

ECONOMIC CURRENT AFFAIRS

JULY 2021

1. **India joins OECD/G20 Inclusive Framework tax deal**

India along with majority members of OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting adopted a high-level statement on July 1, 2021. The statement comprises an outline of a consensus solution to address the tax challenges arising from the digitalisation of the economy.

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) aims to address all the loopholes in cross-border tax rules.

Around 139 countries are collaborating within OECD/G20 Inclusive Framework on BEPS for the implementation of 15 measures to tackle tax avoidance, improve the coherence of international tax rules.

The Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 38 member countries.

The organisation was founded in 1961 to stimulate economic progress and world trade. Its member countries are committed to democracy and market economy.

2. **Open Network Digital Commerce (ONDC) Project**

The Department for Promotion of Industry and Internal Trade (DPIIT) on July 5, 2021, had issued orders appointing an advisory committee for its Open Network for Digital Commerce (ONDC) Project that is aimed at curbing the digital monopolies.

The Open Network for Digital Commerce (ONDC) project is expected to set standards for onboarding retailers on online marketplaces as well as for the supply and delivery of the products through online channels.

The idea for ONDC had emerged in 2020 to bring some form of standards and streamline the country's e-commerce ecosystem. Currently in India, different e-marketplaces have a different set of rules, which at times make it difficult for the small traders and suppliers to adopt.

3. **NCDEX launches India's first agri-sectoral indices**

The National Commodity and Derivatives Exchange (NCDEX) on July 5, 2021, launched India's first sectoral indices in the agri-commodities space namely GAUREX and SOYDEX.

"GUAREX and SOYDEX are the country's first sectoral indices in the agri-commodities space," said Mr. Arun Raste, CEO and Managing Director, NCDEX.

GUAREX is a return-based index. It will track the price movement in the futures contracts of its guar gum refined splits and guar seed on a real-time basis. The weightage of guar gum refined splits will be 36.57 percent and guar seed will be 63.43 percent.

SOYDEX will follow the price changes in futures contracts of refined soy oil and soybean. The weightage of refined soy oil will be 32.08 percent and soybean will be 67.92 percent.

4. **India supports free, open, rules-based Indo-Pacific at first edition of CII Summit**

The Indo-pacific business summit organized by the Confederation of Indian Industry (CII) in collaboration with the Ministry of External Affairs (MEA), saw sessions on how India and other nations in the Indo-Pacific region can expand their economic partnership and can also collaborate for future economic development.

The summit which was held from July 6 to 8, over a virtual platform saw the participation of enterprises, governments, think tanks, business chambers, and academia from the countries in the region.

5. **7th Pay Commission**

The Central Government on July 14, 2021, approved a hike in the Dearness Allowance (DA) for the Central Government employees and the Dearness Relief (DA) for pensioners from 17% to 28% with effect from July 1, 2021.

6. **Mastercard banned from issuing new cards from July 22**

The Reserve Bank of India on July 14, 2021 barred Mastercard Asia / Pacific Pte Ltd (Mastercard) from issuing new credit, debit and prepaid cards with effect from July 22 for its failure to comply with its data storage norms.

The RBI clarified that the supervisory action will not impact the existing customers of Mastercard in the country.

7. Parliament passes Factoring Regulation Amendment Bill

Parliament passed the **Factoring Regulation (Amendment) Bill, 2021** which seeks to amend the Factoring Regulation Act, 2011 to widen the scope of factors that can engage in factoring business, where an entity acquires receivables of another entity for an amount.

A **factoring business** is a business where the entity/ factor acquires receivables of another entity known as assignor for an amount. A factor can be a bank or a registered non-banking financial company or any company that is registered under the Companies Act.

8. NABARD sanctions Rs. 446 crores for drinking water projects in districts of Punjab

The National Bank for Agriculture and Rural Development (NABARD) informed on July 29, 2021, that it has sanctioned Rs. 445.89 crores for the drinking water projects in Fazilka, Ferozepur, Rupnagar, and Hoshiarpur districts of Punjab.

The funds by the bank have been sanctioned under the Rural Infrastructure Development Fund (RDIF).

Punjab is leveraging the Union Government's assistance available under the 'Jal Jeevan Mission' with support under the Rural Infrastructure Development Fund for the benefits of the larger population of the state.