

November 6th news:

International:

Donald Trump begins 12-day Asia trip

US President Donald Trump began a visit to Asia on 5th November, landing in Japan to underscore US commitment to a region that his administration is increasingly referring to as the “Indo-Pacific”—something China is watching with increasing wariness.

The high point of the trip is expected to be Trump presenting “the US vision for a free and open Indo-Pacific region” in a speech in Vietnam on 10 November, the White House said in a statement ahead of the visit. It comes months after Trump announced US withdrawal from the Trans-Pacific Partnership—a 12-nation trade pact clinched in 2016—aimed at bolstering the US position in the Asia-Pacific region, where Chinese influence is seen as growing.

Analysts and policymakers in India are closely watching the 3-14 November Asia visit, that will see Trump stop off in South Korea, China, Vietnam and the Philippines besides Japan—the longest trip by a US President to the region in two decades

Of particular interest to India is the increasing use of the term “Indo-Pacific” to refer to the vast expanse of land and sea spanning Australia to India.

Along with Japan and Australia, “it is seen as important to co-opt India as part of the security architecture in Asia” that will guarantee stability in Asia and the freedom of navigation in the Indo-Pacific

National:

Army launches joint training node in Meghalaya

Aiming to host foreign armies in joint exercises, the Indian Army today launched an independent and fully-integrated Joint Training Node (JTN) at Umroi cantonment here.

The JTN is the first of its kind in eastern command and is different from other joint training centres in Belgaum, Varangte and Bakloh, an Army official said.

"The concept was envisaged keeping in mind the conducive weather terrain offering optimal training environment, and has been developed at par with training centres of leading armies of the world," Army spokesperson Sunit Newton said in a statement.

He said the JTN is ready to host the Bangladesh Army, and exercises with Myanmar and Chinese armies are planned for next year.

The Army has chosen the Umroi cantonment for the JTN keeping mind its proximity to Guwahati and the Shillong airports, the statement said.

The node was completed in "record one-year time" to host 'Exercise Milap', a multi-nation joint training exercise with the Bangladesh Army by the Red Horn Division, under the aegis of the Gajraj Corps, Newton said.

The JTN will pave way for projecting the states of Meghalaya and Assam on the world map of foreign armies, he added.

Economy:

Shell companies deposited, withdrew Rs 17,000 crore after demonetisation

The data shows suspected 'shell' companies deposited and withdrew Rs 17,000 crore in the days after the note ban. The data, issued by the government, is from 56 banks for 35,000 companies, which had around 58,000 bank accounts. One company had a negative balance before demonetisation but deposited and withdrew Rs 2,484 crore after November 8, 2016, the government said.

These companies' bank accounts have been frozen. And, state governments told to restrict sales and transfers of real estate assets owned by these entities.

The statement issued by the Centre gives a summary of recent decisions to check the suspected money laundering via such companies — such keeping a check on 'dummy' directors by connecting the director identification number with Aadhaar, the citizen identification number, and the permanent account number. Existing directors and new ones will have to comply.

Also, the plan for an 'early warning system' has to be overseen by the Serious Fraud Investigation Office (SFIO). The government had also recently rewritten the rules to limit the number of subsidiaries a company may have — no more than two layers. This will apply prospectively but existing companies have to disclose details of their entire list of subsidiaries to the registrar of companies within 150 days. Banks and insurance companies are excluded from this.

Also, the director, additional directors, or assistant directors of the SFIO were recently authorised to arrest any person believed to be guilty of any fraud punishable under the Companies Act. Section 447 of this law defines fraud and prescribes the punishment, including imprisonment up to 10 years.

The statement adds that a reference had been made to the finance ministry to include these as schedule offences under the Prevention of Money Laundering Act.

Earlier, the government had stated it had identified 224,000 shell companies and begun action against these. Apart from freezing bank accounts and other assets with these entities, the government is also screening chartered accountants and company secretaries associated with these companies.

What is a 'Shell Corporation'

A shell corporation is a corporation without active business operations or significant assets. These types of corporations are not all necessarily illegal, but they are sometimes used illegitimately, such as to disguise business ownership from law enforcement or the public. Legitimate reasons for a shell corporation include such things as a startup using the business entity as a vehicle to raise funds, conduct a hostile takeover or to go public.

BREAKING DOWN 'Shell Corporation'

Shell corporations are used by large well-known public companies, shady business dealers and private individuals alike. For example, in addition to the legal reasons above, shell corporations act as tax avoidance vehicles for legitimate businesses, as is the case with Apple's corporate entities based in the United Kingdom. They are also used to obtain different forms of financing.

However, the tax avoidance is sometimes seen as a loophole to tax evasion, as these corporations have been known to be used in black or gray market activities. It's natural to be suspicious of a shell corporation, and it's important to understand the various scenarios in which they arise.

Govt to give 60% stake in ONGC fields to private firms

Nearly 25 years after ONGC's prime discovered oilfields were privatised, the oil ministry has identified 11 more producing oil and gas fields of the state-run firm for handing over to private firms to raise output. The ministry is approaching the Cabinet to allow private companies take 60 per cent stake in producing oil and gas fields of national oil companies, ONGC and OIL, with the view that they would raise production above the baseline estimate.

As many as 15 fields - 11 of Oil and Natural Gas Corp (ONGC) and four of Oil India Ltd (OIL) - with a cumulative in place reserve of 791.2 million tonnes of crude oil and 333.46 billion cubic metres of gas have been identified, sources privy to the development said.

These include Kalok, Ankleshwar, Gandhar and Santhal - the big four oilfields of ONGC in Gujarat. All of these fields are in blocks or areas that were given to the national oil companies on nomination basis and the current policy does not allow private firms taking equity stake in a nomination block.

The policy currently allows giving out of participating interest (PI) or a stake to a private company only in the blocks or areas awarded in open auctions under New Exploration Licensing Policy (NELP) since 1999.

However, only exploration acreage was auctioned under global bidding in such rounds. All areas prior to that were given to ONGC and OIL on a nomination basis.

A baseline based on current oil and gas production from the 15 identified fields would be set and private companies taking 60 per cent equity stake would get only the incremental volumes

Sports:

India women's hockey team lifts Asia Cup title

India won the Asia Cup to secure qualification in next year's hockey World Cup. In the final match India defeated China on 5th November. India had failed to qualify for the last World Cup and finished ninth in the 2010 edition. India wins its second title, after beating China in the final

The 2017 Women's Hockey Asia Cup was the ninth Hockey Asia Cup for women. It was held from 28 October to 5 November 2017 in Japan. The winner of this tournament qualified for the 2018 World Cup in England.

The 2018 Women's Hockey World Cup will be the 14th edition of the Women's Hockey World Cup. It is scheduled to be held from 21 July to 5 August 2018, in London

Women's Hockey World Cup :

The Women's Hockey World Cup is the field hockey World Cup competition for women, whose format for qualification and final tournament is similar to the men's. It has been held since 1974. The tournament has been organized by the International Hockey Federation (FIH) since they merged with the International Federation of Women's Hockey Associations (IFWHA) in 1982. Since 1986, it has been held regularly once every four years, in the same year as the men's competition, which is mid cycle between Summer Olympic games.