

**Finance and Banking**

***Govt announces details of electoral bonds for political funding***

- The union government on Tuesday announced details of political funding that can be routed by donors to parties through electoral bonds, a scheme announced by it in Union Budget 2017.
- Electoral bonds will allow a political donor to purchase bonds from authorized banks. These can be redeemed only through the registered accounts of a political party in a prescribed time frame.
- In line with the Election Commission's recommendation, the government in last year's budget session also capped anonymous cash donations to political parties at Rs2,000.
- On Tuesday, finance minister Arun Jaitley said the electoral bonds, which are interest-free banking instruments, can be bought from specified branches of State Bank of India in multiples of Rs1,000, Rs1 lakh, Rs10 lakh or Rs1 crore.
- The life of the electoral bonds will be 15 days and they can be encashed only by registered political parties through a designated bank account.

***Indian Railways to launch co-branded debit card with State Bank of India***

- To incentivise passengers to use the online ticket booking system and adopt cashless methods, Indian Railways is set to launch its own co-branded debit card and also hold monthly lottery draw to give 100% cash-back to 10 lucky passengers.
- The debit card will be launched in association with the country's biggest lender State Bank of India and the transporter's arm Indian Railway Catering and Tourism Corporation (IRCTC).
- The move comes at a time when IRCTC is losing Rs 600 crore per year as post the demonetisation of specified currencies in November 2016, the railways waived charges for online booking of tickets.
- While initially the directive was to not levy the charge till June 2017, the timeline has been revised twice since and customers will not be charged the levy till March 2018. Earlier, IRCTC used to charge Rs 20 on each sleeper class and Rs 40 on each air-conditioned class e-tickets, a part of which went to banks as transaction charges.

***SBI inks pact with NABARD to promote JLG method of lending in West Bengal***

- State Bank of India has joined hands with National Bank for Agriculture & Rural Development (Nabard) to grow its priority lending book as the country's largest lender plans to raise its stake with small and medium farmers, a majority of whom do not enjoy the access of bank loans.

- The loans under this agreement will be given to small homogeneous groups of farmers carrying joint liability to repay. Lending to joint liability groups (JLGs), pioneered by Nobel winner Muhammad Yunus of Bangladesh and implemented in India by microfinance companies such as Bharat Financial Inclusion or the likes of Bandhan Bank, is now an effective way of doing rural business for large private sector banks such as Axis Bank and HDFC Bank, helping them to gain priority sector exposure directly.
- JLGs consist 4-10 members who are engaged in similar economic activities including farming.
- SBI is the first one to join hands with Nabard and its partner NGOs in West Bengal to promote JLG method of lending to farmers at 7% interest in the state, which is characterised by fragmented landholdings and low credit penetration.

***SBI collects Rs 1,771 crore as charges from below minimum balance accounts***

- State Bank of India (SBI) collected Rs 1,771 crore during April-November 2017 as charges from customers who did not maintain their minimum monthly average balance (MAB) in their accounts, according to Finance Ministry data.
- According to India Express, this is more than the bank's July-September quarter net profit of Rs 1,581.55 crore and nearly half of the Rs 3,586 crore it earned as net profit April-September.
- The report says that SBI did not collect any money from levy of charges for non-maintenance of MAB during the 2016-17 financial year. The charges were re-introduced after a gap of five years during the current fiscal.
- SBI has 42 crore savings bank accounts, out of which 13 crore are Basic Savings Bank Deposits Accounts and Pradhan Mantri Jan Dhan Yojana accounts, both categories exempted from levy of such charges.
- Punjab National Bank also recorded a highest collection of Rs 97.34 crore through levy of such charges during the April-November period.
- Most banks, including private banks, levy charges for non-maintenance of MAB.

***Crisil launches index to track FPI investments in fixed markets***

- Rating agency Crisil on Tuesday launched an index to measure the performance of investments of foreign portfolio investors (FPI) in the fixed-income market.
- The Crisil FPI index would serve as benchmark for performance of FPI investments in government securities, and 'AAA' as well as 'AA' rated corporate bonds with residual maturity greater than three years.
- The index, which constructed based on the regulatory restrictions for FPIs and its investment trends in domestic fixed-income securities, has generated annualised returns of 9.15 per cent over the past five years.
- Utilisation of limit for investment by FPIs stands at 95 per cent in corporate bonds and 84 per cent in gilts today, Crisil said.

- Apart from the FPI index, Crisil maintains 47 indices across the bond, gilt, money market, hybrid and commodity segments, which are used by asset managers for benchmarking their products and portfolios.

***Principal Financial to buy Punjab National Bank's minority stakes in JVs***

- Investment manager Principal Financial Group Inc said on Tuesday it would purchase Indian lender Punjab National Bank's (PNB) minority stakes in their joint ventures.
- The agreement, subject to regulatory approval, would give Iowa-based Principal Financial full ownership of Principal-PNB Asset Management Co and Principal Trustee Co, the company said in a statement.
- PNB has 21.38 per cent ownership in Principal-PNB Asset Management Co and 30 percent in Principal Trustee Co, according to the Indian lender's website.
- Financial details of the deal were not disclosed.

**India and states**

***Rajya Sabha completes entire Zero Hour agenda for first time***

- The Rajya Sabha today made a record of sorts as it took up all the Zero Hour issues and special mentions listed in the agenda for that period, Chairman M Venkaiah Naidu said. "The Rajya Sabha today made a history. For the first time, all Zero Hour submissions, all Special Mentions were fully completed," said Naidu amid thumping of desks by members in the House of Elders.
- Naidu said this record depended on the cooperation of the members. "Your cooperation is good, so my operation was very smooth...that's why the House was able to set this record," he said. The Chairman expressed hope that in future too, the members would not waste time and stick to the schedule.
- Before taking up the Question Hour, he also suggested that the ministers concerned should go through the Zero Hour submissions and Special Mentions and reply to the members at the earliest as it would enhance productivity of the House.
- Uproarious scenes and adjournments have been witnessed on several occasions in the past two weeks due to various reasons during the ongoing Winter Session of Parliament. In all, the House took up all the 10 listed and one additional Zero Hour submissions today. The members also paid obituary reference to a former member of the House, R Margabandu.
- In his Zero Hour mention, Naresh Agrawal (SP) highlighted the "plight" of mediapersons, particularly those working at the district level. He said there was a trend to hire correspondents on contract basis and there was no provision for pension or provident fund for them. Those working at the district level were paid according to the number of stories approved.

***India and Pakistan exchange 27th list of Nuclear Installations***

- India and Pakistan on 1 January 2018 exchanged the lists of their nuclear installations under an agreement that aims to prevent both sides from attacking such facilities. This is the twenty-seventh consecutive exchange of such a list between the two countries.
- The exchange was done through diplomatic channels simultaneously at New Delhi and Islamabad.
- The list-exchange comes in the backdrop of a heated arguments between the two countries over the harassment and ill-treatment of jailed Indian national Kulbhushan Jadhav's mother and wife by Pakistan.
- The Agreement on the Prohibition of Attack against Nuclear installations between India and Pakistan that governs the exchange of these lists was signed on 31 December 1988 and came into force on 27 January 1991.
- It ensures that both countries inform each other of nuclear installations and facilities that are to be covered under the agreement on the first of January every year.
- As per the agreement, both the countries shall refrain from undertaking, encouraging or participating in, directly or indirectly, any action aimed at causing the damage to any nuclear installation or facility in the other country.

***Maneka Gandhi launches online portal 'NARI' for women empowerment***

- Union Minister of Women & Child Development Maneka Sanjay Gandhi on 2 January 2018 inaugurated the online portal 'NARI' for women empowerment. NARI stands for 'National Repository of Information for Women'.
- The portal contains information about schemes being run by both Central as well as the States Governments.
- 'NARI' portal has been developed by the Union Ministry of Women & Child Development.
- It will provide easy access to information on government schemes and initiatives for women to women citizens.
- The Government has implemented a number of schemes & legislations for women to provide them equal rights and opportunities. In order to make this information easily accessible in one place, the NARI portal summarizes over 350 government schemes and other important information.
- It provides links to the Ministries, Departments and autonomous bodies offering these schemes as well as easy access to online applications and grievance redressal.
- It will also provide information to women on issues affecting their lives.
- There are tips on good nutrition, suggestions for health checkups, information on major diseases, tips for job search and interview, investment and savings advice, information on crimes against women, contacts of legal aid cells and simplified adoption procedures.

***Arunachal Pradesh becomes second ODF state in Northeast***

- The state of Arunachal Pradesh has become the second state in the Northeast, after Sikkim, to be declared Open Defecation Free.

- The feat was deemed completed after three remaining districts in the state - Upper Subansiri, Siang and Changlang - were declared Open Defecation Free (ODF) on 31 December 2017.
- In total, the state has 21 districts and it managed to achieve the feat much before the national deadline of 2 October 2019.
- The project undertaken under Swachh Bharat Mission (Gramin) was bolstered by the state government's incentive of Rs 8000 per toilet.
- The state's incentive was in addition to the support extended by the Centre, which was Rs 12000.
- Both Centre and state together raised the grant for constructing a toilet to Rs 20,000.

## World

### ***Saudi Arabia, UAE become first Gulf nations to introduce VAT***

- Saudi Arabia and the United Arab Emirates (UAE) introduced the Value Added Tax (VAT) for the very first time on 1 January 2018. The move is a first for the Gulf region, which has long boasted of a tax-free system.
- VAT is a five per cent tax that will be levied on most goods and services to boost revenue. It will be applied on food, clothes, electronics and gasoline, phone, water and electricity bills, as well as hotel reservations. Some services that will be exempted from the tax include medical treatment, financial services and public transport.
- Organisations such as the International Monetary Fund have long called for Gulf countries to diversify their sources of income away from oil reserves. In Saudi Arabia, more than 90 per cent of budget revenues come from the oil industry while in the UAE it is roughly 80 per cent.
- According to the estimated projection by analysts, the introduction of the taxation system will enable both the nations to raise as much as \$21 billion in the year 2018. The raised revenue will be utilised by the governments for infrastructure and developmental works.

### ***No more aid to Pakistan: Trump***

- Showing zero tolerance towards terrorism, the US President issued a tough warning to Pakistan and said that United States will no longer give any fund to Pakistan. The statement comes soon after the recent talks that the Trump administration was considering cutting off aid to Pakistan.
- In this changing scenario the US President Donald Trump slammed the Pakistan, saying that this South Asian country has given nothing but the lies and deceit to US. It has provided safe heaven to terrorists.
- "The United States has foolishly given Pakistan more than 33 billion dollars in aid over the last 15 years, and they have given us nothing but lies & deceit, thinking of our leaders as fools" trump said in a strong post on twitter.
- The statement is widely seen as a new policy shift by US in South Asia.

## Appointments

### ***Former RAW Chief Rajinder Khanna appointed Deputy National Security Advisor (NSA)***

- The Appointments Committee of the Cabinet on Tuesday approved the appointment of former chief of the Research and Analysis Wing (RAW) Rajinder Khanna as the Deputy National Security Advisor (NSA).
- The appointment is fixed as re-employment on contract basis, until further orders, as per usual terms and conditions as are admissible to the deputy NSA, the Committee said, in an official notice.
- Khanna, joined RAW in 1978, and is the first chief of the agency who was directly recruited into the Research and Analysis Service (RAS) cadre. He headed the RAW from December 2014 for a fixed two-year period, where he spearheaded many counter-terrorism operations.
- Presently, Khanna is serving as an Officer on Special Duty (Neighbourhood Studies) in the National Security Council Secretariat.
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