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1.Millionaire’s tax

Argentina's parliament has imposed ‘millionaire tax’ on about 12,000 of the country’s richest people to fund coronavirus countermeasures. Under this scheme, people with declared assets worth more than 200 million pesos will pay a progressive rate of up to 3.5% on wealth in Argentina and up to 5.25% on wealth outside the country. The revenue arising from this tax will be used to finance health, social development, student scholarships and natural gas ventures. This is being done to bring relief to the poor and the small businesses in the country.

The millionaires’ tax is a one-time contribution. It will help Argentina is about 3.7 billion USD. The funds collected through these taxes are to be allocated to 8 small and medium business, medical equipment and supplies, fund natural gas projects and support students and social programs. The split of the funds in These areas are are as follows

- **20% will go to the medical supplies**
- **20% to small and medium sized businesses**
- **20% to students scholarships**
- **15% to social development**
- **25% to natural gas Ventures**

This scheme is to affect 12000 taxpayers. However, it will boost the overall economy of the country

Background

Argentina has a population of 44 million and around 1.4 million or badly affected due to covid-19 according to Johns Hopkins University.
Also, Argentina is currently facing its third straight year of recession. The economic activity in the country has declined to 12% in 2020.

New Jersey

Similar law was passed by the New Jersey United States of America. In September 2020 the New Jersey government boosted the tax rate of the New Jersians owning more than 1 million USD annually. Their tax rates were boosted from 8.97 percent to 10.75%. Earlier 10.75% of tax rate was applied only to people earning more than 5 million USD annually. However, the term millionaire's tax was introduced in 2004 in New Jersey.

India

In India, the wealth tax was abolished in 2016. It was replaced with a 2% surcharge on super-rich individuals in the country. The super-rich individuals are those whose income is greater than Rs 10 crore annually.

2 .Deferential Action for Childhood Arrivals

The Deferred Action for Childhood Arrivals (DACA) is the US' immigration policy that allows undocumented immigrants who were brought into the country as children to receive a renewable 2-year period of deferred action from deportation and become eligible for a work permit within the US. The Trump Administration had tried ending this Obama-era programme in 2017. Recently, a federal court has ordered the full reinstatement of this programme – a ruling that would help a large number of Indian immigrants.

What are the recent developments?

The Trump Administration in 2017 tried to end the Deferred Action for Childhood Arrivals. However, it has now been blocked by the recent federal court order. On December 4, 2020, a US District Judge directed the Department of Homeland Security to extend the renewals of DACA recipients by two years. This means that since 2017, new applicants who were not eligible may now apply for the programme that shields undocumented immigrants.

What is Deferred Action for Childhood Arrivals?

It is an American immigration policy that was introduced by the Obama government in 2012. It allows individuals who had entered the American soil illegally as minors to receive a renewable 2 year period of deferred action from deportation. Under this they are also eligible for a work permit. The DACA has helped more than 8 lacks of beneficiaries.

Key Features of DACA

- **Recipients of DACA should not have criminal records.**
- **They must be 30 years old or younger at the time of launch of DACA. They should have been 16 years younger when they were brought to the United States.**
- **DACA does not provide legal Residency. It will only prevent deportation.**
- **Majority of the DACA recipients are from Mexico.**

DACA is different from the DREAMS Act. DREAMS Act is Development, Relief and Education for Alien Minors Act. The act aims to grant temporary conditional residency to the immigrants.

3.What is Repo Rate?

Repo rate is the rate at which the central bank lends money to the commercial banks in case of fund crunch. It is a tool used by the monetary authorities to control inflation. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI), during the 3-day meeting that began on December 2, has decided to keep the repo rate unchanged at 4% and maintain the policy stance at accommodative until the COVID-19 impact is mitigated

How does Repo Rate control inflation?

The Reserve Bank of India increases the repo rate when the inflation is high in the country. This is done to ultimately reduce the money supply.

Currently RBI has kept its repo rate unchanged (low). It has been reducing its repo rates since COVID-19 crisis. This will reduce inflation in the country. How? Repo rate is the interest rate at which the banks borrow money from the Reserve Bank of India. When the repo rate is high, the loans borrowed by the banks is less. When the Repo rates are less, loans borrowed by the banks are high. When the loans borrowed by the banks are high, they will have enough financial resources to lend to the industries and public. Therefore, the Banks in turn will lend at lower rates. This will increase the number of industries and public receiving loans from the bank. The citizens will now have enough cash in their hands. This will boost the sales of vegetables, fruits, groceries, vehicles, increase industrial goods production, etc. This will ultimately increase the demand of the goods and services and their prices will come down. Thus, the inflation reduces.

Significance of Repo Rate

The Repo rate is the most significant rate of all the other monetary tools of RBI. This is because the car loans, home loans, interest rates on loans to returns on deposits is all influenced by the repo rate.

Other Monetary tools of RBI

Other than Repo rate, the RBI uses reverse repo rate, marginal standing facility to control money flow in the country.

4.Digital Payment Security Controls Direction

The RBI is to introduce digital payment security control directions for regulated entities to improve the security of digital payment channels and also to improve the consumer service. This announcement comes after the central bank temporarily barred the largest private bank, HDFC, from selling new credit cards or launching new digital banking initiatives due to service outages at the bank for over the past two years.

About the Digital Payment Security Control Directions

The Directions propose the setting up of robust governance structure. It includes digital payments, implementing common minimum standards of security controls such as mobile banking, internet, card payments. It will bring upon standards on channels such as mobile banking, internet and card payment.

It is to be noted that the digital banking application of SBI was also facing service outrages recently. Therefore, it is important to launch these directions to preserve the stability of the depositors.

The directions will focus on the following

- **To monitor minimum standards on common security controls for channels like mobile banking and internet, card payments, etc**
- **Requirements of robust governance.**

Impact on Customers

- **There will be no change in how customers use the online payment applications**
- **Currently, there are no security protocols and authentication methods added to the credit card, debit card or mobile wallet payments. Therefore, the Digital Payment Security Controls Direction will help boost the security in these areas.**

Why is it important?

The UPI (Unified Payment Interface) transactions have been growing consistently. Also, according to the National Payment Corporation of India, the COVID-19 pandemic has fast tracked the transition to digital payments. The credit card transactions have increased by 6.7% between October 2020 and November 2020. In September 2020, the number of credit card transactions were at 1.8 million. It increased to 2.07 billion in October and 2,21 billion in November. This shows the fast transition of India towards digital payments.

5.Agra Metro Project

Agra Metro Project consists of two corridors with a total length of 29.4 km. It connects famous tourist attractions like Taj Mahal, Agra Fort, Sikandra etc., with railway stations and bus stands. Its construction work is to be inaugurated by Prime Minister Modi. The project is expected to benefit 29 lakh people in the city of Agra as well as more than 60 lakh tourists who visit the place each year.

About the Agra Metro Project

The project will help boost Ease of Living of the people of Agra and will benefit the tourists visiting the city. The estimated cost of the project is Rs 8,379.62 crores. The project is to be completed in five years. The feasibility study of the Agra Metro Project was conducted in 2016. The Detailed Progress Report of the project was prepared by RITES (Rail India Technical and Economic Service Limited).

The cost of the project was estimated as Rs 350 per kilo metre. The prices were estimated based on the Price Index.

Price Index in India

There are three major Price Indices used in India. They are Wholesale Price Index, Index of Industrial Production and Consumer Price Index

Wholesale Price Index

It is the main measure of inflation in the country. The important fiscal policy and monetary policy changes are linked to WPI. It is in use since 1939 and is published since 1947 regularly. The WPI is calculated by the Office of Economic Advisor operating under the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry.

Index of Industrial Production

It measures the changes in industrial production. It is calculated by the Central Statistics Office operating under the Ministry of Statistics and Programme Implementation. The eight major core industries such as crude oil, electricity, cement, refinery products, steel, fertilizers and natural gas are included in Index of Industrial Production.

Consumer Price Index

It measures changes in retail price goods and services. It is used as measure of inflation in more than 157 countries. It is calculated by Central Statistics Office.

6.What is IAIS?

International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions constituting 92% of the world's insurance premiums. It is the international standard

setting body in charge of developing and assisting in the implementation of principles, standards and other supporting materials for the supervision of the insurance sector. India's International Financial Services Centres Authority and Indian Insurance Regulatory and Development Authority are currently its members.

About IAIS

It is an international standard setting body of the insurance sector. It was established in 1994. It operates under Swiss Civil Law. It aims to contribute to the maintenance of global financial stability and develop stable insurance markets for the protection of policyholders.

Insurance Sector in India

The Indian Life Insurance Companies Act, 1912 was the first statutory measure to regulate insurance business in India. In January 1956, an ordinance was issued nationalising the Life Insurance Corporation and Life Insurance Sector.

In 1972, the General Insurance Business (Nationalisation) Act was passed. Under the act, around 107 insurers were amalgamated.

In 1993, Malhotra committee was set up to propose recommendations for reforming the insurance sector. The Insurance Regulatory and Development Authority of India (IRDAI) was constituted based on the recommendations made by the committee.

IRDAI

The IRDAI received statutory status in April 2000. The main objectives of the IRDAI is to enhance customer satisfaction and promote competition in the insurance sector.

Recent Developments

The insurance sector was opened up for both foreign players and private players in 2000. The foreign investment cap was increased from 26% to 49% in 2015. During the Union Budget 2019-20, the insurance sector was opened to 100% FDI (Foreign Direct Investment).

What is Saral Jeevan Bima?

Under the scheme, the IRDAI has come with guidelines for a standard insurance product. It specified benefits, terms and conditions, features that the life insurance companies should include.