which organs are formed in the animal by the human iPS cells.
- Rules on the process differ by country: the US has no federal restrictions on creating chimeras, while other countries prohibit chimeras being kept alive beyond two weeks.
- Ethicists fear that chimeras with human brain or reproductive cells would pose serious questions



about the nature of the animal being tested.

## **Category: ENVIRONMENT AND ECOLOGY**

### **1. Kaziranga tigers: spotlight on official-poacher nexus**

#### **Issue:**

- Prime Minister Narendra Modi had released the management effectiveness evaluation reports for tiger reserves across the country, including Kaziranga.
- The evaluation report on India's tiger reserves has put the spotlight on an alleged nexus between some officials of Kaziranga National Park and poachers.

#### **Details:**

- The report says that some staff of Kaziranga Tiger Reserve may sometimes get involved in poaching by helping the poachers.
- As evidence, the report cites the poaching of three rhinos in as many days in November 2017 close to the Tunikati anti-poaching camp under the Burapahar Range.
- The report says that, given the resources at the command of the personnel, it should not be difficult to guard the area effectively. And that such poaching close to the camps leads to the suspicion of the involvement of officials.
- The report also notes Kaziranga's management weakness in coordinating with forest officials of Karbi Anglong, which runs along the southern boundary of the tiger reserve. This is because the forest officials of Karbi Anglong, an autonomous tribal council, are not answerable to the heads of Assam's Forest Department.

#### **Kaziranga National Park:**

- Kaziranga National Park is located in the state of Assam.
- It is a World Heritage Site designated by UNESCO.
- It is more popular as the world's best address for the one-horned rhino. The sanctuary, which hosts two-thirds of the world's great one-horned rhinoceroses.
- It is also been a major tiger reserve covering an area of 1,080 sq km.
- It is also recognized as an Important Bird Area by BirdLife International for the conservation of avifaunal species.

### **2. Bandipur adds value worth Rs.6,405 cr.**

#### **Context:**

The economic evaluation of tiger reserves was released by the National Tiger Conservation Authority.

#### **Details:**

- Bandipur National Park was established in 1974 as a tiger reserve under Project Tiger.
- It is a national park located in the Indian state of Karnataka, which is the state with the second highest tiger population in India.
- The study is authored by the Centre for Ecological Services Management at the Indian Institute of Forest Management.
- It estimates the economic valuation of Bandipur and nine other tiger reserves in the country.
- The objective, states the report, is to enhance tiger conservation by highlighting the holistic

economic benefits of protected areas.

- Researchers have used an array of methods to determine the economic, scientific, educational, cultural and recreational services of tiger parks.

### Economic valuation of Bandipur Tiger Reserve:

- If monetary values could be assigned to tiger reserves, then the Bandipur Tiger Reserve would record a staggering Rs. 6,405.7 crore annually, says the report.
- For every rupee spent on the reserve, the rate of return through various tangible and non-tangible benefits is an incredible 700%.
- The park also contributes nearly 1,121 billion litres of water to the Cauvery, while the forests prevent soil loss and nutrient loss that would have cost Rs. 82.59 crore to rectify.
- Similarly, monetary values are assigned to various other benefits including biological control of disease, encouragement to pollination and others.
- The report estimates that 3.06% of the flow benefits are accrued at the local level, while 16.01% are at the national level.
- At the global level the reserve's forests store 1.2 crore tonnes of carbon, apart from sequestering 3.45 lakh tonnes of carbon annually, which leads to savings of social costs.

## D. GS4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: SOCIAL ISSUES

#### 1. Finding the data on missing girls

##### Stats on Female feticide and Sex ratio at Birth

- **Female Feticide** continues to **increase at an alarming rate**, as per the **Sample Registration System (SRS)** data released in July 2019 for the period 2015-2017.
  - Female feticide is undergoing abortion after finding out that the sex of the fetus is a Girl
- The **Sex Ratio at Birth (SRB)** has been **dropping continuously since Census 2011**, coming down from 909 girls per thousand boys in 2011-2013 to 896 girls in 2015-2017, to quote the yearly SRS Statistical Reports.
- In the 2014-2016 period, of the 21 large States, only two — Kerala and Chhattisgarh — had an SRB of above 950 girls per 1000 boys.
- Thus at present, about 5% of girls are 'eliminated' before they are born, despite the promises of the Beti Bachao Beti Padhao scheme.

##### Health Management Information System (HMIS)

HMIS is an online portal that provides information on health indicators in India. HMIS compiles data from state- and district-level health authorities, the National Family Health Survey (NFHS), the District Level Household Survey (DLHS), and the Office of the Registrar General & Census Commissioner, among other sources.

- It is a fundamentally flawed source that **largely considers home deliveries and births in government institutions**.

- Data from the **HMIS are incomplete and not representative of the country as a whole as births happening in private institutions are under-reported.**
- The HMIS report itself acknowledges that based on the estimated number of births, the number of reported births is much less in both the years considered — 2015-16 and 2018-19.
  - The differences among the three points of delivery become evident when SRB is calculated using data from National Family Health Survey-4 (NFHS-4).
  - Of the 2.5 lakh reported births in the 2010-2014 period, the distribution of births at **home, government hospitals and private hospitals was 21%, 52% and 27%** respectively and the corresponding **SRB figures were 969, 930 and 851.**
  - Thus, private hospitals had a disproportionate excess of male children births, which the HMIS sample excludes.

### **Emphasis should have been on SRS over HMIS**

- Taking into consideration the **SRS** estimates, the Niti Aayog acknowledged the seriousness of the problem in its latest report.
  - It is to be noted here that sources in the Niti Aayog confirmed that **they did consider HMIS data but found after statistical examination that it was unreliable and therefore used SRS.**
- However, despite all the officially acknowledged facts, **Women and Child Development Minister Smriti Irani claimed in the Lok Sabha that SRB has improved from 923 to 931 girls.** She was quoting data from the **HMIS**

### **A look at the performance of Zones**

- Further, even when we only **consider institutional deliveries in government hospitals, the SRB is falling.**
- The worst regional SRB for the government sector was for **Northern India** (885 girls per thousand boys).
- The picture was somewhat better for **Central India** (926) **Southern India** (940) while the performance of **Eastern India** (965) and **Western India** (959) was even better.
- In the **Northeast**, where the government is the dominant health-care provider, the government sector SRB rivalled that of the private sector (both are 900).

### **Reasons for the continuing menace of Female feticide**

- **Massive expansion of ultrasound clinics** in remote corners in bigger states like Uttar Pradesh and Bihar
- Absence of stringent implementation of the Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act (PCPNDT Act), practically anyone who wants to **determine the sex of the foetus is able to get it done illegally**
- Therefore, the increased deterrence in States like Maharashtra, Haryana and Rajasthan in recent years has been **undermined by the laxity of the biggest States.**
- The Central Supervisory Board established under the PCPNDT Act has not met for over one-and-a-half years but ideally, they should have met at least thrice during this period.
- For too long, institutional births have been the goal of the government. That **data for the private sector are more skewed has not been articulated** in the NFHS reports or adequately dealt with by the Health Ministry.

### **Conclusion**

- The **Supreme Court has been continuously reminding medical associations** since 2002 of their obligation to follow the law, its latest reminder being the formidable 92-page judgment against the



Federation of Obstetrics and Gynecological Societies of India (FOGSI) in 2019.

- The **Indian Medical Association (IMA)** has to ensure that **private hospitals don't profit from discrimination against girls before birth.**

## 2. Unnao Rape Case

### Introduction

- An MLA from Uttar Pradesh Kuldeep Singh Sengar, his brother Atul Singh and their accomplices are alleged to have gangraped a 17-year-old girl on the promise that they will help her get a job in June 2017.

### Timeline of Events

Since that day in June 2017, for two years, the Unnao rape survivor has battled multiple tragedies in her traumatic fight for justice

- April 3, 2018: The **victim's father was beaten** up by some persons allegedly at the behest of Sengar
- April 8: The **victim tries to immolate herself** outside CM Yogi Adityanath's residence, alleging police inaction
- April 9: The **victim's father dies in custody** allegedly owing to police torture after he was arrested.
- July 4, 2019: The **victim's uncle convicted** in a 19-year-old case and sentenced to 10 years jail term on a case filed by Sengar's brother, Atul Singh.
- July 17: The **victim and her family write a letter to the Chief Justice of India Ranjan Gogoi** expressing threat and danger to their lives allegedly by Sengar and his men.
- July 28: An **over-speeding truck rams into the car** in which the victim, her family and their lawyer were travelling, killing her two aunts, leaving the victim and the advocate critically injured.
- August 1: SC directs **transfer of all five cases** registered in connection with the incident from a court in Uttar Pradesh to a court in Delhi.

### Brazen show of power and subjugation of institutions to the whims of the power elite

- It is a case where the law enforcement machinery systematically hounds the victim, a powerful accused who is able to spread fear even from inside jail. And a political regime that, at the very least, turns a blind eye to horrific injustice.
- The family did not get any relief from State government agencies, which appear to have been complicit in the cover-up, with the MLA belonging to the ruling party.
- In the Unnao case, muscle, money power and the right political alignment weighed heavily against the girl.
- It is a glaring example of alleged administrative failure to deliver justice and protect the victim

### Conclusion

- The Supreme Court has ordered the State government to pay a ₹25 lakh compensation to the family.
- This may bring some relief, even though justice has been inordinately delayed. Despite the increased focus on women's rights, nothing changes on the ground.
- Till such crimes continue with impunity and patriarchal mindsets don't change, as a diverse and plural society, India would have failed the girl, and every woman.

**Category: ECONOMY**

## 1. Is banning cryptocurrencies the solution?

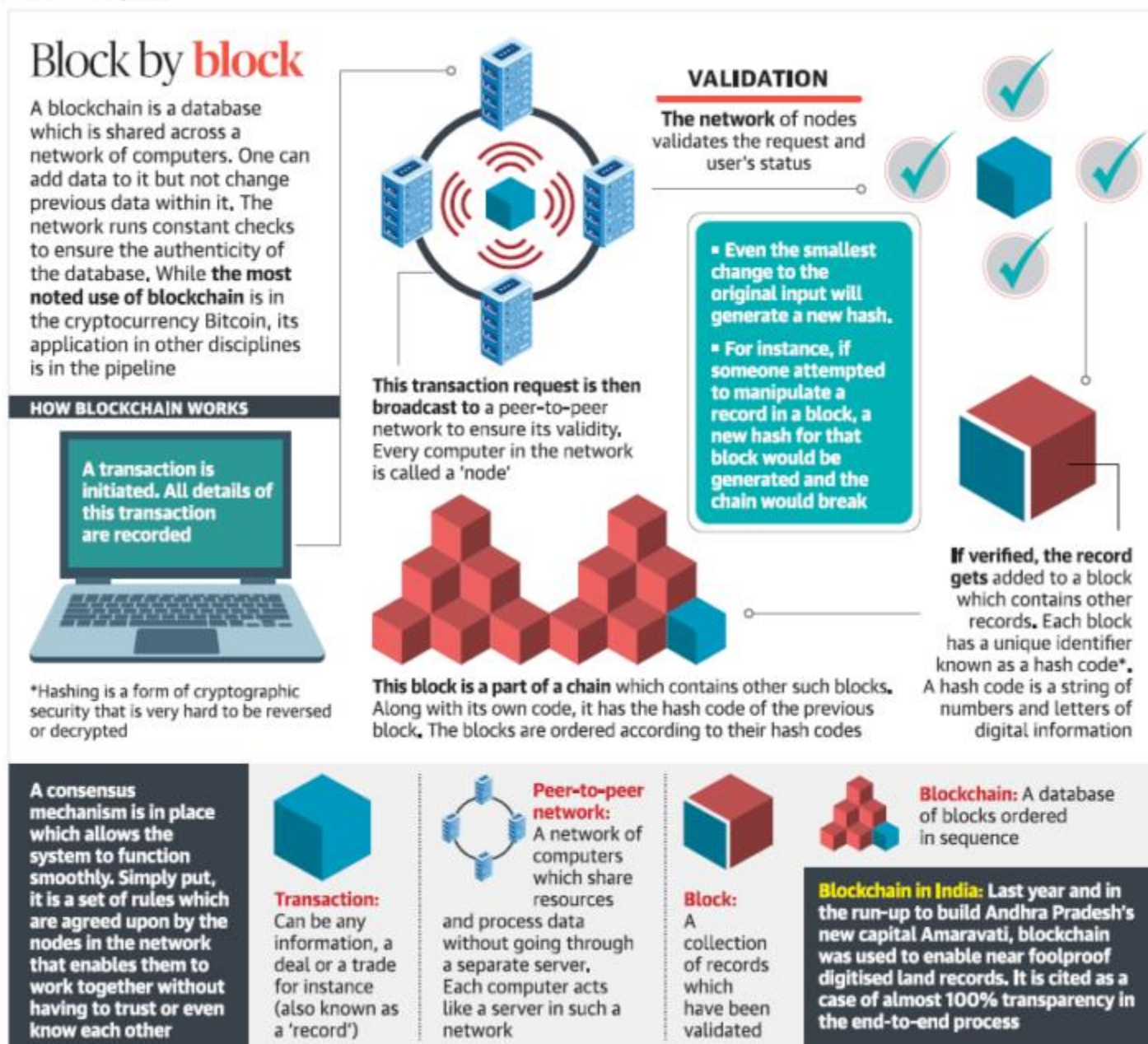
### Context

- An **inter-ministerial committee headed by finance secretary Subhash Chandra Garg**, set up by the government on virtual currencies has proposed banning of private cryptocurrencies in India by enacting a law and imposing fines and penalties for carrying on activities related to such cryptocurrencies.

### What is Cryptocurrency?

- A **virtual currency is a digital representation of value** that can be digitally traded and functions as (a) a medium of exchange, and/ or (b) a unit of account, and/or (c) a store of value, but, unlike fiat currency like the rupee, **it is not legal tender and does not have the backing of a government.**
- A **cryptocurrency** is a digital or virtual currency **that uses cryptography for security** and is generally based on blockchain technology, a distributed ledger enforced by a disparate network of computers.
  - Bitcoin is the most popular cryptocurrency in the world.
- Given the high chances of cryptocurrencies being **misused for money laundering**, various government bodies such as the Income Tax Department and the Central Board of Indirect Taxes and Customs (CBIC) had endorsed banning of cryptocurrency

### Blockchain Technology



### Distributed Ledger Technologies (DLT)

- DLT therefore refers to technologies that **involve the use of independent computers** (also referred to as nodes) to record, share, and synchronise transactions in their respective electronic ledgers.
- Keeping such distributed ledgers obviates the need for keeping the data centralised, as is done in a traditional ledger.
- All virtual currencies use DLT.

### Inter-Ministerial Committee (IMC) view on DLT

IMC recognizes the potential of DLT and Blockchain.

- The IMC **accepts that internationally, the application of DLT is being explored** in the areas of trade finance, mortgage loan applications, digital identity management or KYC requirements, cross-border fund transfers and clearing and settlement systems.
- To that extent, **it recommends the Department of Economic Affairs (within the Finance Ministry) to take necessary measures to facilitate the use of DLT** in the entire financial field after

identifying its uses.

- The IMC also recommends that regulators — RBI, SEBI, IRDA, PFRDA, and IBBI — **explore evolving appropriate regulations for development of DLT in their respective areas.**

However, the IMC has recommended a ban on “private” cryptocurrencies.

### Features of Draft Bill

Banning of Cryptocurrency and Regulation of Official Digital Currency Bill, 2019

- The **panel recommended a fine of up to ₹25 crore** for anyone found to be owning or handling private cryptocurrencies.
- This draft has **proposed 10-year prison sentence** for persons who "mine, generate, hold, sell, transfer, dispose, issue or deal in cryptocurrencies.
- As an alternative to private cryptocurrencies, the panel recommended the introduction of a single cryptocurrency for the whole country that is backed by the Reserve Bank of India (RBI).
- Besides making it completely illegal, the bill makes holding of cryptos a **non-bailable offence**.

### Why have private cryptocurrencies attracted a ban?

- The IMC's first concern is that **non-official virtual currencies can be used to defraud consumers**, particularly unsophisticated consumers or investors.
- The IMC gives the example of the Rs 2,000 crore scam involving **GainBitcoin in India where investors were duped by a Ponzi scheme**.
- Moreover, such currencies often **experience tremendous volatility** in their value.
  - For example, Bitcoin was selling at \$20,000 per coin in December 2017 but in less than a year, it was trading at \$3,800 per coin. In a country where lakhs of traders get involved in such currencies, this could have huge implications.
    - At the same time, the total global power consumption of banks and the internet is approximately 100 TWh and 2,500 TWh per year, respectively.
    - Bitcoin uses 66.7 TWh per year globally. Therefore, this claim appears to be conjecture and perhaps merits a separate evaluation for India.
  - Scaling up such a currency system over a large population **would require crippling levels of energy resources**. Currencies such as Bitcoin require humongous processing power.
    - According to a **report by the Bank of International Settlement**, Bitcoin processing already uses as much energy as is used by Switzerland; it called this an environmental disaster.
  - IMC is worried that if private cryptocurrencies are allowed to function as legal tender, the **RBI would lose control over the monetary policy and financial stability**, as it would not be able to keep a tab on the money supply in the economy.
  - The **anonymity of private digital currencies** make them vulnerable to money laundering and use in terrorist financing activities while making law enforcement difficult.
  - There is **no grievance redressal mechanism** in such a system, as all transactions are irreversible.

While it is important to put mechanisms in place to deter bad actors, a **blanket ban** on all forms of cryptocurrency transactions will **result in India missing out on what may become one of the biggest technology revolutions since the Internet**.

### Why ban is a bad idea?

- **One of the reasons for ban of Cryptocurrency is Volatility**, but it doesn't sound like a good rationale to ban cryptocurrencies because if cryptocurrencies are volatile, so are many other asset



classes.

- We do not ban investments in any other asset class just because it is volatile. The decision of whether to invest in an asset or not should be left to the investor.
- The risk return calculation should be done by the investor, not the government.
- Also, **banning the consumption of a good or service doesn't really mean that people will stop consuming it.**
  - The market for the good or service **simply goes underground and becomes hard to track.** The market continues to exist, but the government cannot track it or tax it to gain revenue.
  - This applies to cryptocurrencies as well.
- Most people equate cryptocurrencies with blockchain, but there is a huge difference between them. **The cryptocurrency is just one application of the underlying blockchain technology.** The blockchain technology has a lot more potential beyond cryptocurrencies.
- In 2018, in the **Silicon Valley alone, almost \$2.9 billion worth of private venture funds have gone into blockchain start-ups.**
  - In tech hubs across the world, we are seeing billions pumped into the blockchain technology. In this scenario, if we decide to put a blanket ban on all cryptocurrencies, **then our technology entrepreneurs will suddenly lose the incentive to work in the sector.**
- Industry body Nasscom (National Association of Software and Services Companies) has opposed the recent proposal for banning cryptocurrencies in India, saying it is "not a solution".

### The potential of Blockchain

- While an oversimplification, blockchain can be described as a way for people to share extra space and computational power in their computers to **create a global supercomputer that is accessible for everyone.**
- Every computer connected to a blockchain network **helps validate and record transactions.**
- People who connect their computers to a network are known as **validators** and receive transaction fees in the form of **tokens.**
- Blockchain technology has the potential to **create new industries and transform existing ones** in ways we cannot imagine.
  - For instance, it has the capacity to facilitate nano-payments proportionate to an individual's contribution and value creation in the Internet, making it an ideal wealth redistribution tool for our digital age.
- Start-ups have already **built thousands of apps on blockchain platforms like Ethereum.** However, these apps aren't easily available to non-tech savvy consumers through an app store, and hence their usage remains low.
  - They also face technical **problems including scalability and slowing down** of the network when many people use these apps simultaneously.
  - New companies such as Algorand and CasperLabs are investing millions in research and development and are close to solving these issues.
- Even big technology companies have started to take blockchain applications seriously. Facebook, for instance, recently announced its own cryptocurrency to **facilitate payments globally with minimal fees and no dependency on a central bank.**
- Therefore a law to ban holding or transacting in cryptocurrency would not only prevent Indians from reaping economic benefits by participating in blockchain networks as validators and earning transaction fees, but also stifle any innovation related to this disruptive emerging technology.

### The European example

- The European Parliament and European Council are working on an **Anti-Money Laundering Directive, known as AMLD5.** The deadline for its implementation is January 2020.
- All crypto exchanges and wallet custodians operating in Europe will have to implement **strict know-your-customer (KYC) on-boarding procedures and need to register with local authorities.**



- They will also be required to **report suspicious activities to relevant bodies**.
- This will **not fully solve the problem** since it is **not always possible for the exchange to know a beneficiary's details**.
- The EU Commission is aware and has been mandated to present further set of amendment proposals regarding **self-declaration by virtual currency owners, the maintenance of central databases registering users' identities and wallet addresses, and norms** while using virtual currencies as payment or investment means by 2022. This is a more reasonable approach, and the Indian government could follow suit.

## COMPARISON OF REGULATORY TREATMENT OF CRYPTOCURRENCIES IN DIFFERENT JURISDICTIONS

Activities	Russia	China	Switzerland	Thailand	Japan	New York	Canada
Legal Tender	No	No	No	No	No	No	No
Payment Method	No (but barter is permitted via exchanges)	No	Yes	Yes	Yes	Yes (subject to registration requirement)	Yes (and transactions are taxed)
Investment Token	Yes (but only through exchanges)	No	Yes (but transactions must comply with securities laws)	Yes (but they are only issued by govt approved portals)	Regulation is silent on this, but it is under consideration	Yes, with some conditions	Yes
Crypto Exchanges	Yes	No	The guidelines are silent	Yes	Yes, but only through registered exchanges	Yes, subject to some laws on exchanges	Yes

### Way forward

- The **report of the Government's Working Group on FinTech and Digital Banking (2018)** suggests that the use of digital currencies does not pose an immediate threat to the economy.
- If the government feels that there is enough rationale to regulate the consumption of a commodity or a service or investments in a crypto asset, **the best way forward is to come up with a regulatory framework that has incentives set right for the users**.
- Therefore right rewards and punishments in place, would help. Not actions like banning.

## F. Tidbits

*Nothing here for today!!!*

## G. Prelims Facts

*Nothing here for today!!!*

## H. Practice Questions for UPSC Prelims Exam

Q1. Consider the following statements:

1. Komodo dragon is the world's largest lizard species.
2. It is classified as Extinct in the IUCN Red List.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: a**

**Explanation:**

Komodo dragons are known as the Komodo monitor and is a species of lizard found in the Indonesian islands of Komodo, Rinca, Flores, and Gili Motang. It is the largest living species of lizard. It is classified as "Vulnerable" in the IUCN Red List.

**Q2. Consider the following statements:**

1. ICRA is a professional investment information and credit rating agency established by the Government of India.
2. ICRA credit ratings are assigned on an Indian credit rating scale for Indian Rupee dominated debt obligations.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: b**

**Explanation:**

ICRA Limited (ICRA) is an Indian independent and professional investment information and credit rating agency. It was a joint-venture between Moody's and various Indian commercial banks and financial services companies.

**Q3. Consider the following statements:**

1. Equalisation levy is an indirect tax.
2. It is a levy on income accrued to a foreign E-commerce company which is not a resident of India.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: c**

**Explanation:**

The term “Equalization Levy” was colloquially called “Google Tax”. It was introduced in India in 2016, with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India. Equalisation Levy is a direct tax, which is withheld at the time of payment by the service recipient. The Government has put a 6% equalization levy on the income accrued to a foreign E-commerce company which is not a resident of India.

**Q4. The Sixth Schedule of the Indian Constitution deals with the administration and control of Scheduled Areas and Scheduled Tribes in the states of:**

- a. Assam, Meghalaya, Mizoram and Tripura
- b. Assam, Meghalaya, Tripura and Arunachal Pradesh
- c. Manipur, Meghalaya, Tripura and Mizoram
- d. Assam, Nagaland, Tripura and Mizoram

**Answer: a**

**Explanation:**

Self-explanatory

## I. UPSC Mains Practice Questions

1. India’s many conflictual pasts should teach people understanding and appreciation, rather than revenge or retribution. Examine the statement in reference to Tipu Sultan on his achievements and his excesses. (15 Marks, 250 Words).
2. Criminalisation is a key deterrent against triple talaq. Social reform must follow legal change. Critically Analyse. (15 Marks, 250 Words).

