

**POLITY AND GOVERNANCE**
**PREVENTION OF MONEY LAUNDERING ACT**

**CONTEXT:** There are many criticisms surrounding the Prevention of Money Laundering Act (PMLA). Recently, the Supreme Court also upheld the core amendments made to the Act in 2002.

**Overall scenario**

- Money laundering has become a matter of international concern and India has undertaken several international commitments in this regard.
- The PMLA was introduced in 2002, ostensibly to tackle the problem of money laundering.
  - It has been subject to several amendments.
- Over 240 petitions were filed against the amendments in which the challengers claimed to violate personal liberty, procedures of law and the constitutional mandate.
- The Supreme Court's verdict upholds all the controversial provisions of the Prevention of Money Laundering Act (PMLA) that falls short of judicial standards of reviewing legislative action.

**Criticisms of the PMLA**

- **Power to Enforcement Directorate (ED):**
  - The Act gives the government and the Enforcement Directorate (ED) virtually unbridled powers of summons, arrest, and raids.
  - Despite having powers of investigation, the ED has not been classified as a 'police agency.'
  - Besides, there is a lack of clarity about the ED's selection of cases to investigate.
- **Bails & the burden of proof:**
  - It makes bail nearly impossible while shifting the burden of proof of innocence onto the accused rather than the prosecution.
  - The Court made it clear that the State has a compelling interest in imposing stringent bail conditions for economic offences.
- **Definition of crime:**
  - The definition of crime under this Act is criticised for being almost infinitely elastic.
  - According to critics, the authority has immense latitude to define what counts as the relevant crime.
- **Process of trials & conviction:**
  - Whoever underwent the trials claim that the process in itself is the punishment, where your assets can be seized, till the proceedings are complete.
  - The conviction rate under this law is very low, less than five per cent.
- **Attachment of properties:**
  - In theory, the law provides safeguards against attaching properties, but those safeguards are weak and do not allow for even reasonable exceptions that might be necessary for your dignity or continuing with your business or livelihood.
- **Enactment as a Money Bill:**
  - While enacting the law, the subterfuge of a Money Bill was used. So, it is alleged that the parliamentary procedure under which the law was enacted was itself proper.

**About Prevention of Money Laundering Act (PMLA) 2002**

- **About:**
  - It was enacted in January 2003 and the Act along with the Rules framed there under has come into force with effect from 1st July 2005.
  - The Parliament enacted the PMLA as a result of international commitment to sternly deal with the menace of money laundering of proceeds of a crime having transnational consequences and on the financial systems of the countries.
- **Objectives:**
  - The PML Act seeks to combat money laundering in India and has three main objectives:
    - To prevent and control money laundering
    - To confiscate and seize the property obtained from the laundered money;
    - To deal with any other issue connected with money laundering in India.
  - The Act also proposes punishment under section 4.
- **Provisions:**
  - **Definition of money laundering:**
    - Sec. 3 of PMLA defines the offence of money laundering as whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money-laundering.

- **Prescribes obligation:**
  - PMLA prescribes the obligation of banking companies, financial institutions and intermediaries for verification and maintenance of records of the identity of all its clients and also of all transactions and for furnishing information of such transactions in a prescribed form to the Financial Intelligence Unit-India (FIU-IND).
- **Empowerment of officers:**
  - PMLA empowers certain officers of the Directorate of Enforcement to carry out investigations in cases involving offence of money laundering and also to attach the property involved in money laundering.
  - It empowers the Director of FIU-IND to impose fines on banking companies, financial institutions or intermediaries if they or any of its officers fails to comply with the provisions of the Act as indicated above.
- **Setting up of Authority:**
  - PMLA envisages the setting up of an Adjudicating Authority to exercise jurisdiction, power and authority conferred by it essentially to confirm attachment or order confiscation of attached properties.
  - It also envisages the setting up of an Appellate Tribunal to hear appeals against the order of the Adjudicating Authority and the authorities like Director FIU-IND.
- **Special Courts:**
  - It envisages the designation of one or more courts of sessions as Special Court or Special Courts to try the offences punishable under PMLA and offences with which the accused may, under the Code of Criminal Procedure 1973, be charged at the same trial.
- **Agreement for Central Government:**
  - It allows the Central Government to enter into an agreement with the Government of any country outside India for enforcing the provisions of the PMLA, exchange of information for the prevention of any offence under PMLA or under the corresponding law in force in that country or investigation of cases relating to any offence under PMLA.

#### Consequences of Money Laundering

- **Associated Criminal Activities:**
  - The possible consequences of money laundering are terrorist financing (TF), proliferation financing (the provision of funds or financial services for the acquisition of nuclear, chemical or biological weapons), and related crimes.
- **Financial insecurity & governance:**
  - These crimes, as well as those underlying crimes that generate money laundering activity, can threaten the stability of a country's financial sector and a country's external stability more generally.
  - This, in turn, can affect law and order, governance, regulatory effectiveness, foreign investments and international capital flows.
- **Social Costs:**
  - The social costs of money laundering include allowing drug traffickers, smugglers, and other criminals to expand operations and the transfer of economic power from the market, government, and citizens to criminals.
  - In extreme cases, money laundering can lead to a complete takeover of a legitimate government.

### **PRELIMS**

#### **1. National Family Planning Summit 2022**

**CONTEXT:** Recently, the India Family Planning 2030 Vision document was unveiled at National Family Planning Summit 2022.

#### Summit highlights

- During the event following things were initiated/introduced by the Minister of State for Health and Family Welfare:
  - The India Family Planning 2030 vision document and
  - Launching of the Medical Eligibility Criteria (MEC) Wheel Application,
  - E-Module of Family Planning Logistics Management System (FPLMIS), and
  - Digital Archive on Family Planning under the category of Digital Intervention.
  - Introduction of:
    - National Family Planning helpline manual,

- Community Health Officer (CHO) booklet, and
- ASHA brochure and leaflet (Family Planning).

### **The India Family Planning 2030 vision document highlights**

- **Population estimates:**
  - India is the second largest country in the world.
  - The country's population is expected to continue to grow until mid-century (due to population momentum), however, the population growth will decline substantially, said the document.
- **Priority areas** are identified in the Centre's family planning vision document 2030:
  - Strategies to overcome teenage childbearing,
  - Lack of male participation in awareness programmes,
  - Migration and lack of access to contraceptives.
- It also includes a plan to use the private sector for providing modern contraceptives.

### **Outcomes of India's Family planning efforts**

- **Achieving replacement level fertility:**
  - India has achieved replacement level fertility, with as many as 31 States/Union Territories reaching a Total Fertility Rate of 2.1 or less.
- **Increased usage of modern contraceptives:**
  - Between 2012 and 2020, India added more than 1.5 crores, additional users, for modern contraceptives thereby increasing their use substantially.
- **Positive birth spacing methods:**
  - Government data shows an overall positive shift towards spacing methods which would be instrumental in impacting positively maternal and infant mortality and morbidity.

## **2. Road Safety in India**

**CONTEXT:** Recently, according to the data received from police departments of all states/UTs as many as 5.82 lakh people lost their lives in accidents in four years up to 2020 while the number of deaths has decreased down the years.

### **Data on road accidents**

- Deaths in 2020: As many as 47,984 people on National Highways, including expressways.
- Deaths in 2019: 53,872 people died due to road accidents on National Highways, including expressways.

### **Causes of Road Accidents**

- **Speeding:**
  - An increase in average speed is directly related both to the likelihood of a crash occurring and to the severity of the consequences of the crash.
- **Driving under the influence of alcohol:**
  - Driving under the influence of alcohol and any psychoactive substance or drug increases the risk of a crash that results in death or serious injuries.
- **Nonuse of motorcycle helmets, seat-belts, and child restraints:**
  - Correct helmet use can lead to a 42% reduction in the risk of fatal injuries and a 69% reduction in the risk of head injuries.
- **Distracted driving:**
  - There are many types of distractions that can lead to impaired driving. The distraction caused by mobile phones is a growing concern for road safety.
- **Inadequate post-crash care:**
  - Delays in detecting and providing care for those involved in a road traffic crash increase the severity of injuries
- **Inadequate law enforcement of traffic laws:**
  - If traffic laws on drink-driving, seat-belt wearing, speed limits, helmets, and child restraints are not enforced, they cannot bring about the expected reduction in road traffic fatalities and injuries related to specific behaviours.
- **Issue of Black Spots:**
  - Total black spots identified on National Highways based on the data during the period from the year 2016 to 2018 is 5,803
  - In road safety management, an accident blackspot or black spot is a place where road traffic accidents have historically been concentrated.
- **Lack of infrastructure:**
  - The absence of over bridges, underpasses and alternative roads for village traffic means that speeding vehicles compete with slow-moving farm and rural traffic.

- **Lack of long-term master plans:**
  - Most cities do not have long-term master plans for transport and traffic. Ad hoc and non-uniform solutions to local road situations are common.

#### **Implications of Road accidents**

- **High fatality rate:** The fatality rates are high in many cities in the subcontinent. India has the dubious distinction of accounting for 6% of the world's road deaths while having just 1% of the world's vehicles.
- **The high degree of air pollution:** There is also a growing concern over the high degree of air pollution in Indian cities. It is evident that most pollution is caused by motor vehicles.
- **Increased congestion:** The growing trend toward private transportation increases congestion. The way to avoid congestion is to travel by mass transport or railways.
- **Social sphere:** This concerns job losses and the related financial hardships, loss of amenity and a fatal impact on the functioning of the whole family.
- **Psychological impact:** We should not forget that the psychological impact of the consequences of road traffic accidents does not only affect the direct participants but also their families.

### **3. World Hepatitis Day**

**CONTEXT:** World Hepatitis Day is celebrated on July 29th, every year.

#### **About**

- On this Day, the World Health Organisation (WHO) is highlighting the need to bring hepatitis care closer to the people in need.
- 2022 Theme: "Bringing hepatitis care closer to you"
- 3 As: This means making hepatitis care available, affordable and accessible to all without discrimination.
- This is crucial in the quest to eliminate viral hepatitis as a public health threat by 2030, a global target.
  - WHO's global hepatitis strategy, endorsed by all WHO member States, aims to reduce new hepatitis infections by 90% and deaths by 65% between 2016 and 2030.

#### **Need for Action**

- Hepatitis is the only communicable disease where mortality is showing an increasing trend.
- Globally, approximately 354 million people are suffering from hepatitis B and C.
- Southeast Asia has 20% of the global morbidity burden of hepatitis. About 95% of all hepatitis-related deaths are due to cirrhosis and liver cancers caused by the hepatitis B and C virus.
- A world free of hepatitis is practical and feasible. The tools to diagnose, treat, and prevent are present.
- Indian Scenario: Viral hepatitis, caused by hepatitis viruses A through E, still remains a major public health problem in India
  - India has "intermediate to high endemicity" for Hepatitis B surface antigen and an estimated 40 million chronic HBV infected people, constituting approximately 11% of the estimated global burden.

#### **Hepatitis**

- Hepatitis means inflammation of the liver.
- Problem causing agents: Heavy alcohol use, toxins, some medications, and certain medical conditions can cause hepatitis. However, hepatitis is often caused by a virus.
- Main Strains:
  - There are five main strains of the hepatitis virus, referred to as types A, B, C, D and E.
  - While they all cause liver disease, they differ in important ways including modes of transmission, severity of the illness, geographical distribution and prevention methods.
  - In particular, types B and C lead to chronic disease in hundreds of millions of people and together are the most common cause of liver cirrhosis, liver cancer and viral hepatitis-related deaths.

### **4. 44<sup>th</sup> Chess Olympiad**

**CONTEXT:** Recently, the Prime Minister declared the 44th Chess Olympiad at JLN Indoor Stadium, Chennai.

#### **About 44th Chess Olympiad**

- **This is the first time the Chess Olympiad is being held in the place of origin of chess, India.**
  - It is coming to Asia for the first time in 3 decades.
  - It has the highest ever number of countries participating.
  - It has the highest ever number of teams participating.
  - It has the highest number of entries in the women's section.
  - The first ever Torch Relay of the Chess Olympiad started this time.
- **Tamil Nadu has a strong historical connection with chess.**

- This is why it is a chess powerhouse for India.
- It has produced many of India's chess grandmasters.
- It is home to the finest minds, vibrant culture and the oldest language in the world, Tamil.

### **Sports Sector in India**

- It comprises media rights, apparel, sports nutrition, sports equipment etc as an industry is likely to go up five times to reach a value of \$100 billion by 2027 from \$27 billion in 2020.
- The Indian sports media market size was \$1 billion in 2020 and is estimated to grow over \$13.4 bn by 2027.
- The global media rights market is \$52.1 bn where market share of cricket grew from 2.7% to 3.0%.
  - Football continues to hold the pole position at 42%.
- India is one of the largest manufacturers of sports goods and equipment in Asia after China & Japan and that the sports goods market was worth \$4.5 billion in 2020 and is estimated to grow to \$6.6 billion by 2027.
- The Indian sports apparel market was worth \$14 billion in 2020 and is estimated to grow to \$21 billion by 2023, largely growing on the back of menswear products.

### **Government initiatives in the sports sector**

- **Fit India Movement**
  - Fit India Movement is a nationwide movement in India to encourage people to remain healthy and fit by including physical activities and sports in their daily lives.
- **Khelo India Scheme**
  - The Khelo India Scheme has initiated in 2016 post the fusion of three earlier schemes – Rajiv Gandhi Khel Abhiyan (RGKA), Urban Sports Infrastructure Scheme (USIS), and National Sports Talent Search Scheme (NSTSS).
  - This scheme was focused on increasing mass participation of youth in annual sports games and competitions.
- **Sports Talent Search Portal**
  - The portal allows youngsters to upload their achievements.
  - Those who get shortlisted are then called for trials and the qualified candidates then take part in the schemes of the Sports Authority of India (SAI).
- **Empowered Steering Committee on Sports**
  - The Committee is answerable for preparing a far-reaching action plan for the powerful participation of Indian players in the Olympic Games of 2021 (Tokyo), 2024 (Paris), and 2028 (Los Angeles).
- **National Sports Awards Scheme**
  - The Government acknowledges and respects sports personalities with the Arjuna Awards, Rajiv Gandhi Khel Ratna, Dhyan Chand Awards, and Dronacharya Awards for their achievements and commitments as sportspersons and coaches in the field of sports.
- **Sports and Games for Persons with Disabilities Scheme**
  - The differently-abled sportspersons are trained in their field for conducting sports competitions and assisting schools and institutes having differently-abled sportspersons.
- **Target Olympic Podium Scheme**
  - It is under the National Sports Development Fund (NSDF) to help the potential medal possibilities for the Olympic Games of 2016 and 2020.
  - The main centre is given to Athletics, Badminton, Boxing, Archery, Wrestling, and Shooting sports.

## **5. International Tiger Day**

**CONTEXT:** International Tiger Day is celebrated every year on 29th July.

### **About the Day**

- **Origin:** International Tiger Day was first celebrated in 2010 after it was found that 97% of all wild tigers had disappeared in the last century, with about only 3,000 of them remaining.
- **Aim:** To halt the numbers from worsening. Along with the preservation of these species, the day also aims to protect and expand their habitats.

### **Importance of Tigers**

- India is home to over 70% of the tiger population globally.
- Tigers, the top predators in the ecosystem, are vital in regulating and perpetuating ecological processes.
- Ensuring the conservation of this top carnivore guarantees the wellbeing of forested ecosystems, the biodiversity they represent as well as water and climate security.

- In India, tigers inhabit a wide variety of habitats ranging from the high mountains, mangroves swamps, and tall grasslands, to dry and moist deciduous forests, as well as evergreen forest systems.
  - By virtue of this, the tiger is not only a conservation icon but also it is an umbrella species for the majority of the ecosystem in the Indian subcontinent.

### **Factors for Extinction**

- With climate change, tigers are increasingly coming into conflict with humans.
- Poaching and the illegal trade industry is also very serious threat that wild tigers face.
  - Demand for tiger bone, skin, and other body parts is leading to increased cases of poaching and trafficking.
- Another threat that has negatively impacted the tiger population is the loss of habitat.
  - All across the world, a loss of tiger habitats is witnessed due to access routes, human settlements, timber logging, plantations, and agriculture.
  - In fact, only about 7% of the original tiger habitats are still intact today.
- The lack of genetic diversity among tigers can lead to inbreeding in small populations.

### **Tiger Conservation Efforts**

- Lidar-based survey technology: It is being used for the first time to deal with the challenge of human-animal conflict that was causing the death of animals.
  - Lidar is a method of measuring distance by illuminating the target with laser light and measuring the reflection with a sensor.
- Official training: The National Tiger Conservation Authority has authorised official training to deal with emergencies arising due to tigers straying into human-dominated landscapes, tiger depredation on livestock and to work towards active rehabilitation of tigers.
  - National Tiger Conservation Authority (NTCA) is a statutory body under the MoEFCC and was established in 2005 following the recommendations of the Tiger Task Force.
  - The National Tiger Conservation Authority (NTCA) has launched the M-STrIPES (Monitoring System for Tigers – Intensive Protection and Ecological Status), a mobile monitoring system for forest guards.
- Policy and management: The major changes are made in the policy and management of tiger populations to fully implement provisions of the Wildlife (Protection) Act 1972 like
  - Tiger landscape conservation plans,
  - Designation and notification of inviolate critical core and buffer areas of tiger reserves.
  - Identification and declaration of new tiger reserves.
  - Recognition of tiger landscapes and the importance of the corridors and their physical delineation at the highest levels of governance, and
  - Integrating tiger conservation with developmental activities using the power of reliable information in a Geographic Information System database.
- Project Tiger: It is a Centrally Sponsored Scheme of the Ministry of Environment, Forests and Climate Change.
  - It provides central assistance to the tiger States for tiger conservation in designated tiger reserves.
- **International Collaboration:**
  - India has signed a protocol on the conservation of tigers with China and a Memorandum of Understanding with Bangladesh on the conservation of the Sundarbans.
  - Also, the Cabinet has given the nod to sign a Memorandum of Understanding with Myanmar to combat timber trafficking and conservation of tigers and other wildlife
  - Besides bilateral engagements are being carried out with Bhutan, Nepal and Cambodia.
  - The Government of Guatemala has solicited collaboration with the Govt. of India to safeguard their Jaguar population
  - A tripartite, institute level has been signed between the National Tiger Conservation Authority, the Wildlife Institute of India, Dehradun and the A. N. Severtsov Institute of Ecology and Evolution, Russian Academy of Sciences for tiger conservation.
- **2022: Year of The Tiger:**
  - The WWF aims to double the number of wild tigers in 2022.

### **ANSWER WRITTING**

**Q. Artificial Intelligence has the potential to provide large incremental value to a wide range of sectors. (150 words)**

#### **Introduction**

Artificial Intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits

associated with a human mind such as learning and problem-solving. Artificial Intelligence (AI) has the potential to have a transformative impact on national economic growth.

**Body**

**Artificial Intelligence can be utilized in the following ways**

- **Healthcare:** Application of AI in healthcare can help address issues of high barriers to access to healthcare facilities, particularly in rural areas that suffer from poor connectivity and limited supply of healthcare professionals. (e.g. Driven diagnostics, personalized treatment, early identification of potential pandemics, and imaging diagnostics)
- **Agriculture:** AI holds the promise of driving a food revolution and meeting the increased demand for food. E.g. Increase in crop yield through real time advisory, advanced detection of pest attacks, and prediction of crop prices to inform sowing practices.
- **Smart Mobility, including Transports and Logistics:** Potential use cases in this domain include autonomous fleets for ride sharing, semi-autonomous features such as driver assist, and predictive engine monitoring and maintenance.
- **Retail:** AI solutions have emerged as a game changer in retail sector such as improving user experience by providing personalized suggestions; preference-based browsing and image-based product search, customer demand anticipation, improved inventory management, and efficient delivery management.
- **Energy:** Potential use in the energy sector includes energy system modeling and forecasting to decrease unpredictability and increase efficiency in power balancing and usage.
- **Smart Cities:** Integration of AI in newly developed smart cities and infrastructure could also help meet the demands of a rapidly urbanizing population and providing them with enhanced quality of life.
- **Education and Skilling:** AI can potentially solve the quality and access issues observed in the Indian education sector. E.g. personalized learning, automating and expediting administrative tasks, and predicting the need for student intervention to reduce dropouts or recommend vocational training.

**Conclusion**

The AI strategy is aimed at primarily guiding an inevitable wave of change for quicker and better impact. The AI ecosystem is rapidly evolving and taking societies into uncharted territory. Adoption of AI across the value chain viz. startups, private sector, PSUs and government entities, will provide large incremental value to a wide sector of economy by creating a virtuous cycle of supply and demand.

**MCQs**

- 1) Consider the following statements about Hepatitis:
  1. World Hepatitis Day is celebrated on July 29<sup>th</sup> every year.
  2. Theme for 2022 was “Bringing hepatitis care closer to you”
  3. Hepatitis means inflammation of the kidney.
 Which of the above statement(s) is/are correct?
 

a. 1 and 2 only	b. 2 and 3 only
c. 1 and 3 only	d. 1, 2 and 3
- 2) Consider the following statements regarding Chess in India:
  1. Tamil Nadu is a chess powerhouse for India.
  2. The 44th Chess Olympiad has been conducted at JLN Indoor Stadium, Chennai. Which of the above statement(s) is/are correct?

a. 1 only	b. 2 only
c. Both 1 and 2	d. Neither 1 nor 2
- 3) Consider the following statements regarding Tiger:
  1. International Tiger Day is celebrated every year on 29th July.
  2. India is home to over 70% of the tiger population globally.
  3. Project Tiger is a tiger conservation programme launched in April 1973
 Which of the above statement(s) is/are correct?
 

a. 1 and 2 only	b. 2 and 3 only
c. 1 and 3 only	d. 1, 2 and 3
- 4) Consider the following statements about Samudrayaan Mission 5:
  1. It will send a manned submersible vehicle called MATSYA 6000 for deep underwater studies.
  2. It is a part of the Deep Ocean Mission.
  3. Deep Ocean Mission has been launched By the Ministry of Earth Sciences (MoES).
 Which of the above statement(s) is/are correct?
 

a. 1 and 2 only	b. 1 and 3 only
c. 3 only	d. All are correct.

