News Analysis (20 Sep, 2018)

Presidents nod to Triple Talaq Ordinance

President has promulgated the Muslim Women (Protection of Rights on Marriage) Ordinance 2018, popularly known as Triple Talaq ordinance.

> This ordinance makes Instant Triple Talaq or Talaq-e-biddat a cognizable offense.

Background

- In August 2017, the Supreme Court ruled that Instant Triple talaq or talaq-e-biddat is unconstitutional and illegal in *Shayara Bano vs. Union of India and Ors.*
- To enforce the Supreme Court ruling, the government brought The Muslim Women (Protection of Rights on Marriage) Bill, 2017.
- The bill was passed by Lok Sabha, but the bill remains pending in Rajya Sabha.
- The ordinance gives effect to amended version of The Muslim Women (Protection of Rights on Marriage) Bill, 2017 as presented in Rajya Sabha by the government.

Provisions in Ordinance

- Any pronouncement of Talaq by a Muslim husband upon his wife in any manner, written, spoken or electronic, will be illegal.
- Any husband who pronounces triple talaq can be punished by a jail term up to three years and will also be liable for fine.
- Muslim women will now be entitled to custody of her minor children.
- Muslim women are now entitled to receive maintenance for herself and her dependent children upon whom talaq is pronounced.
- Triple talaq is now a cognizable offense if the case is filed by married Muslim women or any person related to her by blood or marriage.
- The offense will be compoundable, i.e. there can be a compromise but only on the insistence of the wife and magistrate will determine the terms and conditions.

- The offender can be granted bail by a magistrate but only after hearing the victim wife and magistrate is satisfied that there is reasonable ground for bail.

What is instant triple talaq?

- In the practice of talaq-e-biddat, when a man pronounces talaq thrice in a sitting, or through phone, or writes in a talaq-nama or a text message, the divorce is considered immediate and irrevocable, even if the man later wishes to re-conciliate. However, Women cannot pronounce triple talaq and are required to move a court for getting the divorce under the Sharia Act, 1937.
- There are three forms of talaq (divorce) in Islam: Ahsan, Hasan, and Talaq-e-Biddat (triple or instant talaq). Ahsan and Hasan are revocable but talaq-e-Biddat is irrevocable.
- Triple talaq is a practice mainly prevalent among India's Muslim community following the Hanafi Islamic school of law.
- Triple talaq divorce is banned by many Islamic countries, including Pakistan, Bangladesh, Turkey, UAE, and Indonesia.

New SEBI norms for FPI

The Securities and Exchange Board of India (SEBI) has said that it will implement most of the recommendations of H.R. Khan panel on the Know Your Client (KYC) guidelines and beneficiary ownership norms of foreign portfolio investors (FPIs).

> The panel had been set up by the regulator to advise it on redrafting FPI regulations for simplification, and to advise on any other issue relevant to these investors.

Why Committee was formed?

- FPIs and investors had serious concerns regarding the norms released by SEBI and wanted SEBI to review the norms.

- Concerns of Investors
  - FPIs are the major source of investment in India. The Asset Managers Roundtable of India (AMRI) **has said that norms will result in restrictions on investments**.
  - The AMRI has said that these measures could lead to an outflow of as much as $75 billion in FPIs. However, SEBI has dismissed any such fears and termed AMRI claims as irresponsible.
  - The SEBI had not explained the High-Risk Jurisdictions or give the list of countries, thus lacking transparency.
  - As of now, economic ownership has been the basic criteria for determining the BO of an offshore fund. This means an entity owning a majority stake in a fund is considered a BO. But in new circular, the regulator has asked FPIs to determine ownership based on both shareholding and control.
- In a relief to FPIs, the SEBI-appointed H.R. Khan panel to review FPI norms and look into issues raised by stakeholders.

Background

- On April 10, 2018, SEBI issued a circular directing certain categories of FPIs such as trusts, banks, mutual funds, and investment managers to disclose their beneficial owners within six months. A beneficial owner (BO) is a person who, directly or indirectly, derives the benefits of ownership.
- The circular said that Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs), Overseas Citizens of India (OCIs) and Resident Indians (RIs) cannot be beneficial owners of a fund investing in India.
- The regulator also asked FPIs to disclose names and addresses of the beneficial owners; whether they were acting alone or together through one or more natural persons as a group; tax residency jurisdiction; and the beneficial owner group's percentage shareholding capital or profit ownership in the FPI.
- On August 21, 2018, SEBI extended the six-month deadline for disclosure to December 31.

Why Amendment was needed?

The regulator wants to tighten KYC norms:

- to prevent money laundering
- to prevent round-tripping of funds (Black money from India invested in Indian Markets through foreign routes), when an investment is made from a high-risk jurisdiction. Countries with a known history of money laundering and funding terrorism activities are considered as high-risk jurisdictions.

Recommendations

- The H.R. Khan panel has proposed that NRIs, OCIs, and RIs should be allowed to hold a non-controlling stake in FPIs, and no restrictions should be imposed on them to manage non-investing FPIs or Sebi-registered offshore funds.
- It has recommended that erstwhile PIOs should not be subjected to any restrictions, and clubbing of investment limits should be allowed for well-regulated and publicly-held FPIs that have common control.
- The panel has suggested that the time for compliance with the new norms should be extended by six months after they are finalized, and non-compliant investors should be given another 180 days to wind down their existing positions.
- It has also asked SEBI to do away with additional KYC requirements for beneficial owners in case of government-related FPIs.
- The committee has recommended changes in the norms pertaining to the identification of senior managing officials of FPIs, and for beneficial owners of listed entities.It has suggested changes in the disclosure of personal information of beneficial owners.
- It has said that all new rules should apply equally to investors using participatory notes (P-Notes).

Important Facts for Prelims (20th September 2018)

Dam Rehabilitation and Improvement Project (DRIP)

- The Government has approved the revised cost estimate of the Dam Rehabilitation and Improvement Project (DRIP), along with a two-year time extension from 2018 to 2020, for the completion of the project.
- Project was started in 2012 and was scheduled to be completed in 2018.
- The Govt. has taken up DRIP for the **repair and rehabilitation of dam projects across the seven states of India**, namely Jharkhand (Damodar Valley Corporation), Karnataka, Kerala, Madhya Pradesh, Odisha, Tamil Nadu, and Uttarakhand.
- It is an externally-aided project. **80% of the total project cost is provided by the World Bank** as loan/credit and remaining 20% is borne by the States / Central Government.
- The objectives of DRIP are to improve the safety and operational performance of selected existing dams and associated accessories in a sustainable manner, and **to strengthen the dam safety institutional setup of participating States** / Implementing Agencies.
- It also aims at ensuring the safety of downstream population and property that are affected in the case of a dam failure or operational failure.

H1N1 flu

- H1N1 flu is caused by a **influenza A virus**. The letters H and N in the subtype name stand for proteins found on the surface of the virus, which are used to distinguish between different influenza A subtypes.
- It's also called swine flu because in the past, the people who caught it had direct contact with pigs.That changed several years ago, when a new virus emerged that spread among people who hadn't been near pigs.
- The H1N1 flu virus is made up of genes from flu viruses that normally cause influenza in **pigs, birds, and humans**.
- In 2009, H1N1 was spreading fast around the world, so the World Health Organization called it a pandemic.
- Swine flu viruses may **mutate** (change) so that they are easily transmissible among humans.
- H1N1 flu virus is contagious. Person-to-person transmission of H1N1 flu virus occurs, and the virus is easily spread among people.

Atal Bimit Vyakti Kalyan Yojna

- Taking cognizance of lack of long-term jobs, the **Ministry of Labour and Employment** has rolled out a scheme named “ATAL BIMIT VYAKTI KALYAN YOJNA” to **financially support those who lost their jobs** due to changing employment pattern.
- The Employees' State Insurance Corporation (ESIC), approved 'Atal Bimit Vyakti Kalyan Yojna' for insured persons covered under the Employees' State Insurance Act, 1948.
- As the current scenario of employment in India which has transformed from a long-term employment to fixed short-term engagement in the form of contract and temporary jobs, this scheme is a relief payable in cash directly to their Bank Account in case of unemployment and while they search for new engagement.