SUCCESS MANTRA
GTB NAGAR

AUGUST 2022


# pravahini

## Monthly Compendium (ECONOMIC AFFAIRS)

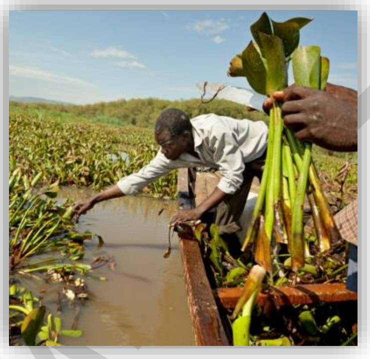
of Current Affairs by SUCCESS MANTRA (GTB Nagar)

# ECONOMIC AFFAIRS

## AUGUST 2022

# IMPORTANT ECONOMIC AFFAIRS

## #NATURAL RESOURCE ACCOUNTING (NRA)



Recently, the **Comptroller and Auditor General of India** has stated that it would be coming up with **report on Natural Resource Accounting (NRA)** by November 2022.
It is an attempt to develop accounting systems to help monitoring their responsible utilisation, which will in turn lead to sustainability.

### *What is Natural Resource Accounting (NRA)?*

Natural Resource Accounting is a process of estimating the value of natural resource depletion and environment degradation due to economic activities.
The concept of NRA was emerged to capture the intimate **interplay between the various components of the natural environment and the economic progress of a country.**
It is based on the concept - **'measurement of a resource leads to its better management'.**

### Historical Perspective:

- The need for NRA took its **first step at the United Nations (UN) conference on Human Environment in 1970 (Stockholm Conference)** when the relationship between economic development and environmental degradation was discussed for the first time.
- The **Brundtland Commission**, set up by the UN, articulated the idea of close association between the environment and economic activities in 1987, which was followed up by environmental accounting and the **Earth Summit at Rio de Janeiro in 1992.**

### *What are the Initiatives Taken to Promote NRA?*

**Initiative at Global Level:**

- UNGA resolution titled, "Transforming our world; the 2030 agenda for sustainable development" (25th of September, 2016) which got the approval of more than 190 countries, **requires the preparation of Natural Resource Accounts.**
- India is a signatory to this resolution.
- The UN, in 2012, adopted the **System of Economic and Environmental Accounting (SEEA).** It is the **latest internationally accepted framework for NRA.**
- Around 30 nations like Australia, Canada, China, France, and Germany have attained various degrees of success in adopting environmental accounting.
- The **Natural Capital Accounting and Valuation of the Ecosystem Services (NCAVES) Project**, funded by the European Union, has been jointly implemented by the **United Nations Statistics Division** (UNSD), the **United Nations Environment Programme** (UNEP) and the **Secretariat of the Convention of Biological Diversity** (CBD).
- **India** is one of the **five countries taking part in this project** - the other countries being **Brazil, China, South Africa and Mexico.**
- It is an umbrella term covering efforts to make use of an **accounting framework** to provide a systematic way **to measure and report on stocks and flows of natural capital.**

### *India-Specific Initiatives:*

- The CAG established the **Government Accounting Standards Advisory Board** (GASAB) in 2002 with the aim to improve standards of Governmental accounting and financial reporting to enhance the quality of decision-making and public accountability.

- It consists of **representatives of all accounting services in GoI, regulatory authorities like RBI, ICAI and State Governments.**
- The CAG of India is also a **member of an international body of Supreme Audit Institutions, called WGEA (Working Group on Environmental Auditing)**, which suggested (2010) that the audit institutions should aid their countries to adopt Natural Resources Accounts.

# #FINANCIAL INCLUSION INDEX (FI-INDEX)

The **Reserve Bank of India has released the Composite Financial Inclusion Index (FI-Index)** for the year ended 31st March 2022.

## *What are the Findings?*

- India's Financial Inclusion Index has improved to **56.4 from 53.9** in the previous year 2021.
- The improvement has been seen across **all its sub-indices (Access, Usage and Equality).**

## *What is the Financial Inclusion Index?*

It is a comprehensive index incorporating **details of banking, investments, insurance, postal as well as the pension sector** in consultation with the government and respective sectoral regulators.
It was developed by the RBI in 2021, **without any 'base year'**, and is published in July every year.

## Parameters:

- It captures information on various aspects of financial inclusion in a single value **ranging between 0 and 100**, where 0 represents complete financial exclusion and **100 indicates full financial inclusion.**
- It comprises **three broad parameters** (weights indicated in brackets) viz., Access (35%), Usage (45%), and Quality (20%) with each of these consisting of various dimensions, which are computed based on a number of indicators. The index is **responsive** to ease of access, availability and usage of services, and quality of services **for all 97 indicators.**

## *What is Financial Inclusion?*

- **Financial inclusion** is defined as the **process of ensuring access to financial services and timely and adequate credit where needed** by vulnerable groups such as weaker sections and low-income groups at an affordable cost.
- In a diverse country like India, financial inclusion is a critical part of the development process. Since independence, the **combined efforts of successive governments, regulatory institutions, and civil society have helped in increasing the financial-inclusion** net in the country.
- **Being able to have access to a transaction account is** a **first step toward broader financial inclusion** since a transaction account allows people to store money, and send and receive payments. A transaction account serves as a gateway to other financial services.

## *What are the Initiatives to Increase Financial Inclusion in India?*

- **Pradhan Mantri Jan Dhan Yojana**
- **Digital Identity (Aadhaar)**
- **National Centre for Financial Education (NCFE)**
- **Centre for Financial Literacy (CFL) Project**
- **Expansion of financial services in Rural and Semi-Urban Areas**
- **Promotion of Digital Payments**

# #MONETARY POLICY REVIEW: RBI


Recently, the **Reserve Bank of India (RBI)** in its **Monetary Policy Committee (MPC)** Review announced a 50-basis point hike in the repo rates thereby taking the cumulative rate hike over the last three months to 140 basis points.

## *What are the Highlights?*

- **Policy Repo Rate: 5.40%** -- Repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds. Here, the central bank purchases the security.

- **Standing Deposit Facility (SDF): 5.15 --** The SDF is a liquidity window through which the RBI will give banks an option to park excess liquidity with it. It is different from the reverse repo facility in that it does not require banks to provide collateral while parking funds.

- **Marginal Standing Facility Rate: 5.65%** -- MSF is a window for scheduled banks to borrow overnight from the RBI in an emergency situation when interbank liquidity dries up completely. Under interbank lending, banks lend funds to one another for a specified term.

- **Bank Rate: 5.65%** -- It is the rate charged by the RBI for lending funds to commercial banks.

- **Cash Reserve Ratio (CRR): 4.50%** -- Under CRR, the commercial banks have to hold a certain minimum amount of deposit (NDTL) as reserves with the central bank.

## *What is Monetary Policy Framework?*

In May 2016, the **RBI Act was amended to provide a legislative mandate** to the central bank to operate the country's monetary policy framework.

## Objective:

- The framework **aims at setting the policy (repo) rate based on an assessment of the current and evolving macroeconomic situation**, and modulation of liquidity conditions to anchor money market rates at or around the repo rate.
- **Reason for Repo Rate as Policy Rate:** Repo rate changes **transmit through the money market to the entire financial system**, which, in turn, influences aggregate demand.
- Thus, it is a key **determinant of inflation and growth.**

## *What is the Monetary Policy Committee?*

- **Origin: Under Section 45ZB** of the amended (in 2016) RBI Act, 1934, the central government is **empowered to constitute a six-member Monetary Policy Committee** (MPC).

- **Objective**: Further, Section 45ZB lies down that "the Monetary Policy Committee shall determine the Policy Rate required to achieve the inflation target". **The decision of the Monetary Policy Committee shall be binding on the Bank.**

**Composition:** Section 45ZB says the MPC shall **consist of 6 members:**

- RBI Governor as its ex officio chairperson,
- Deputy Governor in charge of monetary policy,
- An officer of the Bank to be nominated by the Central Board,

- Three persons to be appointed by the central government.
- This category of appointments must be from "persons of ability, integrity and standing, having knowledge and experience in the field of economics or banking or finance or monetary policy".

## *What are the Instruments of Monetary Policy?*

- Repo Rate
- Standing Deposit Facility (SDF) Rate
- Marginal Standing Facility (MSF) Rate
- Liquidity Adjustment Facility (LAF)
- LAF Corridor
- Main Liquidity Management Tool
- Fine Tuning Operations
- Reverse Repo Rate
- Bank Rate
- Cash Reserve Ratio (CRR)
- Statutory Liquidity Ratio (SLR)
- Open Market Operations (OMOs)

# #INDIA'S BLOCKCHAIN PLATFORM

Recently, India has made several efforts to become **a digital society** by building a large citizen-scale digital public infrastructure with a significant push from the government.


## *What is Public Digital Infrastructure?*

- It refers to **digital solutions that enable basic functions essential for public and private service delivery, i.e., collaboration, commerce, and governance.**

## Indian Initiatives:

- The Government of India and the **Reserve Bank of India (RBI)** have been **promoting simplification and transparency to increase the speed of interaction between individuals, markets, and the government.**
- With the commencement of the **Digital India mission** in 2015, the **payments, provident fund, passports, driving licenses, crossing tolls, and checking land records** all have been transformed with modular applications built on **Aadhaar**, **Unified Payments Interface(UPI), and the India Stack.**

## *What are Other Efficient Digital Systems?*

### Web 3.0:

- **Web 3.0** is a **decentralized internet** to be run on **blockchain technology,** which would be different from the versions in use, **Web 1.0 and Web 2.0.**
- The internet in Web 1.0 was mostly static web pages where users would go to a website and then read and interact with the static information.
- In Web 2.0 users **can create content** - primarily, a social media kind of interaction.
- In Web 3.0, **users will have ownership stakes in platforms and applications** unlike now where tech giants control the platforms.

### Blockchain:

- A blockchain is a **distributed database or ledger that is shared among the nodes of a computer network.**
- As a database, a blockchain **stores information electronically in digital format.**
- Blockchains are best known for their crucial role in cryptocurrency systems, such as Bitcoin, for maintaining a secure and decentralized record of transactions.
- The innovation of a blockchain is that it **guarantees the fidelity and security of a record of data and generates trust without the need for a trusted third party.**

# #WHAT IS CAROTAR RULES, 2020?

- Recently, the **Central Board of Indirect Taxes and Customs (CBIC)** issued a circular, stating that custom officers should be sensitive in applying **CAROTAR (Customs Administration of Rules of Origin under Trade Agreements) Rules, 2020** and maintain consistency with the provisions of relevant trade agreements or its Rules of Origin.
- Exemptions specified in a **Free Trade Agreement (FTA)** with regard to country of origin will prevail **in case of conflict between revenue department and importer.**

## *What are the CAROTAR Rules?*

- CAROTAR, 2020 set guidelines for enforcement of the 'rules of origin' for allowing preferential rate on imports under Free Trade Agreements.
- They supplement the existing operational certification procedures prescribed under different trade agreements. They were notified in August, 2020 by the Ministry of Finance.

## *What is a Free Trade Agreement?*

- It is an **arrangement between two or more countries or trading blocs that primarily agree to reduce or eliminate customs tariff** and non tariff barriers on substantial trade between them.
- It covers **trade in goods** (such as agricultural or industrial products) or trade in services (such as banking, construction, trading etc.). It also covers **other areas such as intellectual property rights (IPRs)**, investment, government procurement and competition policy etc. India has inked FTAs with several countries, including **UAE**, **Mauritius**, Japan, South Korea, Singapore, and ASEAN members.

# #NEW NORMS TO INVEST OVERSEAS

Recently, The **Ministry of Finance** noticed new norms making it easier for domestic corporates to invest abroad, while making it **tougher for loan defaulters and those facing a probe by investigative agencies to invest in overseas entities.**

- **Administered by RBI:** The **Overseas Investment Rules and Regulations,** notified under the **Foreign Exchange Management Act**, will be **administered by the Reserve Bank of India (RBI)**, and shall subsume all existing norms pertaining to overseas investments as well as the acquisition and transfer of immovable property outside India.

- **No Go Sectors:** A **No-Objection Certificate (NOC)** will be mandatory for any person who has a bank account classified as a **Non-performing asset**, or is labelled a wilful defaulter by any bank, or is under investigation by a financial service regulator, the **Enforcement Directorate (ED)** or the **Central Board of Investigation (CBI).**

- **Sixty Day Timeline:** However, **if the lenders or the relevant regulatory body or investigative agency fail to furnish the NOC within sixty days** of receiving an application, it may be presumed that they have no objection to the proposed transaction.

## Significance:

- The revised regulatory framework for overseas investment provides for simplification of the existing framework for overseas investment and has been aligned with the current business and economic dynamics
- Clarity on overseas direct investment and overseas portfolio investment has been brought in and "various overseas investment-related transactions that were earlier under **the approval route are now under automatic route, significantly enhancing ease of doing business.**

# #CENTRAL BANK DIGITAL CURRENCY

According to recent reports, the **Reserve Bank of India's** (RBI) digital rupee — the **Central Bank Digital Currency (CBDC)** — may be introduced in phases beginning with wholesale businesses in the current financial year.
RBI had proposed amendments to the **Reserve Bank of India Act, 1934**, which would enable it to **launch a CBDC.**

## *What is Central Bank Digital Currency (CBDC)?*

- CBDCs are a **digital form of a paper currency** and unlike **cryptocurrencies** that operate in a regulatory vacuum, these are **legal tenders issued and backed by a central bank.**
- It is the **same as a fiat currency and is exchangeable one-to-one with the fiat currency.**
- A fiat currency is a national currency that is not pegged to the price of a commodity such as gold or silver.
- The digital fiat currency or CBDC **can be transacted using wallets backed by blockchain.**
- Though the concept of CBDCs was directly inspired by **Bitcoin**, it is different from decentralised virtual currencies and crypto assets, **which are not issued by the state and lack the 'legal tender' status.**

## *What are the Benefits & Challenges of CBDC?*

### Benefits:

- **A Combination of Traditional and Innovative:** CBDC can gradually bring a cultural shift towards **virtual currency by reducing currency handling costs.**

- **Easier Cross-Border Payments:** CBDC can provide an **easy means to speed up a reliable sovereign backed domestic payment** and **settlement system** partly replacing paper currency. It could also be used fo**r cross-border payments**, it could eliminate the need for an expensive network of correspondent banks to settle cross-border payments.

- **Financial Inclusion:** The increased use of CBDC could be explored for many other financial activities to push the **informal economy** into the formal zone to ensure **better tax and regulatory compliance.** It can also pave the way for **furthering financial inclusion.**

# #CHINA-PAKISTAN ECONOMIC CORRIDOR (CPEC) AUTHORITY

- Recently, **China gave nod to Pakistan's decision** to scrap the **China-Pakistan Economic Corridor (CPEC) Authority** amid reports of **growing rift between the all-weather friends** over the slow pace of the USD 60 billion project.

## *What do we know about the CPEC Authority?*

- **The China-Pakistan Economic Corridor (CPEC) Authority** was established through an **ordinance** in

2019.
- It was aimed at **accelerating the pace of CPEC-related activities**, finding **new drivers of growth**, unlocking the **potential of interlinked production networks** and **global value chains** through regional and global connectivity.

## *What is the China Pakistan Economic Corridor?*

- CPEC is a **3,000-km long route of infrastructure projects connecting China's northwest Xinjiang** Uygur **Autonomous Region** and the **Gwadar Port in the western province** of Balochistan in Pakistan. It is a **bilateral project between Pakistan and China,** intended to promote **connectivity across Pakistan** with a network of highways, railways, and pipelines accompanied by **energy, industrial, and other infrastructure development projects.**
- It will pave the way for China to **access the Middle East and Africa** from Gwadar Port, enabling China to **access the Indian Ocean** and in return China will support **development projects in Pakistan** to overcome the latter's **energy crises** and stabilising its faltering economy.
- CPEC is a part of the **Belt and Road Initiative.**
- The BRI, launched in 2013, **aims to link Southeast Asia, Central Asia, the Gulf region, Africa and Europe w**ith a network of land and sea routes.

## *What is One Belt One Road (OBOR)?*

- **One Belt One Road** is a multi-billion-dollar initiative launched in 2013. It aims to **link Southeast Asia, Central Asia, the Gulf region, Africa and Europe with a network of land and sea routes.**
- It has been launched to **undertake big infrastructure projects** in the world which in turn would also enhance the global influence of China.

**Structure:**

**It contains the following six economic corridors:**

- The New Eurasian Land Bridge
- The China-Mongolia-Russia Corridor
- The China-Central Asia-West Asia Corridor
- The China-Indochina Peninsula Corridor
- The China-Pakistan Corridor
- The Bangladesh-China-India-Myanmar Corridor
- Additionally, **the maritime Silk Road** connects **coastal China** to the **Mediterranean via Singapore-Malaysia, the Indian Ocean, the Arabian Sea, and the Strait of Hormuz.**

# #GROSS STATE DOMESTIC PRODUCT


Recently, the **Union Ministry of Statistics and Programme Implementation** has released figures for the **Gross State Domestic Products.**
The economies of **19 states and Union Territories** exceeded their **pre-Covid levels**, with 7 recording **double-digit growth rates during 2021-22.**
The growth rates of 11 states including Gujarat and Maharashtra were not available for 2021-22.

## *What are the Key Findings?*

- Size of the **Gross State Domestic Product (GSDP)** of the 19 states and UTs had c**ontracted or recorded a negligible growth during 2020-21** — the year when the government had imposed a **nationwide lockdown in view of the Covid-19 outbreak.**

- **These 19 states and UTs are** Andhra Pradesh, Rajasthan, Bihar, Telangana, Delhi, Odisha, Madhya Pradesh, Haryana, Karnataka, Tripura, Sikkim, Himachal Pradesh, Meghalaya, Jharkhand, Tamil Nadu, Jammu and Kashmir, Punjab, Uttarakhand and Puducherry.
- Their economies **(GSDP)** bounced back in 2021-22 and exceeded their pre-Covid (2019-20) levels.
- **Kerala and Uttar Pradesh are the only exceptions** in 2021-22 which recorded **GSDP below the pre-Covid levels.**
- **Andhra recorded the highest growth** of 11.43%, **Puducherry recorded the lowest** at 3.31%.

Besides Andhra Pradesh, **five other states and one UT recorded double digit growth in 2021-22:**

- **Rajasthan:** 11.04%
- **Bihar**: 10.98%
- **Telangana:** 10.88%
- **Odisha:** 10.19%
- **Madhya Pradesh:** 10.12%
- **Delhi:** 10.23%

Sharp jump in the GSDP of some states is due to the **base effect**, the general trend mirrors the **post-pandemic economic recovery.**
In 2021-22, India's GDP expanded at 8.7% against a 6.6% contraction in 2020-21.

# #PRIVATISATION OF PUBLIC SECTOR BANKS

In the **Union Budget 2021-22**, the government announced its decision to privatise two **Public Sector Banks**.

## *What is Privatisation?*

The transfer of ownership, property or business from the government to the private sector is termed privatisation. **The government ceases to be the owner of the entity or business.**

Privatisation is considered to bring more efficiency and objectivity to the company, something that a government company is not concerned about. India went for **privatisation in the historic reforms budget of 1991, also known as 'New Economic Policy or LPG policy'.**

## *What are Public Sector and Private Sector Banks?*

- **Public Sector: Public Sector Banks (PSBs)** are those banks **where the government holds more than 50% ownership.** Further, the government regulates the financial guidelines, because of government ownership, most depositors believe that their money is more secured in public sector banks. As a result, most public sector banks have a large customer base. For example, **The State bank of India (SBI) is the largest public sector bank in India.** In this bank, the Indian government holds more than 63% share.

- **Private Sector Banks: Private sector banks** are those banks where **private individuals or private companies own a major part of the bank's equity.** Even though these banks follow the nation's central bank's guidelines, they can formulate their independent financial strategy for the customers.

## *Who is more Efficient?*

- **Financial Inclusion: Pradhan Mantri Jan Dhan Yojana (PMJDY), envisages universal access to banking facilities** with at least one basic banking account for every household. Public Sector Banks provide 36.2 crore beneficiaries while Private sector banks accounted for just Rs 1.3 crores of the total of almost Rs 46 crore beneficiaries. While the **private banks dominate the metropolitan areas**, it is the **public sector banks that operate branches in rural India.** PSBs provide more ATMs in rural India.

- **Efficiency: PSBs are more efficient than PVB in Financial Inclusion,** while **when profit maximisation is the sole motive, efficiency of the PVBs has always surpassed that of their public sector counterparts.** However, when the **objective function is changed to include financial inclusion**—like total branches, agricultural advances and PSL advances— **PSBs prove to be more efficient than PVBs** (middle and bottom panel).

- **Relevance in Economy:** The relevance of banking lies in knowing whether banks lend when borrowers need the money the most. Thus, **PSBs have a lion's share in infrastructure finance lendings** and their role has been especially crucial against the backdrop of the withering away of erstwhile development financial institutions.

# #INDIA'S GOLD JEWELLERY EXPORT TO UAE

India's gold jewellery exports to the **United Arab Emirates (UAE) rose by a sharp 42%** in two months of a **Free Trade Pact** coming into effect in May 2022.
Overall exports to the UAE in May-June, 2022 touched USD 5.4 billion, a 17% growth from a year ago.

## *What benefited the Growth of Jewellery Export?*

- Indian exporters were facing **tough competition in gold jewellery from countries like Turkey**, and Indian exports were showing a decline before the FTA.
- The free trade pact came into effect in May 2022 with its **offer of duty-free access on jewellery to the Gulf nation.** This removal of **duties has benefited exports.**
- India got zero duty access to the UAE market for jewellery exports, **which attracted 5% duty earlier**, potentially **facilitating entry of Indian products in the North Africa, West Asia and Central Asia** markets.
- India in turn **allowed 1% duty concession on gold imports from the UAE for up to 200 tonnes of shipments** under the **Comprehensive Economic Partnership Agreement (CEPA).**

## *What will be the Benefits of India-UAE CEPA?*

- **Trade-in Goods:** India will benefit from preferential market access provided by the UAE, especially for all labour-intensive sectors. Such as **Gems and Jewellery**, Textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, medical devices, and Automobiles.

- **Trade-in Services:** Both India and UAE have offered each other market access to the broad service sectors. Such as 'business services', 'communication services', 'construction and related engineering services, 'distribution services', 'educational services', 'environmental services', 'financial services, 'health-related and social services, 'tourism and travel-related services, 'recreational cultural and sporting services' and 'transport services'.

- **Trade-in Pharmaceuticals:** Both sides have also agreed to a separate Annex on Pharmaceuticals to facilitate access to Indian pharmaceuticals products, especially automatic registration and marketing authorisation in 90 days for products meeting specified criteria.

## *What is CEPA?*

- It is a **kind of free trade pact that covers negotiation on the trade** in services and investment, and other areas of economic partnership.
- It may **even consider negotiation in areas such as trade facilitation** and customs cooperation, competition, and IPR.

- Partnership agreements or cooperation agreements are more comprehensive than Free Trade Agreements. CEPA also looks into the regulatory aspect of trade and encompasses an agreement covering the regulatory issues.
- India has signed **CEPAs with South Korea and Japan.**

# #BENAMI TRANSACTION ACT, 1988

Recently, **The Supreme Court of India** held that Section 3(2) of the **Benami Transactions (Prohibition) Act 1988** as unconstitutional on the grounds of being manifestly arbitrary.
Section 3(2) prescribes the punishment for entering into benami transaction.
The judges held that the Act which **was amended in 2016** can only be applied prospectively and **quashed all prosecutions or confiscation proceedings before the amended Act came into force.**

## *What did The Supreme Court Ruled?*

- **Section 3(3) of 2016 Act:** It **extended the three-year imprisonment to seven years and fine of up to 25% of the fair market value of the property**, if a person enters into any benami transactions. **The Supreme Court ruled that** "Concerned authorities **cannot initiate or continue criminal prosecution or confiscation proceedings** for transactions entered into **prior to the coming into force of the 2016 Act (25th October 2016)**. As a consequence of the above declaration, **all such prosecutions or confiscation proceedings shall stand quashed".**

- **Forfeiture of Benami Properties:** The Supreme Court also held the **provision in the 1988 Act** regarding forfeiture of benami properties as **unconstitutional**, and added that the provision in the **2016 amended Act on the same can only be applied prospectively.**

## *Prevention of Money Laundering Act (PMLA), 2002:*

A recent judgement of the Supreme Court upheld the provision of **PMLA** which allows authorities to **take possession of property before trial in exceptional cases.**
**The Supreme Court has said that such provision leaves the scope for arbitrary application.**
What do we know about the Benami Transactions (Prohibition) Amendment Act 2016?
**About:**
The Act amended the Original Act (Benami Transaction (Prohibition) Act 1988) and renamed it as **Prohibition of Benami Property Transaction Act, 1988.**

## The Act defines a benami transaction as a transaction where:

- a property is **held by or transferred to a person,** but has **been provided for or paid by another person.**
- the transaction is made in a **fictitious name**
- the **owner is not aware of denies knowledge of the ownership** of the property,
- the person providing the consideration for the property is **not traceable.**

**Appellate Tribunal:** The Act provides for an **Appellate Tribunal to hear appeals against any orders passed by the Adjudicating Authority.**
Appeals against the orders of the Appellate Tribunal **will lie to the high court.**
The special court should **conclude the trial within six months** from the date of filing of the complaint.

**Authorities:**

The Act **established four authorities to conduct inquiries or investigations** regarding benami transactions:
- **Initiating Officer**

- **Approving Authority**
- **Administrator**
- **Adjudicating Authority**

**Penalty**: If a person is found **guilty of the offence of the Benami transaction** by the competent court, he shall be punishable with **rigorous imprisonment for a term not less than one year** but which may **extend to 7 years.** He shall also be liable to a fine which may **extend to 25% of the fair market value of the property.**

## *What are some Important Terms under the Act?*

- **Property: Assets of any kind**, whether movable or immovable, tangible or intangible, corporeal or incorporeal and includes any right or interest or legal documents or instruments evidencing title to or interest in the property and where the property is capable of conversion into some other form, then the property in the converted form and also includes tlhe proceeds from the property.

- **Benami Property:** Any property **which is the subject matter of a Benami Transaction** and also includes the **proceeds from such property.**

- **Benamidar:** A person or a fictitious person as the case may be, **in whose name the Benami Property is transferred or held and includes a person who lends his name.**

- **Beneficial Owner:** A person, whether his identity is known or not, **for whose benefit the Benami Property is held by a Benamidar.**

# #CYBER THREATS TO MOBILE BANKING

According to a recent study, more people are inclining toward **digital payments and there is a rise in the number of people's interactions with their bank or bank accounts** happen through their smartphones.
Further, this acceleration brings along with it vulnerability: an increased threat of **cyberattacks** on mobile devices.

## *What are Cyber Threats?*

- **About:** A cyber or **cybersecurity threat** is a **malicious act that seeks to damage data, steal data, or disrupt digital life in general. It includes computer viruses, data breaches, Denial of Service (DoS) attacks, and other attack vectors.**

## Different Types:

- **Malware: Malware** short for malicious software refers to any kind of software that is designed to cause damage to a single computer, server, or computer network. **Ransomware, Spy ware, Worms, viruses, and Trojans are all varieties of malware.**
- **Phishing:** It is a method of trying to gather personal information using deceptive e-mails and websites.
- **Denial of Service attacks:** A Denial-of-Service (DoS) attack is an attack meant to shut down a machine or network, making it inaccessible to its intended users. DoS attacks accomplish this by flooding the target with traffic, or sending it information that triggers a crash.
- **Man-in-the-middle (MitM) attacks**, also known as eavesdropping attacks, occur when attackers insert themselves into a two-party transaction. Once the attackers interrupt the traffic, they can filter and steal data.
- **Social engineering** is an attack that relies on human interaction to trick users into breaking security procedures in order to gain sensitive information that is typically protected.

## Use of Trojans & *Malware:*

- As per Kaspersky, mobile banking **Trojans are dangerous malware that can steal money from mobile users' bank accounts by disguising the malicious application as a legitimate app** to lure unsuspecting people into installing the malware.
- For e.g, mobile banking trojan, called **Anubis, has been targeting Android users since 2017.**
- Further, its **worldwide campaigns have hit users in Russia, Turkey, India, China, Colombia, France, Germany, the U.S., Denmark, and Vietnam.**

## Methodology:

- The perpetrators **infect the device through legitimate-looking and high-ranking malicious apps on Google Play, smishing (phishing messages sent through SMS), and BianLian malware,** another mobile banking Trojan,
- Roaming Mantis is another prolific malware targeting mobile banking users.
- The group attacks Android devices and spreads malicious code by hijacking domain name systems (DNS) through smishing exploits.

# SUCCESS MANTRA DIGITAL YOUTUBE CHANNEL

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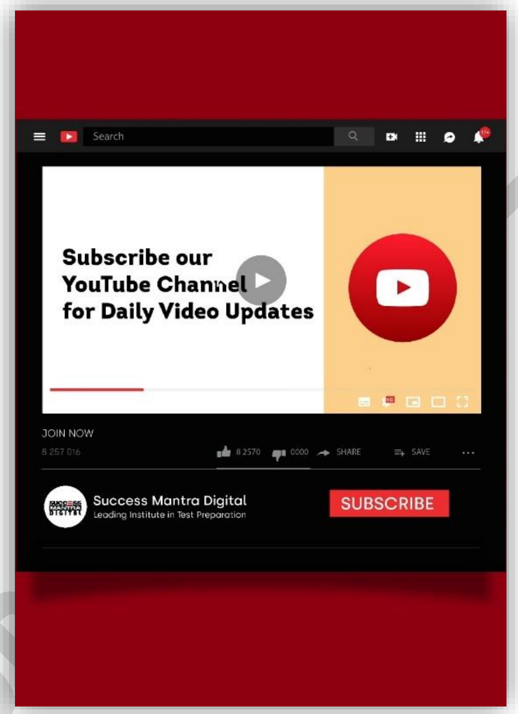


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