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1st June to 15th June, 2019



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WITHDRAWALOFINDIA'S GENERALIZED SYSTEM OF PREFERENCES (GSP) BENEFITS BY USA

CONTEXT:

The United States of America (USA) has w.e.f. 5 June 2019 withdrawn India's GSP benefits.

ABOUT:

- The step was taken on determining that India has not committed to provide "equitable and reasonable access to its markets" for the US.
- Under the US's oldest preferential trade scheme called GSP, India is the largest beneficiary nation and exported goods worth \$6.35 billion under the scheme in 2018.
- **Reasons:** Cited by trump administration are trade imbalance with India, no access to Indian market for US dairy, medical device industry and issues related to data localisation norms.
- **Outcome:** As per the traders, exports are likely to become costlier, even less competitive in specific sectors, but the overall impact would be minimal on India's outbound trade with US. Although, some specific exports from India in sectors like leather, jewellery, agricultural products chemicals and pharmaceuticals are set to face higher costs and competition.

GSP benefits

- ➤ The Generalized System of Preferences is unilateral, non-reciprocal and non-discriminatory benefits extended by some developed nations to developing countries.
- ➤ GSP was instituted on 1 January 1976, by Trade Act of 1974. The GSP program has effective dates which are specified in relevant legislation thus in order to remain in effect it requires periodical reauthorization.
- ➤ The U.S. designed trade program seeks to promote economic growth in developing countries by providing preferential duty-free entry for up to 4,800 products from 129 designated beneficiary countries and territories.
- ▶ **Eligibility Criteria:** As per US norms, to qualify for GSP a beneficiary nation must meet 15 discretionary and mandatory eligibility criteria established by US Congress which includes providing US with equitable and reasonable market access, respecting mutual and internationally recognised worker rights, working for combating child labour and providing adequate and effective intellectual property rights (IPR) protection. But, reinstatement of GSP benefits is conditional.

Table 1: Top exports under the GSP programme from India to the USA (\$million)									
Hs Num	Description	2014	2015	2016	2017	2018			
29	Organic Chemicals	548	504	633	792	821			
39	Plastics and Articles thereof	344	338	366	398	465			
40	Rubber and Articles thereof	85	86	100	139	167			
42	Articles of Leather	45	50	56	93	266			
68	Articles of Stone, Plaster, Cement	102	119	137	165	164			
73	Articles of Iron or Steel	482	526	429	477	562			

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84	Nuclear Reactors, Boilers, Machinery	671	627	553	622	725
85	Electrical Machinery	379	372	379	415	437
87	Vehicles and parts	356	445	421	532	660

2

DRAFT COPYRIGHT (AMENDMENT) RULES, 2019

CONTEXT:

• Recently, Draft Copyright (Amendment Rules), 2019 was released by the Department for Promotion of Industry and Internal Trade (DPIIT).

ABOUT

- The amendments are being brought in to bring the Copyright Act on par with other relevant legislations and to ensure it is in sync with the technological advancements in the current digital era.
- The copyright regime is governed by the Copyright Act, 1957 and the Copyright Rules, 2013.
- The Copyright Rules, 2013 were last amended in 2016 through the Copyright Amendment Rules, 2016.

Proposals in Draft Rules

- Setting up an Appellate Board to replace the Copyright Board.
- The Chairman and other members of the Board will be appointed as per the provisions of the Trade Marks Act, 1999.
- It also proposes to amend the manner in which copyright societies fix their tariff schemes.
- A copyright Society is a legal body which protects or safeguards the interest of owners of the work by giving assurance to the creative authors of the commercial management of their works.
- These societies issue licences and collects royalties in accordance with a tariff scheme.
- DPIIT has proposed in the amendments that when fixing its tariff the copyright society may consider, "cross-sectional tariff comparisons, economic research, the nature and scope of the use of the work, the commercial value of the rights in use and the benefits to licensees".
- The amendments propose to make it mandatory for copyright societies to publish "the annual transparency" report for each financial year on its Website.

Copyright

- ▶ It is a form of intellectual property that grants the creator of an original creative work an exclusive legal right to determine whether and under what conditions this original work may be copied and used by others, usually for a limited term of years.
- ► The exclusive rights are not absolute but limited by limitations and exceptions to copyright law, including fair use. A major limitation on copyright on ideas is that copyright protects only the original expression of ideas, and not the underlying ideas themselves.
- ➤ Copyright is applicable to certain forms of creative work. Some, but not all jurisdictions require "fixing" copyrighted works in a tangible form.
- ▶ It is often shared among multiple authors, each of whom holds a set of rights to use or license the work, and who are commonly referred to as rights holders.

► These rights frequently include reproduction, control over derivative works, distribution, public performance, and moral rights such as attribution.

3

#SELFIEWITHSAPLING CAMPAIGN

CONTEXT:

• On the eve of World environment Day, Union Environment Minister launched #selfiewithsapling campaign.

ABOUT:

- It is a people's campaign urging all to join and plant a sapling and post the selfie with the sapling on social media. 'Jan Bhagidari' (people's participation) is integral towards tackling the environmental issues and environment protection has to be a people's movement.
- **Significance:** Such initiatives are needed so as to create a carbon sink. Also environmental concerns cannot be addressed solely by government and has to be a people's programme.

Other Initiatives

- **Hawa Aane De:** Recently, the Environment ministry released a music video for World Environment Day 2019's theme of "Air Pollution", song is titled "Hawa Aane De".
- NCAP: National Clean Air Programme (NCAP) was launched in January 2019, by Centre government
 with aim to reduce air pollution by 2024. According to environment ministry, the committee formed
 under NCAP has drawn up an action plan for 84 of 102 non-attainment cities, i.e. cities that do not
 meet the National Air Quality Standard (NAQS) identified under programme.

Some Air Pollution Facts

- 92 percent of people worldwide do not breathe clean air.
- Air pollution costs the global economy \$5 trillion every year in welfare costs.
- Ground-level ozone pollution is expected to reduce staple crop yields by 26 percent by 2030.

4

EXCHANGE OF INFORMATION BETWEEN INDIA AND MARSHALL ISLANDS

CONTEXT:

 The Agreement between the Government of the Republic of India and the Government of the Republic of the Marshall Islands for the Exchange of Information with respect to taxes (India – Marshall Islands TIEA) was signed on 18thMarch, 2016 at Majuro, the Republic of the Marshall Islands. The India-Marshall Islands TIEA has been notified in the Gazette of India (Extraordinary) on 21st May, 2019.

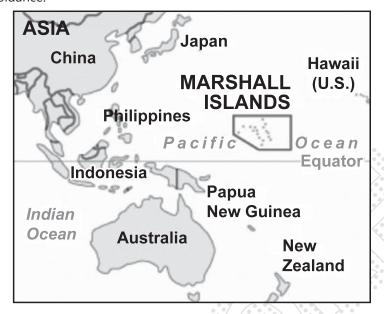
ABOUT:

- The Agreement enables exchange of information, including banking and ownership information, between the two countries for tax purposes.
- It is based on international standards of tax transparency and exchange of information and enables sharing of information on request.

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- The Agreement also provides for representatives of one country to undertake tax examinations in the other country.
- The Agreement will enhance mutual co-operation between India and Marshall Islands by providing an effective framework for exchange of information in tax matters which will help curb tax evasion and tax avoidance.



5

NCGG AND MALDIVES CIVIL SERVICES COMMISSION SIGN MOU ON TRAINING AND CAPACITY BUILDING

CONTEXT:

- The National Center for Good Governance (NCGG), India's leading civil services training institution, has entered into an MOU with the Maldives Civil Services Commission for capacity building of 1000 Maldives civil servants over the next 5 years.
- The agreement was signed during the visit of the Prime Minister of India to Male on 8th June 2019.

ABOUT:

- The agreement envisages that NCGG will be the nodal institution for designing customised training modules and its implementation taking into account the requirements of the Civil Service Commission, Maldives.
- The subject matters of the training program will include public administration, e-governance and service delivery, public policy and governance, information technology, best practices in fisheries in coastal areas, agro-based practices, self help group initiatives, urban development and planning, ethics in administration and challenges in implementation of SDGs.
- Maldives will nominate suitable civil servants in the senior/ executive/ middle management levels as per agreed timelines.
- Further the NCGG will assist the Civil Services Training Institute, a subsidiary of the Civil Service Commission, Maldives to develop training programs and materials, assist in organizing the exchange of experts as needed by the Civil Services Commission.
- The Ministry of External Affairs will bear all expenses pertaining to the training program.

6

NDMA CONDUCTS TRAINING PROGRAMME

CONTEXT:

• The National Disaster Management Authority (NDMA) has conducted a basic training programme at the Deendayal Port Trust in Kandla, Gujarat.

ABOUT:

- The five-day training programme, aimed at increasing the awareness and enhancing the preparedness of Seaport Emergency Handlers (SEHs) to respond to CBRN emergencies at the seaports.
- This is the fourth in a series of such programmes that was conducted at various seaports across the country to enable SEHs to respond suitably till the arrival of specialised response teams.
- CBRN (Chemical, Biological, Radiological and Nuclear) threats emanate at seaports due to arrival, storage and transportation of a large amount of chemical, petrochemical and other CBRN agents.
- These training programme will improve the CBRN safety at our seaports by enabling the SEHs to handle any CBRN emergency.

National Disaster Management Authority (NDMA):

- ▶ It is an agency of the Ministry of Home Affairs whose primary purpose is to coordinate response to natural or man-made disasters and for capacity-building in disaster resiliency and crisis response. NDMA was established through the Disaster Management Act enacted by the Government of India in 23 December 2005.
- ➤ The Prime Minister is the ex-officio chairperson of the same. The agency is responsible for framing policies, laying down guidelines and best-practices and coordinating with the State Disaster Management Authorities (SDMAs) to ensure a holistic and distributed approach to disaster management.
- ▶ It is headed by a nine-member board chaired by the Prime Minister of India. The remainder of the board consists of members nominated based on their expertise in areas such as planning, infrastructure management, communications, meteorology, and natural sciences. The day-to-day management of the agency is overseen by the office of the Vice Chair.

NDMA is operationally organized into the following divisions:

- ➤ Policy & Planning
- Mitigation
- ➤ Operations & Communications
- Administration
- Capacity Building



TRIPARTITE AGREEMENT WITH FRENCH NATIONAL RAILWAYS (SNCF) & AFD ON RAILWAY

CONTEXT:

• Indian Railway Station Development Corporation (IRSDC) entered a Tripartite Agreement with French Railways (SNCF) & AFD, a French Agency on 10th June, 2019.

ABOUT:

- Under this agreement, AFD a French agency has agreed to provide in-kind grant through French National Railways (SNCF) to IRSDC support the Railway Station Development Program in India.
- This will impose no financial liability on IRSDC or Indian Railways.
- India and France have a strong and long standing prosperous partnership in the Railway sector. French Railways (SNCF) in the past has been associated with Indian Railways in conducting speed upgradation study for Delhi-Chandigarh section and station development of Ludhiana & Ambala stations.
- This effort will go a long way in further strengthening Indo-French cooperation and will help Indian Railways in positioning its stations to world class standards.

8

THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL, 2019

CONTEXT:

 A bill to amend the special economic zones law will be introduced in the ensuing session of Parliament

ABOUT:

- The bill will replace the Special Economic Zones (Amendment) Ordinance, 2019, which was promulgated in March. The ordinance had paved the way for trusts to set up units in special economic zones (SEZs).
- After an amendment of a section of the SEZs Act, 2005, a trust or any entity notified by the central government will be eligible to be considered for grant of permission to set up a unit in these zones, which enjoy certain tax and other incentives.
- The amendment also seeks to provide flexibility to the central government to include 'trusts' in the definition of a 'person', in a bid to facilitate investments in these zones.
- To set up a unit in these zones, which are treated as foreign entities in terms of customs rules, an applicant would have to approach Board of Approval, which is headed by the commerce secretary.
- The present provisions of the Act do not permit 'trusts' to set up units in SEZs. 'Person' defined in the Act who is allowed to seek permission for setting up units does not include 'trusts'.
- Currently, the definition of 'person' includes an individual, whether resident in India or outside
 India, a Hindu undivided family, co-operative society, a company, whether incorporated in India or
 outside, a firm, proprietary concern, or an association of persons or body of individuals, whether
 incorporated or not, local authority and any agency, office or branch owned or controlled by such
 individual.

Special Economic Zone (SEZ)

- ▶ The Special Economic Zone (SEZ) policy in India first came into inception on April 1, 2000.
- ➤ A Special Economic Zone (SEZ) is an area within a country where there are different trade and business laws from the remaining regions of the country. SEZs are broadly located inside the national borders of a country.
- ➤ There are multiple aims of these zones including an increase in trade, an increase in the investment, more employment generation, and better administration. Countries create special economic zones motivated by the need to attract foreign direct investment (FDI). A company

located within an SEZ will get many benefits; it will be able to produce and trade goods at globally competitive prices. Basically, in an SEZ, the economic laws that would apply in that geography would be different and more relaxed and conducive to commerce when compared to the other areas of the country.

- ▶ As given by the government, the main objectives of establishing SEZs are:
 - Generation of additional economic activity
 - Promotion of exports of both goods and services
 - Generation of employment opportunities
 - Promotion of investment from foreign as well as domestic players
 - Development of infrastructure facilities

Reverse SEZ

➤ It is an import oriented area, located outside the country's border in order to get cheap, import duty-free/exempt raw materials.

9

MULTILATERAL CONVENTION TO IMPLEMENT TAX TREATY RELATED MEASURES TO PREVENT BASE EROSION AND PROFIT SHIFTING

CONTEXT:

• The Union Cabinet, chaired by the Prime Minister has approved the ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI).

Impact:

• The Convention will modify India's treaties in order to curb revenue loss through treaty abuse and base erosion and profit shifting strategies by ensuring that profits are taxed where substantive economic activities generating the profits are carried out and where value is created.

Details:

- The Multilateral Convention is an outcome of the OECD / G20 Project to tackle Base Erosion and Profit Shifting (the "BEPS Project") i.e., tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity, resulting in little or no tax being paid. The BEPS Project identified 15 actions to address base erosion and profit shifting (BEPS) in a comprehensive manner.
- India was part of the Ad Hoc Group of more than 100 countries and jurisdictions from G20, OECD, BEPS associates and other interested countries, which worked on an equal footing on the finalization of the text of the Multilateral Convention, starting May 2015. The text of the Convention and the accompanying Explanatory Statement was adopted by the Ad hoc Group on 24 November 2016.
- The Convention enables all signatories, inter alia, to meet treaty-related minimum standards that were agreed as part of the Final BEPS package, including the minimum standard for the prevention of treaty abuse under Action 6.
- The Convention will operate to modify tax treaties between two or more Parties to the Convention. It will not function in the same way as an amending protocol to a single existing treaty, which would directly amend the text of the Covered Tax Agreement. Instead, it will be applied alongside existing tax treaties, modifying their application in order to implement the BEPS measures.

• The Convention will modify India's treaties in order to curb revenue loss through treaty abuse and base erosion and profit shifting strategies by ensuring that profits are taxed where substantive economic activities generating the profits are carried out and where value is created.

Background:

- The Convention is one of the outcomes of the OECD/G20 project, of which India is a member, to tackle base erosion and profit shifting.
- The Convention enables countries to implement the tax treaty related changes to achieve antiabuse BEPS outcomes through the multilateral route without the need to bilaterally re-negotiate each such agreement which is burdensome and time consuming.
- It ensures consistency and certainty in the implementation of the BEPS Project in a multilateral context.
- Ratification of the Multilateral Convention will enable application of BEPS outcomes through modification of existing tax treaties of India in a swift manner.

10

THE CENTRAL EDUCATIONAL INSTITUTIONS (RESERVATION IN TEACHERS' CADRE) BILL, 2019

CONTEXT:

- Giving a major push to the reforms in Education sector, making it inclusive and keeping in mind the
 aspirations of the people from different categories, the Union Cabinet, chaired by the Prime Minister
 , has approved the introduction of a Bill namely "The Central Educational Institutions (Reservation
 in Teachers' Cadre) Bill, 2019".
- The Cabinet decision will address the long standing demands of persons belonging to SCs/STs/ SEBCs and ensure their rights envisaged under the Constitution. It will also ensure providing of 10% reservation to EWS.

Impact:

This decision will:

- Allow filling up of more than 7000 existing vacancies by direct recruitment in Teachers' Cadre with 200 point roster. Ensure compliance of the Constitutional Provisions of Articles 14, 16 and 21.
- Ensure full representation of Scheduled Castes/ Scheduled Tribes Socially and Educationally Backward Classes and Economically Weaker Sections in direct recruitment in teachers' cadres.
- Expected to improve the teaching standards in the higher educational institutions by attracting all eligible talented candidates belonging to SCs/STs/SEBCs/EWS.

11

GOVERNING COUNCIL MEETING OF NITI AAYOG

CONTEXT:

The fifth meeting of the Governing Council of NITI Aayog was held under the chairmanship of the Prime Minister at recently.

ABOUT:

• The spirit of the meeting was to build on the strength of every State so that each State can learn from the innovation and best practices of other States.

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- The Council also deliberated upon a closely related and deeply important issue of drought management and associate relief measures. The need to safeguard Indian agriculture and protect farmers from the vagaries of unpredictable monsoons was highlighted in the meeting, with various Chief Ministers suggesting possible short-term and long-term solutions for making India a 'droughtfree' nation. These included reviewing their district agriculture contingency plans, streamlining provision of inputs such as seeds and making contingency plans for irrigation etc.
- It has been proposed that the Union Government consider developing a comprehensive drought management plan that can be applicable across States.

About the Governing Council of NITI Aayog

- The Governing Council of NITI Aayog comprises the Prime Minister of India, Chief Ministers of all the States and Union Territories with Legislatures and Lt. Governor of Andaman and Nicobar Islands, and four Union Ministers as ex-officio members and three Union Ministers as Special Invitees.
- It is the premier body tasked with evolving a shared vision of national development priorities, sectors and strategies with the active involvement of States in shaping the development narrative.
- The First Meeting was held on 8 February 2015, at which the Prime Minister laid down the key mandates of NITI Aayog such as fostering cooperative federalism and addressing national issues through active participation of the States. The Second Meeting of the Governing Council took place on 15 July 2015 and the Third Meeting was held on 23 April 2017, which laid down milestones in shaping the country's development agenda through strategy and vision documents.
- The Fourth meeting of the Governing Council was held on 17 June 2018 and included reviewing measures taken for doubling farmers' income and progress made under flagship schemes such as the Ayushman Bharat, POSHAN Abhiyaan and Mission Indradhanush.
- The NITI Aayog has been mandated with fostering cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation. It seeks to design and assist the implementation of strategic, longterm policy frameworks and programme initiatives, and also monitor their progress and efficacy.
- The Governing Council, which embodies these objectives of cooperative federalism, presents a platform to discuss inter-sectoral, inter-departmental and federal issues in order to accelerate the implementation of the national development agenda, in the spirit of Ek Bharat, Shrestha Bharat.
