

# NEWS TODAY

## PARLIAMENT PASSES EPIDEMIC DISEASES (AMENDMENT) BILL, 2020

- **Bill will replace The Epidemic Diseases (Amendment) Ordinance, 2020** issued by government to amend the Epidemic Diseases Act, 1897.
  - The Act provides for the prevention of the spread of dangerous epidemic diseases.
- Bill amends the Act **to include protections for healthcare personnel combatting epidemic diseases and expands the powers of central government** to prevent the spread of such diseases.
- **Key provisions of the Bill**
  - **Definitions of healthcare service personnel** and what all constitutes act of violence against them are provided. (Refer box).
  - Commission or abetment of such violence will be punishable with **imprisonment and with a fine**.
  - **Offender would be presumed to be guilty** unless proved otherwise.
  - Central government will be able to **regulate the inspection of any bus, train, goods vehicle, ship, vessel, or aircraft** leaving or arriving at any land port, port, or aerodrome.
    - Further, it may regulate the detention of any person intending to travel by these means.

- **Healthcare service personnel are defined** as persons who are at risk of contracting the epidemic disease while carrying out duties related to the epidemic. They include:
  - Public and clinical healthcare providers such as doctors and nurses.
  - Any person empowered under the Act to take measures to prevent the outbreak of the disease.
  - Other persons designated as such by the state government.
- **'Act of violence' includes** any of the following acts committed against a healthcare service personnel:
  - Harassment impacting living or working conditions.
  - Harm, injury, hurt, or danger to life.
  - Obstruction in discharge of duties.
  - Loss or damage to the property or documents of the healthcare service personnel.

## RUSSIA REJECTS U.S. TERMS, SEES 'MINIMAL' CHANCE TO EXTEND NEW START NUCLEAR PACT

- New START, came into force in 2011, is the last of the remaining nuclear arms agreements between United States and Russia **which focuses on the reduction of both the US's and Russia's nuclear arsenals**.
  - New START is a **successor to the original Strategic Arms Reduction Treaty (START I)** signed in 1991 between then-Soviet Union and United States.
  - It will **lapse in February 2021** unless extended for a five-year period.
- US proposed a successor to New START which would be multilateral and include China.
  - **US is worried that China's nuclear stockpile could be doubled** if treaty continued without China.
  - Russia opposed it and called that a "**deliberate distortion of our position.**" It says China's involvement in the treaty is confusing since it limits US and Russia to 1,550 warheads each, whereas China is estimated to have around 290 warheads.
  - **China refused to be part** of the negotiation.
- Earlier, **US had also unilaterally withdrawn from other nuclear arms control accords** such as intermediate-Range Nuclear Forces Treaty (INF) treaty.
- Given uncertainty around New START, observers continue to stress the importance of **international disarmament measures**.

## INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA) COMMITTEE REPORT

- IFSCA committee interim report suggested measures on how to develop international retail business in International Financial Services Centre (IFSC) along with potential strategies for making IFSC attractive for international financial services.
  - **IFSC caters to customers outside jurisdiction of domestic economy**, dealing with flows of finance, financial products and services across borders. It **provides services such as fund raising, asset management** etc.
    - SEZ Act 2005 allows setting up an IFSC in an SEZ.

## DOCUMENT ON INTERNATIONAL EXPERIENCES OF CONDUCTING ELECTIONS DURING COVID-19 RELEASED BY INDIA A-WEB CENTRE

- Association of World Election Bodies (A-WEB) is **largest association of Election Management Bodies (EMBs) worldwide**. At present A-WEB has 115 EMBs as Members & 16 Regional Associations/Organisations as Associate Members.
  - Last year **India had taken over as Chair of A-WEB for 2019-2021**.
  - An **India A-WEB Centre** has been established at New Delhi, for documentation, research and training for sharing the best practices and capacity building of officials of A-WEB members.
- **Issues faced during COVID 19**
  - Countries are facing dilemma of **whether to conduct or postpone scheduled elections**.
  - **Changes in political campaigning** to reduce human-to-human contact.
  - Party in power, armed with enhanced authority to enforce 'lockdowns' and other restrictions, is **more likely to misuse the power to its benefit**.
- **Steps taken in India**
  - Election Commission proposed a **10% increase in the campaign expenditure limit**.
  - **Separate polling arrangements** for suspected/confirmed COVID-19 cases among electors.
  - There shall be **maximum 1000 electors instead of 1500** in a polling station.
  - Specific **guidelines for door to door campaigns and road shows** by political parties/contesting candidates.

- Its objective is to **channelising India's offshore business to the IFSC located at GIFT City** and making it gateway for India-centric international financial services.
- **Report suggests**
  - Providing Indian diaspora and individuals from Asia and Africa with a **comprehensive range of financial services from the IFSC**.
  - **Serving domestic residents** availing liberalized remittance scheme.
  - Aim to build its competitiveness in terms of key **factors like reputation, regulatory environment, taxation and ease of operations**.
- Report says IFSC retail business can **boost job creation, generate additional revenue for India, and attract funds (especially from the Indian diaspora) for building India's infrastructure**.

# LOK SABHA PASSES THE BILATERAL NETTING OF QUALIFIED FINANCIAL CONTRACTS BILL, 2020

• Bill seeks to provide a legal framework for bilateral netting of qualified financial contracts (QFC).

- QFC are bilateral contract **notified as a QFC by relevant authority such as RBI, SEBI, IRDAI etc.**
- These authorities may designate entities, such as non-banking financial companies or pension firms functioning under its jurisdiction, as qualified financial market participants to deal in QFCs.

• So far, **Indian financial contract laws did not permit bilateral netting.** However, multilateral netting, where parties can offset claims against each other through a Central Counterparty, was allowed.

- Global regulatory bodies such as **BASEL Committee have supported use of such netting.**

• **Bilateral netting in India would help:**

- **Reduce credit risk and regulatory capital burden for banks**, freeing up capital for other productive uses.
- **Reduce hedging costs and liquidity needs for banks**, primary dealers and other market-makers, thereby encouraging participation in the Over-the-counter (OTC) derivatives market to hedge against risk.
  - OTC derivatives are securities that are normally traded through a dealer network rather than a centralised exchange.
- **Establish an efficient recovery mechanism for financial contracts** under instances of default by a counterparty.

## BILATERAL NETTING AGREEMENT

⊙ A bilateral netting agreement enables two counterparties in a financial contract to offset claims against each other to **determine a single net payment obligation that is due from one counterparty to the other.**

- ▶ Let us say there are two banks- A and B. Bank A has an exposure of Rs100 to Bank B, and Bank B has an exposure of Rs90 to Bank A. The gross exposure is Rs190.
- ▶ Without Bilateral netting, the system will have to keep aside capital Rs190 worth of exposure. However, net risk of exposure is only Rs 10 (i.e Rs 100 minus Rs 90).

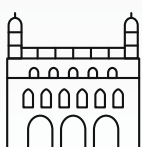
## ALSO IN NEWS

<p><b>Parliament passed the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2020,</b></p>	<ul style="list-style-type: none"> <li>• <b>The bill amends the IBC, 2016</b> which provides a time bound process for resolving insolvency in companies and also among individuals.</li> <li>• It aims <b>to prevent any company, stressed due to the COVID-19 situation, from being pushed into insolvency proceedings.</b> <ul style="list-style-type: none"> <li>➤ Bill provides that for defaults arising during the six months from 25th of March this year, <b>Corporate insolvency resolution process can never be initiated by either the company or its creditors.</b></li> <li>➤ A provision for further extension of six months has also been given.</li> </ul> </li> </ul>
<p><b>Optical Fibre Village Connectivity Project (Ghar tak fiber scheme) Launched in Bihar</b></p>	<ul style="list-style-type: none"> <li>• Project is <b>launched by Department of Telecommunications and implemented by CSC e-Governance Services Ltd.,</b> an SPV of Ministry of Electronics &amp; IT.</li> <li>• It aims to provide broadband connectivity in every village of Bihar through Aerial Optical Fibre. <b>Minimum 5 Fibre to the Home (FTTH) connections and 1 Public Wi-Fi shall be installed at every villages.</b></li> <li>• Objective of the Project is to convert Village into Digital Villages, <b>enhance Digital empowerment/awareness and to bridge digital divide</b> and bringing digital windows at doorstep.</li> </ul>
<p><b>First direct cargo ferry service between India, Maldives flagged off</b></p>	<ul style="list-style-type: none"> <li>• <b>It will herald direct connectivity for movement of cargo</b> between India and Maldives and thereby boost bilateral trade.                     <ul style="list-style-type: none"> <li>➤ Despite geographical proximity, <b>India is only the fourth largest trade partner of Maldives.</b></li> </ul> </li> <li>• <b>It will reduce transportation cost, provide a timely, short and cost-effective means of transportation</b> for goods from India to Maldives.</li> <li>• The service will run twice a month, and <b>will be operated by Shipping Corporation of India.</b></li> </ul>
<p><b>Draft guidelines for COVID vaccine</b></p>	<ul style="list-style-type: none"> <li>• Guidelines released by <b>DCGI (Drug Controller General of India)</b> and are in line with those released by <b>WHO and US.</b></li> <li>• <b>Conditions</b> <ul style="list-style-type: none"> <li>➤ Vaccine should <b>prevent or decrease severity of the disease in at least 50%</b> of people vaccinated.</li> <li>➤ Needs to show <b>antibody, T-cells response</b> – no reinfection for a year.</li> <li>➤ <b>Vaccines developed abroad can seek authorisation</b> based on clinical trials in those countries – Can be asked to do <b>additional trials on Indian population.</b></li> </ul> </li> </ul>
<p><b>Rocket Launching Port</b></p>	<ul style="list-style-type: none"> <li>• <b>Centre is planning to set up a second space rocket launching port at Kulasekarapattinam in Thoothukudi district, Tamil Nadu.</b></li> <li>• This is due to increase in the number of launches by ISRO for domestic and global customers.</li> <li>• Presently, rockets are launched from spaceport at <b>Sriharikota, near Chennai.</b></li> </ul>

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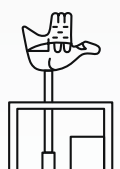
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