



**TATHASTU**  
Institute of Civil Services

# **DAILY CURRENT AFFAIRS**



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S.NO.	TOPIC
1.	FINANCIAL ACTION TASK FORCE (FATF)
2.	GIVING THE URBAN INDIAN A BETTER LIFE
3.	PRELIMS POINTERS

## FINANCIAL ACTION TASK FORCE (FATF)

SOURCE: [THE HINDU](#)

### WHY IN NEWS?

- In preparation for India's upcoming **mutual evaluations by the Financial Action Task Force (FATF)**, the Indian government has **implemented measures based on the FATF's 2010 recommendations**, including the notification of chartered accountants, company secretaries, and cost and management accountants as reporting entities.

### ABOUT FINANCIAL ACTION TASK FORCE (FATF)

#### ➤ FATF Overview:

- ✓ The Financial Action Task Force (FATF) is a **global watchdog against money laundering and terrorist financing**.
- ✓ It was **established in 1989** by the G7 Summit in Paris.
- ✓ Initially **focused on combating money laundering**, it **expanded its mandate in 2001 to include efforts against terrorist financing**, and in 2012, it **added counter-financing of Weapons of Mass Destruction (WMD)**.



#### ➤ FATF Recommendations:

- ✓ In 1990, FATF issued the "**Forty Recommendations**" to combat money laundering.
- ✓ In 2004, it published the "**40+9 Recommendations**," further strengthening standards.
- ✓ In 2012, the recommendations were **revised to address new threats**.

#### ➤ FATF Sessions:

- ✓ The FATF Plenary is its **decision-making body**, meeting **three times annually**.

### OBJECTIVES & STATUS OF FATF

#### ➤ Objective:

- ✓ FATF's **primary goal is to establish international standards and promote policies at national and international levels to fight money laundering and terrorism financing**.

#### ➤ FATF Membership:

- ✓ FATF **comprises 39 member countries**, including major nations like the **United States, India, China, Saudi Arabia, and the EU**.
- ✓ **India became a FATF member in 2010**.



#### ➤ Observers Members:

- ✓ Indonesia is the **only observer country of FATF**.
- ✓ Some important organisations that have observer status with the FATF include:
  - Asian Development Bank (ADB)
  - International Monetary Fund (IMF)
  - International Organisation of Securities Commissions (IOSCO)
  - Interpol
  - Organisation for Economic Co-operation and Development (OECD)



- United Nations Office on Drugs and Crime (UNODC)
- United Nations Counter-Terrorism Committee Executive Directorate (UNCTED)
- World Bank
- World Customs Organisation (WCO)

## FATF LISTS AND ITS CONSEQUENCES

### ➤ FATF Lists:

- ✓ **Black List:** Consists of countries involved in **supporting terror funding** and money laundering.
- ✓ **Grey List:** Encompasses countries **identified as potential safe havens for such illicit activities**, serving as a warning.

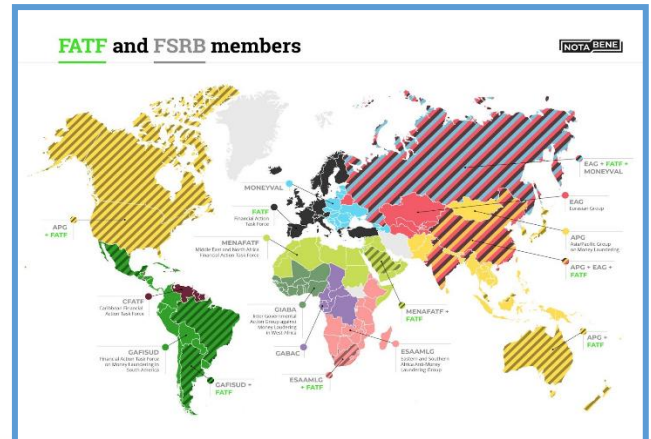
### ➤ Consequences of Blacklist:

Countries placed on the **FATF blacklist** face several significant consequences, including:

- ✓ **No access** to financial aid from institutions like the **IMF, World Bank, ADB, and EU**.
- ✓ Imposition of international **economic and financial restrictions** and sanctions.

### ➤ Current Blacklisted Countries:

- ✓ The nations currently blacklisted by FATF include **North Korea, Iran, and Myanmar**.



## INDIA'S RELATIONSHIP WITH FATF:

- India gained '**observer**' status in FATF in **2006** and became a **full-fledged member** in **2010**.
- India is also a part of regional bodies such as the **Asia Pacific Group (APG)** and the **Eurasian Group (EAG)** associated with FATF.

### ➤ Key Indian Legal Frameworks:

- ✓ **Unlawful Activities (Prevention) Act, 1967 (UAPA):** Special provisions for addressing terrorist financing are included in this act.
- ✓ **The Foreign Contribution (Regulation) Act, 1976:** This act is concerned with regulating foreign contributions and hospitality in areas critical to national interests.
- ✓ **The Narcotic Drugs and Psychotropic Substances Act, 1985:** Stringent provisions are laid out in this act to regulate narcotic drugs and psychotropic substances.
- ✓ **The Prevention of Money Laundering Act, 2002 (PMLA):** This act was introduced to counter money laundering.
- ✓ **The Financial Intelligence Unit-India (FIU-IND):** Established in 2004 under the Ministry of Finance, FIU-IND deals with suspected cases of money laundering and terrorist financing, sharing information with intelligence and enforcement agencies and regulatory authorities.



### ➤ India, Pakistan, and FATF Grey listing:



- ✓ FATF recently removed Pakistan from its grey list, commending "Pakistan's significant progress."
- ✓ Pakistan's inclusion in the grey list, its removal in 2009, and re-inclusion in 2018 had been part of FATF's monitoring efforts.
- ✓ India supported Pakistan's removal from the grey list after Pakistan provided "documentary evidence" of actions taken against designated terrorists.
- ✓ This removal from the grey list signifies Pakistan's improved reputation and international endorsement of its efforts against terrorist financing.
- **Government's recent FATF Measures:**
  - ✓ Designating Financial Professionals as "Persons Carrying on a Designated Business".
  - ✓ Effectiveness of Recommended Actions
  - ✓ India's On-Site Assessment in November
  - ✓ Reporting Entity Obligations Under PMLA
  - ✓ Transaction Record Maintenance for 5 Years
  - ✓ Client and Beneficial Owner Identification
  - ✓ Enhanced Due Diligence for Specific Transactions
  - ✓ Non-Compliant Clients Have Transactions Disallowed
  - ✓ Suspicious or Crime-Related Transaction Monitoring for 5 Years

#### CHALLENGES WITH FATF:

- **Voluntary Implementation:** FATF relies on members to implement recommendations.
- **Lack of Transparency:** Meetings are secretive.
- **Emerging Challenges:** Addressing new threats like cyber currencies.
- **Regulation vs. Innovation:** Balancing financial crime prevention with innovation.
- **Global Coordination:** Consistent standards across diverse jurisdictions.
- **Innovation in Criminal Tactics:** Criminals adapt to regulations.
- **Political Considerations:** Balancing international cooperation with political interests.
- **Money Laundering Control:** Difficulty preventing cross-border money laundering.

#### WAY FORWARD

- **Building Capabilities:**
  - ✓ Extend technical assistance and capacity-building support to developing nations to help them effectively implement and enforce FATF standards.
- **Embrace Technology Expertise:**
  - ✓ Incorporate experts knowledgeable in emerging technologies such as cryptocurrencies and artificial intelligence to counter evolving risks effectively.
- **Regular Revisions and Adaptations:**
  - ✓ Consistently review and update FATF standards to ensure they remain relevant in combating evolving financial crimes.
- **Strengthened Collaborations:**
  - ✓ Foster increased collaboration with international bodies like Interpol and the United Nations to bolster global efforts against financial crimes.
- **Transparent Evaluations:**
  - ✓ Sustain transparency in the evaluation processes by offering member countries insights into criteria, methodologies, and areas needing improvement.



***PYQs***

Q Discuss how emerging technologies and globalisation contribute to money laundering. Elaborate measures to tackle the problem of money laundering both at national and international levels. (2021)

Q. Analyse the complexity and intensity of terrorism, its causes, linkages and obnoxious nexus. Also suggest measures required to be taken to eradicate the menace of terrorism. (2021)





## GIVING THE URBAN INDIAN A BETTER LIFE

SOURCE: [THE HINDU](#)

### WHY IN NEWS?

Urban pollution and the need for sustainable urbanization is in the news due to the increasing severity of air pollution in Indian cities and its detrimental effects on public health. The urgent need to shift from traditional urban development strategies to more sustainable and ecologically friendly approaches.

### WHAT IS SUSTAINABLE URBANIZATION?

- **Urbanization Trends:**
  - ✓ The ongoing shift from rural to urban living with a gradual increase in urban population.
- **Historical Perspective:**
  - ✓ In 1901, only 11.4% of the Indian population resided in urban areas, contrasting with the estimated projection of 40% urban population by 2025 according to UNDESA.

### GLOBAL URBANIZATION TRENDS

- **Current Urbanization:**
  - ✓ The world is experiencing rapid urbanization, with 4.2 billion people, equivalent to 55% of the global population, residing in urban areas.
- **Future Projections:**
  - ✓ UNFPA predicts that by 2030, this urban population will exceed 5 billion, and by 2050, 68% of the world's inhabitants will be living in cities.
- **Economic Significance:**
  - ✓ Cities serve as vital economic hubs, contributing more than 80% to the global gross national product.
- **Sustainable Urbanization:**
  - ✓ Despite the urbanization trend, the present urban development often falls short in terms of sustainable city concepts, necessitating a focus on sustainability.



### CHALLENGES IN INDIAN URBAN DEVELOPMENT:

- **Challenges:**
  - ✓ Indian urban development has traditionally focused on real estate, road expansion, and private vehicle usage, leading to pollution and traffic congestion.
  - ✓ Motorized transport alone accounts for 60% of urban pollution.
  - ✓ Urban commons, green areas, and water bodies have shrunk while "grey" infrastructure expanded.
  - ✓ Automobile market growth exacerbates urban pollution issues.
  - ✓ Construction activities, which contribute to 10% of air pollution in some cities, lack effective monitoring.
- **Pollution Crisis:**
  - ✓ Air pollution severely impacts life expectancy and health, causing problems like burning eyes, throat irritation, respiratory issues, and cardiovascular diseases.
  - ✓ 39 out of the 50 most polluted cities globally are in India, with an average Indian losing 5.3 years of life expectancy due to pollution, and Delhi residents losing 11.9 years.
  - ✓ Expansion of "grey" infrastructure, increased vehicular emissions, and construction activities contribute to pollution in Indian cities.



- ✓ Road dust, concrete batching, and industrial units further worsen air quality.

**SIGNIFICANCE OF SUSTAINABLE URBANIZATION:**

- **Ensuring Access to Clean Water:**
  - ✓ Sustainable urbanization addresses water scarcity challenges, vital for urban areas.
- **Promoting Affordable Housing:**
  - ✓ Equitable land management through sustainable planning aids affordable housing initiatives.
- **Effective Waste Management:**
  - ✓ Sustainable planning addresses the need for better waste treatment in fast-growing cities.
- **Enhanced Transportation:**
  - ✓ Eco-friendly public transport solutions are a key aspect of sustainable urban planning.
- **Equitable Resource Allocation:**
  - ✓ Sustainable planning promotes fair distribution of resources and affordable services.
- **Environmental Sustainability:**
  - ✓ It contributes to creating eco-friendly environments and disaster management.

**GOVERNMENT INITIATIVES FOR SUSTAINABLE URBANIZATION:**

<i>Initiative</i>	<i>Objective</i>
<i>Atal Mission for Urban Rejuvenation and Urban Transformation (AMRUT)</i>	✓ To provide basic services and infrastructure in urban areas for a better quality of life.
<i>Pradhan Mantri Awas Yojana-Urban (PMAY-U)</i>	✓ To provide affordable housing for all urban residents by 2022.
<i>Climate Smart Cities Assessment Framework 2.0</i>	✓ To assess and promote climate-resilient and sustainable practices in cities.
<i>TULIP-The Urban Learning Internship Program</i>	✓ To provide opportunities for students to gain practical experience in urban planning and development.
<i>Atmanirbhar Bharat Abhiyan (Self-Reliant India)</i>	✓ To promote self-reliance and economic growth, which includes initiatives related to urban development.

**WAY FORWARD**

- ✓ Compact Urban Design
- ✓ **Green Building Practices**
- ✓ Waste Management and Recycling
- ✓ **Efficient Transportation**
- ✓ Smart Infrastructure
- **Organized Urban Planning:**
  - ✓ Effective Solutions
  - ✓ Green Infrastructure
  - ✓ Mixed-Use Spaces
  - ✓ Alternative Energy
  - ✓ Public-Private Partnerships
- **Urban Employment Guarantee:**
  - ✓ **Similar to MGNREGA**
  - ✓ **Indira Gandhi Scheme**



- **Green Transport:**
  - ✓ Rethinking Public Transport
  - ✓ **E-Buses**
  - ✓ Bus Corridors
  - ✓ Bus Rapid Transit
- **Formalization of Informal Economy:**
  - ✓ **Migrant Data**
  - ✓ **Unorganised Worker Index Card**
- **Democratization of Sustainable Development:**
  - ✓ **Shift to Sustainable Focus**
  - ✓ **Citizen Participation**
  - ✓ **Participative Budgeting**
  - ✓ Sustainability Impact Assessments

### **PYQs**

Q. Do government's schemes for up-lifting vulnerable and backward communities by protecting required social resources for them, lead to their exclusion in establishing businesses in urban economies? (2014)







**PRELIMS POINTERS:**

Topic	Information								
<b>GRAP (Graded Response Action Plan)</b>	<ul style="list-style-type: none"> <li>Emergency measures to combat air pollution in Delhi-NCR region.</li> <li>Approved by Supreme Court of India in 2016, notified in 2017.</li> <li>Focus on public health and environmental protection.</li> <li>Four stages based on Air Quality Index (AQI).</li> <li>Stage 4 activated due to 'severe' air quality recently.</li> <li>Measures include bans, school closures, and forecasts.</li> <li>Enforces AQI for various pollutants.</li> </ul>								
	<div style="border: 2px solid blue; padding: 5px;"> <p><b>The stages and restrictions</b></p> <table border="1"> <tr> <td>Good 0-50</td> <td>Satisfactory 51-100</td> <td>Moderate 101-200</td> </tr> <tr> <td>Poor 201-300</td> <td>Very Poor 300-400</td> <td>Severe 401-500</td> </tr> </table> <p><b>STAGE I (AQI 201-300)</b> Agencies to strictly enforce orders by NGT, SC on keeping vehicles older than 10 years (for diesel) and 15 years (petrol) off roads.</p> <table border="1"> <tr> <td> <p><b>STAGE II (AQI 301-400)</b></p> <ul style="list-style-type: none"> <li>Measures to curb air pollution at hot spots</li> <li>Diesel generators of more than 19KW cannot be used unless they run on dual fuel or have emission control devices.</li> </ul> </td> <td> <p><b>STAGE III (AQI 401-450)</b></p> <ul style="list-style-type: none"> <li>BS-III petrol, BS-IV diesel private cars to be banned in NCR. Last year, the rule was optional for state governments</li> <li>Schools will likely be closed for children up to Class 5.</li> </ul> </td> </tr> </table> <p><b>STAGE IV (AQI OVER 450)</b></p> <ul style="list-style-type: none"> <li>Light commercial vehicles registered outside Delhi will be restricted except those that are EVs/CNG/ BS-VI diesels. Vehicles carrying essentials or providing essential services to be allowed</li> <li>Educational institutions will likely be closed. Non-emergency commercial activities and odd-even vehicle policy may be rolled out.</li> </ul> </div>	Good 0-50	Satisfactory 51-100	Moderate 101-200	Poor 201-300	Very Poor 300-400	Severe 401-500	<p><b>STAGE II (AQI 301-400)</b></p> <ul style="list-style-type: none"> <li>Measures to curb air pollution at hot spots</li> <li>Diesel generators of more than 19KW cannot be used unless they run on dual fuel or have emission control devices.</li> </ul>	<p><b>STAGE III (AQI 401-450)</b></p> <ul style="list-style-type: none"> <li>BS-III petrol, BS-IV diesel private cars to be banned in NCR. Last year, the rule was optional for state governments</li> <li>Schools will likely be closed for children up to Class 5.</li> </ul>
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<b>Chanakya Defence Dialogue</b>	<p><b>WHY IN NEWS?</b> first edition of Chanakya Defence Dialogue organised by the Indian Army in partnership with Centre for Land Warfare Studies (CLAWS)</p> <ul style="list-style-type: none"> <li>It is the first event of its kind being organised by the Indian Army</li> <li>The first edition of this dialogue will be held on November 3rd and 4th, 2023, in New Delhi.</li> <li>It aims to comprehensively analyze security challenges in South Asia and the Indo-Pacific, crafting a roadmap for collaborative security measures.</li> </ul>								
<b>Zika Virus</b>	<p><b>WHY IN NEWS?</b> Five Karnataka villages come under surveillance after Zika virus outbreak</p> <ul style="list-style-type: none"> <li>Transmitted by Aedes mosquitoes, also through various means.</li> <li>First identified in Uganda in 1947.</li> <li>Symptoms typically mild, including rash, fever, etc.</li> <li>Diagnosed through lab tests, no specific treatment available.</li> <li>WHO declared microcephaly as a Public Health Emergency of International Concern (PHEIC).</li> </ul>								
<b>Cement Industry</b>	<p><b>WHY IN NEWS?</b> Competition Commission of India launches Market Study on Cement Sector in India</p> <p><b>ABOUT CEMENT SECTOR:</b></p> <ul style="list-style-type: none"> <li>Critical for housing and infrastructure sectors.</li> <li><u>First company in Porbandar, Gujarat, in 1914.</u></li> <li><u>China produces the most cement globally, followed by India and Vietnam.</u></li> </ul> <p><b>ABOUT COMPETITION COMMISSION OF INDIA:</b></p> <table border="1"> <thead> <tr> <th>Topic</th> <th>Information</th> </tr> </thead> <tbody> <tr> <td><b>Competition Commission of India (CCI)</b></td> <td> <ul style="list-style-type: none"> <li><u>Statutory body enforcing the Competition Act, 2002.</u></li> <li>Constituted in March 2009.</li> <li>Nodal Ministry: <u>Ministry of Corporate Affairs.</u></li> </ul> </td> </tr> <tr> <td><b>Composition</b></td> <td>Consists of a <u>Chairperson</u> and up to 6 <u>Members</u> appointed by the</td> </tr> </tbody> </table>	Topic	Information	<b>Competition Commission of India (CCI)</b>	<ul style="list-style-type: none"> <li><u>Statutory body enforcing the Competition Act, 2002.</u></li> <li>Constituted in March 2009.</li> <li>Nodal Ministry: <u>Ministry of Corporate Affairs.</u></li> </ul>	<b>Composition</b>	Consists of a <u>Chairperson</u> and up to 6 <u>Members</u> appointed by the		
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	Central Government.
<b>Eligibility</b>	<ul style="list-style-type: none"><li>• Chairperson and members must be individuals of ability, integrity, and standing.</li><li>• Eligible candidates include judges of a High Court or those with 15+ years of experience in various fields such as trade, economics, law, finance, etc.</li><li>• Expertise deemed useful by the Central Government for the Commission's work.</li></ul>
<b>Role</b>	<ul style="list-style-type: none"><li>• Functions as a quasi-judicial body offering opinions to statutory authorities.</li><li>• Handles various cases related to competition matters.</li></ul>
<b>CoBRA</b>	<p><b>WHY IN NEWS?</b> The Central Reserve Police Force (CRPF) recently decided to withdraw its elite</p> <ul style="list-style-type: none"><li>• <u>Established in 2008</u>, CoBRA is a specialized unit of the Central Reserve Police Force (CRPF).</li><li>• CoBRA is one of the few CRPF units with <u>specific training in guerilla tactics and jungle warfare</u>.</li><li>• They are often referred to as '<b>jungle warriors</b>.'</li><li>• Initially created to combat the Naxalite problem, CoBRA was trained for tracking, hunting, and eliminating Naxalite groups.</li><li>• Personnel for CoBRA are selected from the CRPF, and it is an integral part of the CRPF.</li><li>• CoBRA comprises 10 units, established between 2008 and 2011.</li><li>• Most CoBRA teams are deployed in states affected by Maoist violence, while some are stationed in northeastern states for counter-insurgency operations.</li></ul>

