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### **1. India, EFTA take significant steps towards new Trade and Partnership Agreement ( May 16, 2023 )**

#### **Partnership-Agreement**

**India and the European Free Trade Association (EFTA)** states have recently taken important steps towards a **new trade and partnership agreement**.

#### **An overview of the news**

- At the ministerial meeting held in Brussels on May 15, Commerce and Industry Minister **Piyush Goyal** held discussions with representatives of EFTA to work towards a comprehensive new **Trade and Partnership Agreement (TEPA)**.
- The Ministerial meeting marked an important milestone in taking forward the negotiations on **TEPA between India and the European Free Trade Association**.
- Both sides stressed the importance of principles of good faith and respect for each other's sensitivities in order to achieve a fair, just and balanced settlement.

#### **About India and the European Free Trade Association (EFTA)**

- EFTA has established **bilateral relations and cooperation in the field of trade and commerce**.
- The objective of this cooperation is to strengthen economic ties and promote mutually **beneficial trade between the two countries**.
- The EFTA is an intergovernmental organization consisting of four member states: **Switzerland, Norway, Iceland, and Liechtenstein**.
- These countries have a **strong tradition of trade and economic liberalization**.
- India and EFTA have engaged in negotiations to establish a comprehensive trade agreement.
- The negotiations cover various aspects, including **trade in goods, services, investment, intellectual property rights, and other trade-related issues**.

### **2. PM Modi meets Doug McMillan, CEO of Walmart ( May 15, 2023 )**

PM-Modi-meets-Doug-McMillan

Prime Minister **Narendra Modi** held a meeting with **Doug McMillan, CEO of American multinational retail corporation Walmart**.

#### **An overview of the news**

- The purpose of the meeting between PM Modi and Doug McMillan was **to discuss and explore potential areas of collaboration, investment and partnership between the Government of India and Walmart**.

- The meeting reflects the importance of the economic relationship between India and Walmart. The discussions covered topics such as trade, investment opportunities and promoting a conducive business environment in India.
- The meeting discussed opportunities to leverage **digital technologies and innovation in the retail sector**.
- The discussion centered around **sustainable business practices, environmental initiatives and social responsibility**.

### **Significance of the meeting**

- The meeting between PM Modi and Walmart CEO Doug McMillan highlights the importance of promoting economic partnership and exploring investment opportunities between India and Walmart.
- It highlights the potential for cooperation in various sectors, **employment generation, economic growth and contribution to sustainable development in India**.

### **About Walmart**

- It is an **American multinational retail corporation** that operates a chain of **hypermarkets, discount department stores, and grocery stores**.
- It was **founded in 1962 by Sam Walton**.
- It has grown to become one of the **world's largest retail chains**.
- It operates thousands of stores **globally, serving millions of customers**.
- It offers a wide range of **products, including groceries, apparel, electronics, household goods**, and more.

### **3. RBI invites firms to participate in Greenwashing TechSprint ( May 14, 2023 )**

**RBI** has announced its participation in the **Global Financial Innovation Network (GFIN) greenwashing techsprint**.

#### **An overview of the news**

- The Reserve Bank of India (RBI) has **invited firms to participate in the Greenwashing TechSprint** to develop technology solutions to detect incidents of greenwashing in financial products.
- TechSprint is part of RBI's efforts to promote **sustainable finance and ensure that financial products marketed as green or sustainable** are actually aligned with environmental objectives.
- TechSprint is open to firms and individuals who can provide **innovative technology solutions** to detect greenwashing in financial products using technologies such as **natural language processing and artificial intelligence**.

- Techsprint can provide a platform for collaboration between **tech firms, financial institutions and regulators** to develop solutions that can increase transparency and trust in the market for sustainable finance.
- The RBI has identified **sustainable finance as a key priority area**, and has taken several initiatives to promote green finance and integrate environmental considerations into financial decision making.

### **What is Greenwashing?**

- Greenwashing refers to the **practice of making false or misleading claims about the environmental benefits of a product or service.**
- It is a marketing tactic used by companies to make their products appear **more environmentally friendly or sustainable.**
- Greenwashing can take various forms, such as **using vague or exaggerated language, making unsubstantiated claims, or highlighting minor environmental benefits** while ignoring significant environmental harms.
- Greenwashing can be harmful as it can mislead consumers into making purchasing decisions based on false or incomplete information, leading to negative environmental impacts.

### **About Global Financial Innovation Network (GFIN)**

- This is an **international network of financial regulators** that seeks to foster innovation in the financial services sector.
- It was **established in 2018 by a group of 12 financial regulators**, including the **UK Financial Conduct Authority, the Monetary Authority of Singapore, and the US Consumer Financial Protection Bureau.**
- It aims to provide a platform for regulators to collaborate and share best practices on **innovative financial products and services**, as well as regulatory approaches to innovation.

## **4. CBIC rolls out Automated Return Scrutiny Module for GST returns ( May 12, 2023 )**

Central Board of Indirect Taxes and Customs

The **Central Board of Indirect Taxes and Customs (CBIC)** has recently **launched** the **Automated Return Scrutiny Module for GST returns.**

### **An overview of the news**

- This module will enable tax officers to scrutinize GST returns of centrally administered taxpayers based on data analytics and risks identified by the system.

- The module identifies **discrepancies in the returns** and shows them to the tax officer, who can communicate with the taxpayer through the **GSTN Common Portal** to resolve any issues.
- The **Automated Return Scrutiny Module** will help in **streamlining the GST return** scrutiny process and ensure that it is more efficient, transparent and effective.
- According to the Finance Ministry, the introduction of this module is a significant step towards creating a more **technology-driven tax administration system**, which will not only improve compliance but also reduce the compliance burden for taxpayers.

### **About Central Board of Indirect Taxes and Customs (CBIC)**

- In India, it is a part of the **Department of Revenue under the Ministry of Finance**.
- CBIC is responsible for the administration of indirect taxes such as **GST, Customs Duty and Excise Duty in India**.
- The **board was formed in 2019** as a result of the merger of the **Central Board of Excise and Customs (CBEC)** and the **Central Board of Direct Taxes (CBDT)**.
- CBIC is headed by a **Chairman** who is assisted by a number of members responsible for various areas such as **GST, Customs, Legal and Administration**.
- The main functions of CBIC include **policy-making, implementation, and administration of indirect taxes, and prevention of smuggling and evasion of taxes**.
- CBIC works towards creating a fair and efficient tax administration system, which is transparent and taxpayer friendly.
- CBIC plays a vital role in ensuring **compliance of tax laws and regulations in India**.

### **5. Anti-Dumping Duty on Imported Optical Fiber from China, Korea, Indonesia ( May 11, 2023 )**

**DGTR**, an arm of the **Ministry of Commerce**, has recommended imposition of **anti-dumping duty on imports of a certain type of optical fiber from China, Korea and Indonesia** to protect the domestic industry from cheap inbound shipments.

#### **An overview of the news**

- The **Directorate General of Trade Remedies (DGTR)** has recommended the duty after examination on dumped imports of '**Dispersion Unshifted Single-Mode Optical Fiber**' from these countries.
- The product is mainly applied to **high-data rate, long distance and access network transportation**.
- **Birla Furukawa Fiber Optics Pvt Ltd** had asked on behalf of the domestic industry to initiate an anti-dumping investigation on this product.

**Why was it recommended to impose an anti-dumping duty?**

- The DGTR in its findings found that the **domestic industry has suffered material injury due to the dumped imports.**
- DGTR said in a notification that the presence of dumped imports in the Indian market has forced the applicant to sell the product at prices below the cost of sales, causing losses and adversely affecting the profitability standards of the domestic industry.
- Therefore, the authority has recommended imposition of **anti-dumping duty to protect the domestic industry from injury.**

**What is Dumping?**

- According to the World Trade Organisation (WTO), if a company exports a product at a price lower than the price it normally charges on its own home market, it is said to be “**dumping**” the product.
- This is done by companies to grab market share in other countries from the local companies.

**What is Anti- Dumping?**

- Anti-dumping duties are taxes imposed on imported goods to compensate for the difference between their export price and their normal value.
- It is imposed to protect producers of competing products in the importing country from harm.

**6. RBI imposed fine of Rs 1.73 crore on HSBC bank ( May 10, 2023 )**

RBI imposed fine of Rs 1.73 crore on HSBC bank

**HSBC Bank** has been **fined Rs 1.73 crore by the Reserve Bank of India (RBI)** for **violating the Credit Information Companies Rules 2006 (CIC Rules).**

**An overview of the news**

- The central bank has accused the bank of providing **false information about its credit cards to credit information companies.**
- An investigation by the RBI has revealed that the bank had given **wrong information about its expired credit cards as well.**
- The RBI has imposed a **hefty fine of Rs 1.73 crore** on the bank for violating its rules.
- The RBI had inspected the financial position of HSBC Bank as on **March 31, 2021**, as part of its surveillance checks.
- It was found in the inspection that the bank is not following **many rules of RBI related to credit cards.**

- RBI has issued a show cause notice to HSBC Bank asking why it did not provide correct information as per CIC norms.

### **Penalties on two cooperative banks**

- Apart from HSBC Bank, RBI has also imposed penalties on two co-operative banks for violation of norms.
- **Thrissur Urban Cooperative Bank Ltd** has been fined Rs 2 lakh for flouting gold loan norms.
- **Bhilai Nagrik Sahakari Bank** has been fined Rs 1.25 lakh for not depositing unclaimed deposits in time under the Depositor Education and Awareness Fund Scheme (DEAF Scheme).

### **About Reserve Bank of India**

- RBI was **established on April 1, 1935 as per the provisions of the Reserve Bank of India Act, 1934.**
- It started functioning from **1 April 1935.**
- The central office of the **Reserve Bank was established in Kolkata** which was permanently **shifted to Mumbai in the year 1937.**
- It was **nationalized in 1949** and now the government of India is the owner of RBI.
- It has the power to regulate Banks under the **Banking Regulation Act 1949.**
- It has the power to regulate the **Non-Banking Financial Company (NBFC)** under the RBI act 1934.
- RBI is also the regulator of the digital payment system under the **Payment and settlement act 2007.**
- Before independence till 1942 RBI used to issue currency not only for India but also for Myanmar which was then known as Burma. However, it was discontinued after 1947.
- Headquarters of RBI: **Mumbai**
- Governor of RBI : **Shaktikanta Das**

### **7. 27th Meeting of the Financial Stability and Development Council ( May 9, 2023 )**

27th Meeting of the Financial Stability and Development Council

Union Finance and Corporate Affairs Minister **Nirmala Sitharaman chaired the 27th Meeting of the Financial Stability and Development Council (FSDC)** on 8th May in New Delhi.

### **An overview of the news**

- During the meeting of the Council, it was discussed that necessary policy and legislative reform measures can be formulated to further develop the financial sector.
- This will not only help in increasing the financial access of the people but also enhance their overall economic well-being.

### **Highlights of the meeting**

- Regulators should maintain constant vigil to ensure that 'financial sector stability is a shared responsibility'.
- Regulators should adopt a focused approach to reduce the compliance burden further and ensure a streamlined and efficient regulatory environment.
- The regulators need to be proactive and ensure cyber-security preparedness of the information technology systems to reduce the risk of cyber-attacks.
- Safeguarding the stability and resilience of the Indian financial ecosystem.
- Regulators should conduct a special drive to facilitate the settlement of unclaimed deposits and claims in the financial sector.
- Action Taken Report on Budget announcements made since 2019 was discussed.

### **Financial Stability and Development Council (FSDC)**

- It was set up on the recommendation of the **Raghu Ram Rajan committee** on **“Financial Sector Reform”**.
- FSDC was set up by the Government of India in **2010**.

### **Function of the FSDC**

- The Council monitors macro prudential supervision of the economy, including functioning of large financial conglomerates, and addresses inter-regulatory coordination and financial sector development issues.
- It also focuses on financial literacy and financial inclusion.

## **8. 4th edition of G20 TechSprint competition launched by RBI and BIS ( May 5, 2023 )**

4th edition of G20 TechSprint competition launched by RBI and BIS

The **Reserve Bank of India (RBI)** and the **Bank for International Settlements (BIS)** launched the **G20 TechSprint 2023 competition** for **cross-border payments innovation**.

### **An Overview of the News**

- The competition focuses on three problem statements: **AML/CFT, sanctions technology and CBDC platform**.

- The competition is open to global innovators and aims to showcase **innovative technology solutions for cross border payments**.
- Techsprint fosters collaboration between **financial institutions, technology providers and stakeholders** to develop innovative solutions for **cross-border payments**.

### **Reserve Bank of India (RBI):**

- It was **established on April 1, 1935** under the **Reserve Bank of India Act, 1934**.
- Its central office was initially in **Kolkata, but in 1937** it was permanently **shifted to Mumbai**.
- It regulates banks and NBFCs under the **Banking Regulation Act 1949 and RBI Act 1934 respectively**.
- It issued currency for **India and Myanmar till 1942**, but was discontinued after 1947.

Headquarters - **Mumbai**

Current Governor - **Shaktikanta Das**

### **About the G20**

- It is an **international forum** of the **world's leading economies established in 1999**.
- Its primary objective is **to promote international financial stability and sustainable economic growth**.
- The G20 serves as a forum to discuss and coordinate policies related to a wide range of economic and financial issues such as **trade, investment, employment, energy and climate change**.

## **9. 56th Annual General Meeting of Board of Directors of ADB ( May 5, 2023 )**

56th Annual General Meeting of Board of Directors of ADB

Finance Minister **Nirmala Sitharaman** attended the **56th Annual General Meeting** of the **Board of Directors of the Asian Development Bank (ADB)** in **Incheon, South Korea** on May 2.

### **An overview of the news**

- Union Minister for Finance and Corporate Affairs **Nirmala Sitharaman** led the delegation from the Indian side.
- The meeting was attended by **official delegations of ADB members, observers, non-governmental and civil society organizations**, financial institutions and banks, and other private sector companies.

- Sitharaman also participated in the annual meeting and focal events such as Governors Business.
- She also participated as a panelist in the **ADB Governors' Seminar on Policies to Support Asia's Rebound**.

**The functions of the Union Finance Minister included the following components:**

- Interaction with global economists, governors/finance ministers of ADB member countries, etc.
- Bilateral engagement with countries and international organizations.
- Interact with global business leaders and investors in roundtables.
- Engagement with community diaspora.

**Asian Development Bank (ADB)**

- It is a **regional multilateral financial institution** which focuses on the countries of **Asia and Pacific region**.
- It was set up after a resolution was passed at the **first Ministerial Conference on Asian Economic Cooperation** held by the **United Nations Economic Commission for Asia and the Far East in 1963**.
- It started functioning from **19 December 1966 with 31 member countries**.
- At present it has **68 members—of which 49 members are from within Asia** and the Pacific and 19 outside.
- **Japan is the largest shareholder** of the ADB and a Japanese has always been the head of the ADB.
- President of ADB: **Masatsugu Asakawa**
- Headquarters: **Mandaluyong City, Manila, Philippines**

**10. Airtel Payments Bank introduces face authentication for Aadhaar-enabled Payment System (AePS) ( May 4, 2023 )**

**Airtel Payments Bank** in collaboration with **National Payments Corporation of India (NPCI)** introduced **face authentication for Aadhaar-Enabled Payment System (AePS)**.

The new facility will be available across five lakh Airtel banking points and will enhance the **accessibility and security of Aadhaar-based transactions**.

**An Overview of the News**

- Praveena Rai, Chief Operating Officer, NPCI welcomed the implementation of **Airtel Payments Bank facility for AEPS transactions**, which will increase the reach of Aadhaar-based transactions across the country.
- In the first phase, Airtel Payments Bank will enable non-financial transactions such as **balance inquiry and mini-statement**.
- As per NPCI guidance, Airtel Payments Bank will enable the functionality for other bank customers and also for the bank's customers at other banking outlets.
- Airtel Payments Bank has partnered with NPCI to test digital payments through feature phones and interactive voice response (IVR) for digital payments in Tier-II and Tier-III cities.

**Airtel Payments Bank:**

- It is a subsidiary of **India's leading telecom company Bharti Airtel**.
- **Launched in 2017**, Airtel Payments Bank is **India's first payments bank**.
- It aims at providing **digital banking and financial services** to the under-banked and unbanked population in the country.
- The bank offers a range of services including **savings accounts, current accounts, money transfers, bill payments and digital banking services**.
- Airtel Payments Bank operates through a network of Banking Points, which include **Airtel Retail Stores, Authorised Banking Points and Partner Outlets**.
- Airtel Payments Bank is a licensed entity under the **Reserve Bank of India (RBI)** and operates as a semi-closed wallet, which means customers can use it for transactions only with **authorised merchants of the bank**.
- Airtel Payments Bank has won several awards for its innovative digital banking solutions, including the Best Digital Wallet Award at the **India Digital Awards 2018** and the **Best Payments Bank Award** at the **Indian Retail and E-Retail Congress and Awards 2018**.

COO of Airtel Payments Bank - **Ganesh Ananthanarayanan**

MD & CEO of Airtel Payments Bank - **Anubrata Biswas**