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Finance and Economy

Government set-up panels on cess on sugar, incentivising digital payment

- The government today constituted two panels of state finance ministers for considering issues relating to the levy of cess on sugar and incentivising digital payments under the GST regime.
- Both the Group of Ministers (GoM) will submit their reports within 15 days, Finance Ministry said in a statement hours after the meeting of the GST Council.
- The GoM will consider issues relating to 'Imposition of Cess on Sugar under GST'.
- "Himanta Biswa Sarma, Finance Minister of Assam is convenor and other members of this GoM are Rajesh Agrawal, Finance Minister, Uttar Pradesh; Sudhir Mungatiwar, Finance Minister, Maharashtra; D Jayakumar, Minister for Fisheries and Personnel & Administrative Reforms, Tamil Nadu and T.M.Thomas Isaac, Finance Minister, Kerala," it said.
- The other GoM will examine the issues relating to 'Incentivising digital payments in the GST regime'.
- The five-member panel to be headed by Sushil Kumar Modi, Deputy Chief Minister, Bihar will also have members Nitinbhai Patel, Dy. Chief Minister, Gujarat; Capt.Abhimanyu, Excise & Taxation Minister, Haryana; Amit Mitra, Finance Minister, West Bengal and Manpreet Singh Badal, Finance Minister, Punjab.
- The decision to this effect were taken subsequent to GST Council meeting held today, it said.

ICICI Bank Launches Next Generation Features on Its Digital PoS Application 'Eazypay'

- ICICI Bank, India's largest private sector bank by consolidated assets, has added an array of industry-first features to 'Eazypay', the country's first digital point-of-sale (PoS) application.
- It was launched by the bank during demonetisation to enable merchants/retailers & professionals to collect payments through multiple digital modes including Unified Payment Interface (UPI), credit / debit card & internet banking of any bank, Aadhaar Pay, Bharat QR Code and 'PocketsbyICICIBank' digital wallet.
- Since then, Eazypay has quickly garnered over 1.70 lakh customers, enhancing the Bank's nationwide network of physical and digital PoS to over 7 lakh.
- The application now offers a host of new services that are unprecedented in the industry. This list includes enabling merchants/retailers/professionals to enjoy the convenience of applying for a card-swipe machine instantly, in a completely digital and paperless manner, without any requirement to visit a bank branch.
- It also allows them to scan barcodes to raise invoices instantly; easily track inventory and draw insights on sales trends via an in-built dashboard in the app and track products sold to customers on credit among others.

- Additionally, with a view to offer convenience to retailers who have medium to large scale operations, the application can now be used by its employees simultaneously, to collect payment on their mobile phones at multiple counters 'in-the-store'. It can also be used at its branches in other cities as well as 'on-the-go' for home deliveries.

Fourth regional conference on futuristic, resilient and digital infrastructure begins

- The fourth regional conference on futuristic, resilient and digital infrastructure began in Bengaluru on May 3, 2018.
- The conference is being organised by the Union Ministry of Finance in collaboration with the Confederation of Indian Industry (CII) and Research and Information System for Developing Countries (RIS).
- The 2-day event is a lead-up to the 3rd Annual Meeting of the Asian Infrastructure Investment Bank (AIIB), which will be hosted by the Union Government from June 25-26 in Mumbai.
- The conference saw eminent delegates representing partner institutions, academia, civil society organizations and experts from various fields expressing their views on how to bring about institutional approaches for futuristic and digital infrastructure in India.
- The first day of the conference saw deliberations by eminent speakers on state of institutional approaches for futuristic, resilient and digital infrastructure, resilient infrastructure and disaster preparedness, future of mobility and multi-modal transportation and global regimes and industry implications for domestic capacity among others.

GST Council approves simplified return filing process

- The GST Council, in its 27th meeting on May 4, 2018, approved simplified principles for filing return based on the recommendations of the Group of Ministers on IT simplification.
- One monthly Return: All taxpayers shall file one monthly return. Return filing dates will be spread over a period of time, based on the turnover of the registered person. The composition dealers and dealers having nil transaction will have to file quarterly return.
- Unidirectional Flow of invoices: The seller needs to upload unidirectional flow of invoices anytime during the month. This would be regarded as the valid document to avail input tax credit by the buyer. Buyer would be able to see the uploaded invoices continuously during the month.
- Simple Return design and easy IT interface: The B2B dealers will be required to fill invoice-wise details of the outward supply made by them, based on which, the system will automatically calculate his tax liability. Taxpayer will also be provided with user friendly IT interface and offline IT tool to upload the invoices.
- No automatic reversal of credit: There will not be any automatic reversal of input tax credit from buyer's side on non-payment of tax by the seller. In case of default in payment of tax by the seller, recovery will be made from the seller.
- Due process for recovery and reversal: Recovery of tax or reversal of input tax credit will be carried out through a due process of issuing notice and order.

- Transition: There will be a three stage transition in the new system. Stage 1 will be the present system of filing of return GSTR 3B and GSTR 1. GSTR 2 and GSTR 3 shall continue to remain suspended. In stage 2, the new return will have the facility to upload invoice-wise data and also facility for claiming input tax credit on self declaration basis.

GST council meeting discussed change in GST rate for digital transactions and imposition of Sugar Cess

- The 27th GST council discussed in detail the proposal of a concession of 2 percent in GST rate on B2C supplies, for which payment is made through cheque or digital mode, subject to a ceiling of Rs 100 per transaction.
- The council recommended for setting up of a Group of Ministers from State Governments to look into the proposal and make recommendations, before the next Council meeting.
- The Council also discussed the issue of imposition of sugar cess and reduction in GST rate on ethanol.

CBDT inks 200th Unilateral Advance Pricing Agreement

- The Central Board of Direct Taxes (CBDT) entered into 200th Unilateral Advance Pricing Agreement (UAPA) in April 2018.
- With the signing of this UAPA, the total number of APAs entered into by CBDT so far has gone up to 220, which include 20 Bilateral APAs.
- The UAPA entered in April 2018 pertains to provision of sourcing support services.

EPFO launches View Pension Passbook Service on Umang App

- The Employees' Provident Fund Organisation (EPFO) launched View Pension Passbook Service for pensioners on Umang App.
- It will allow pensioners to view their pension passbook on mobile phones with the help of Umang app.
- This facility was launched as a part of EPFO's plan to go paperless by August 2018 and provide all services online.

India

India is fifth largest military spender in the world: SIPRI

- The Stockholm International Peace Research Institute (SIPRI) on May 2, 2018 released a report claiming that the world's military expenditure rose to USD 1739 billion in 2017, a marginal 1.1 percent increase from 2016.

- As per the report, India is the fifth largest military spender in the world. India spent USD 63.9 billion on its military in 2017, a 5.5 percent increase in the expenditure from 2016 and a 45 percent increase since 2008.
- The total global military expenditure accounted for 2.2 percent of the global Gross Domestic Product in 2017.
- The increase in global military expenditure has been largely due to the substantial growth in spending by countries in Asia, Oceania and the Middle East, such as China, India and Saudi Arabia.
- The top 5 military spenders in 2017 were the United States, China, Saudi Arabia, Russia and India.
- India and China, together, accounted for 60 percent of the total global defence expenditure of USD 1739 billion in 2017.
- China's military expenditure rose again in 2017 with a total military spending of USD 228 billion in 2017; while, Russia's military spending (USD 66.3 billion) fell for the first time since 1998.
- The US military spending of USD 610 billion was 2.7 times greater than that of China. The US military spending remained constant between 2016 and 2017.
- The total military spending by all 29 North Atlantic Treaty Organization (NATO) members was USD 900 billion in 2017, accounting for 52 percent of world spending.

North Eastern cultural and information centre to be set up in Delhi

- The Minister of State for Development of North Eastern Region (I/C), Dr. Jitendra Singh announced on May 3, 2018 that a North Eastern Cultural and Information Centre would soon come up in Delhi.
- The announcement was made by the Minister after chairing the review meeting of the 'roadmap for implementation of cabinet approval of schemes for North East Council'. The meeting reviewed the progress of various on-going projects in the North East.
- The centre will act as a cultural, convention and information hub of the north eastern region in Delhi.
- It is being built on a 1.32 acre land at Sector-13, Dwarka, New Delhi under the North Eastern Council (NEC).

India doing extremely well on electrification: World Bank

- The World Bank on May 4, 2018 said that India is doing extremely well on electrification with nearly 85 percent of the country's population having access to electricity.
- In the latest report, the World Bank said that India provided electricity to 30 million people each year between 2010 and 2016.

India and France conduct final phase of Varuna naval exercise near Reunion Island

- Indian and French navies conducted final and third phase of Varuna naval exercise 2018 near Reunion Island in Indian Ocean region (IOR).

- In the final phase, both navies simulated different possible scenarios such as asymmetric warfare and tested their air defence capabilities.
- 2018 Varuna naval exercise between Indian and French Navy was conducted in three phases and included anti-submarine, air defence and asymmetric engagement exercises.

India, US hold round 3 of Maritime Security Dialogue in Goa

- India and United States held the third round of the India-US Maritime Security Dialogue in Goa focussing on cooperation and developments in the Indo-Pacific region.
- Both the sides discussed the developments in maritime domain in Indo-Pacific Region and exchanged views on ways to further strengthen bilateral maritime security cooperation.
- They also reviewed implementation of decisions taken during the previous Maritime Security Dialogues.

Index

India slips to 11th spot in AT Kearney FDI Confidence Index 2018

- Global consultant AT Kearney on May 3, 2018 released the Foreign Direct Investment (FDI) Confidence Index 2018, an annual survey which tracks the impact of political, economic and regulatory changes on the FDI preferences of Chief Executive Officers (CEOs) and Chief Financial Officers (CFOs) of the country.
- The United States (US) topped the index, followed by Canada at 2nd and Germany at the 3rd place.
- The index ranked India at 11th spot, three places down from the previous year. In the year 2017, India was ranked 8th. It is the first time since 2015 that India has been pushed out of the top 10.
- However, India retained its position as the second highest ranked emerging market on the Index. A variety of recent reforms by the Union Government have made the country more business friendly, such as the abolition of the Foreign Investment Promotion Board (FIPB) in 2017 and liberalisation of FDI thresholds for the retail, aviation and biomedical industries.
- Overall, India remains among the top investment destinations due to its market size and rapid economic growth. As per the report, Investors, based in the US, rank India the highest in terms of intention to invest. This could be a result of PM Modi's 'Make in India' initiative, which aims to boost investment in India's manufacturing sector.

World

Nobel Prize in Literature will not be awarded this year

- The Swedish Academy on May 4, 2018 announced that the Nobel Prize in Literature will be not awarded this year following the sex-abuse allegations and other issues within its ranks that have stained the body's reputation.
- The decision was taken in view of the reduced public confidence in the Academy. However, the 2018 prize will be given in 2019.
- It is the first time since 1943 that the prestigious award will not handed over.

US President Trump signs 'faith initiative' to promote religious freedom in US

- US President Donald Trump on May 3, 2018 signed an executive order to create a faith-based initiative at the White House, which would promote policies that recognize the vital role of faith in American life.
- Trump signed the order during a ceremony in the White House Rose Garden on the occasion of the National Day of Prayer.
- The faith initiative aims to help design new policies that recognize the vital role of faith in American families and communities.

Days

- World Tuna Day observed on May 2 with the theme "Is your tuna sustainable?"
- International Firefighters' Day observed on 4 May

Appointments

Indian-American Deepa Ambekar appointed interim court judge in New York

- Indian-American Deepa Ambekar has been appointed as interim judge to the civil court of New York City, becoming the second Indian-American woman judge in the city after Chennai-born Raja Rajeswari.
- Ambekar, 41 is appointed to Civil Court and will be serving in Criminal Court, said a statement from the office of New York City Mayor Bill de Blasio.
- The mayor announced the appointment of interim Civil Court Judge Ambekar and the reappointment of three Family Court judges.
- Every New Yorker deserves access to a fair and equitable justice system, de Blasio said.