

Prelim Bits 23-04-2018

International Monetary and finance Committee (IMFC)

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- Governor of Reserve Bank of India attended the recent 37th meeting of IMFC.

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- The IMFC advises and reports to the IMF Board of Governors on the supervision and management of the international monetary and financial system.

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- It meets twice a year, during the spring and annual Meetings.

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- The Committee discusses matters of common concern affecting the global economy and also advises the IMF on the direction its work.

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- At the end of the Meetings, the Committee issues a joint communiqué summarizing its views.

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- These communiqués provide guidance for the IMF's work program during the six months leading up to the next spring or annual Meetings.

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| IMFC Membership | | |
|-----------------------------------|-------------|----------------------|
| Chair (South Africa) | | |
| Nationalities of current members: | | |
| Algeria | Germany | Peru |
| Brazil | Iceland | Russia |
| Cameroon | India | Saudi Arabia |
| Canada | Indonesia | Switzerland |
| Central African Republic | Italy | United Arab Emirates |
| China | Japan | United Kingdom |
| Colombia | Korea | United States |
| Czech Republic | Netherlands | |
| France | Nigeria | |

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- There is no formal voting at the IMFC, which operates by consensus.

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- The IMFC has 24 members who are central bank governors, ministers, or others of comparable rank and who are usually drawn from the governors of the Fund's 189 member countries.

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Swell Waves

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- National Disaster Management Agency (NDMA) issued a high energy swell wave alert along the Indian Coastline.

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- High energy swell waves, with heights between 2 m and 3 m and periods between 17-22 seconds are likely to be experienced in the seas around India.

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- Swell waves are massive ripples that form on the sea due to winds.

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- In a way it is the collections of waves produced by storm winds raging hundreds of miles out to sea, rather than the product of local winds along beaches.

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- The low-lying coasts of Kerala and West Bengal are particularly vulnerable.

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Exploding Ants

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- *Colobopsis explodens* were found by a team of researchers in the tiny state of Brunei.

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- When threatened by other insects, worker ants can rupture the wall of their body, which leads to their death.

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- In the process it releases yellow toxin from their glands that either kills or holds off enemies.

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- They sacrifice themselves in such a fashion to keep their colony safe.
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- The ant “explodes” by contracting its body until enough pressure is built up to tear the body wall, then the secretion exits with a small squirt or pop.
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- Such a phenomenon is very rare in nature and only a handful of “social” insects – such as ants and bees – were known to sacrifice themselves in such a manner.
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Vulnerable reefs of Japan

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- Reefs that lie off the coast of western Japan are devastated by unusually cold water.
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- They are some of the world’s most northerly coral reefs.
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- Survey of the reefs shows that there is a widespread bleaching, with between 90 to 100 per cent of spots affected.
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- The devastation is thought to be the result of unusually cold water temperatures in the area this year, partly produced by the meandering of the Kuroshio Current.
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- The Kuroshio is a warm current in the northwestern Pacific Ocean.
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- The currents unusual movement away from the area brought up cold water from the depths.
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- The phenomenon results in lower water temperatures, changes the locations of fishing grounds and even affects ship navigation.
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- Corals make up less than one percent of Earth’s marine environment, but are home to more than 25 per cent of marine life
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Conflict of interest

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- Recently ICICI Bank and its CEO were at the centre of a conflict of interest controversy about a loan given out by the bank to a corporate group which had dealings with her relatives.
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- Conflict of interest is a situation in which one is torn between one's professional duties and one's personal interests, in making a business decision.
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- Conflicts of interest are at the heart of most corporate governance controversies at India Inc.
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- Governance mechanisms such as independent directors on the Board, or a nomination and remuneration committee are put in place mainly to check such conflicts of interest.
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- The realistic way to tackle it to insist on adequate disclosures.
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Grandfathering clause

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- In the latest budget, a grandfathering clause attached to the new section on long-term capital gains.
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- A grandfathering clause in any new tax law allows people who made their decisions under the old law to continue to enjoy a concession, until the original timeframe for it runs out.
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- Frequent changes to tax laws, can weaken public faith in the Government's promises.
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- Grandfathering provisions allow the Government to introduce changes to tax rules for the future, without reneging on its past promises.
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Map of the Day

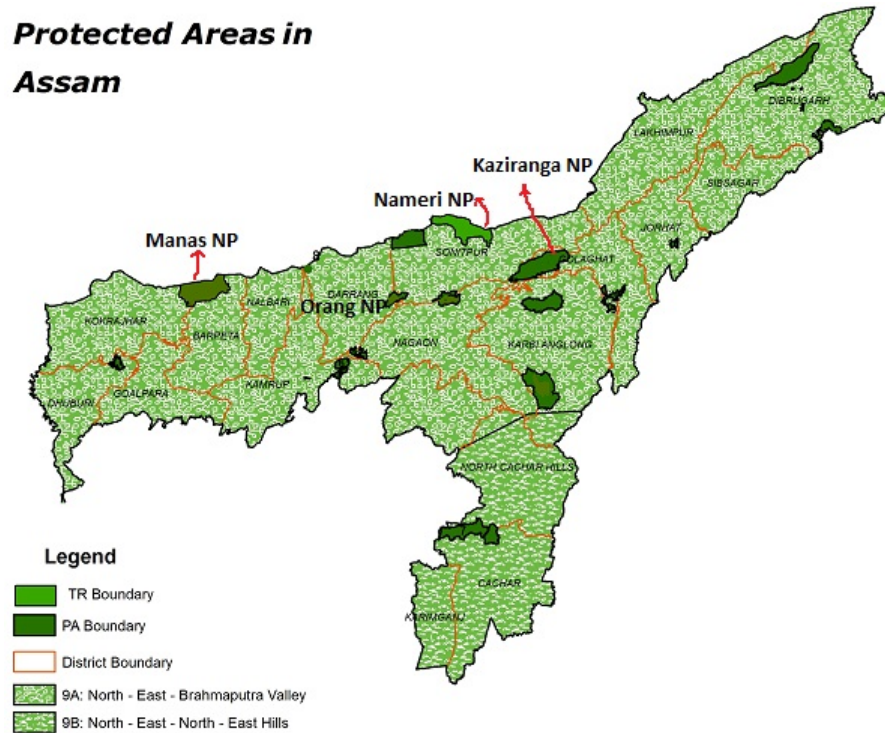
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India States

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Assam

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- Assam, also known as a “Land of Red River and Blue Hills”.
- A significant geographical aspect of Assam is that it contains three of six physiographic divisions of India—the Northern Himalayas (eastern Hills) the Northern Plains (Brahmaputra Plain), and Deccan Plateau (Karbi Anglong).
- Karbi Hills are a part of the Meghalaya plateau.
- Assam, the “Gateway of the North-East” has emerged as a popular tourist destination.

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Source: PIB, The Hindu, Business Standard

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