April 23rd news:

National:

Rashtriya Gram Swaraj Abhiyan gets Cabinet nod

The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi on 22nd April gave its approval for restructured Centrally sponsored scheme of Rashtriya Gram Swaraj Abhiyan (RGSA).

The Rashtriya Gram Swaraj Abhiyan (National Rural Self Governance Scheme) will be implemented during the period from 01.04.2018 to 31.03.2022 at the total cost of Rs. 7,255.50 crore with the Central share of Rs. 4,500 crore and that of State share of Rs. 2,755.50 crore

The scheme will extend to all States and union territories (UTs) of the country and will also include institutions of rural local government in non-Part IX areas, where Panchayats do not exist. The scheme will have both Central component - National Level activities including "National Plan of Technical Assistance", "Mission Mode project on e-Panchayat", "Incentivisation of Panchayats" and State component - Capacity Building of Panchayati Raj Institutions (PRIs).

The Central component will be fully funded by the Government of India. However, Centre:State funding pattern for State component will be 60:40 for all States, except North East and Hill States where Centre:State funding pattern will be 90:10. For all UTs, the Central share will be 100%.

The implementation and monitoring of the activities of the scheme will broadly be aligned for achieving the Sustainable Development Goals (SDGs) with main thrust on Panchayats identified under Mission Antyodaya and 115 aspirational districts as identified by NITI Aayog.

The scheme will converge capacity building initiatives of other ministries with particular focus on those ministries which will be impacted substantially by this scheme. Sunset date for RGSA will be 31.03.2030.

This scheme will extend to all States and UTs of the country and will also include institutions of rural local government in non-Part IX areas, where Panchayats do not exist.

Impact

The approved scheme of RGSA will help more than 2.55 lakh Panchayati Raj Institutions (PRIs) to develop governance capabilities to deliver on SDGs through inclusive local governance with focus on optimum utilisation of available resources.

The key principles of SDGs, i.e. leaving no one behind, reaching the farthest first and universal coverage, along with gender equality will be embedded in the design of all capacity building interventions including trainings, training modules and materials. Priority will be given to subjects of national importance that affects the excluded groups the most, e.g. poverty, primary health services, nutrition, immunisation, sanitation, education, water conservation, digital transactions among others.

President approves ordinance on death penalty to child rapists

President Ram Nath Kovind on Sunday approved an ordinance to provide death penalty to those convicted of raping a child below the age of 12.

The Union Cabinet had on 21st April cleared an ordinance that seeks to amend the Protection of Children from Sexual Offences (Pocso) Act by including stringent provisions in cases of rape of children and minors.

The President also approved an ordinance to confiscate properties of fugitive economic offenders.

On 21st April, the Union Cabinet had also cleared another ordinance that would provide for attachment and confiscation of the properties of the economic offenders in a bid to bring back the defaulters of huge bank loans who escape to abroad.

Economy:

Aadhaar seeding must for bank accounts under KYC norms

The Reserve Bank of India (RBI) updated its know your customer (KYC) guidelines putting onus on Aadhaar for customer verification and due diligence by banks and financial institutions.

The move is aimed at ensuring that no account is opened in an anonymous or fictitious name. RBI had issued master directive on KYC on 25 February 2016.

Also, the use of "officially valid documents" to establish address and identity proof of customers have been restricted to cases where enrolment for Aadhaar is not possible. However, RBI has also said the new norms are subject to the final judgment of the Supreme Court on Aadhaar.

Entities regulated by RBI,such as banks, non-banking finance companies (NBFCs), payment system providers (PSPs) and prepaid payment instrument issuers (PPI Issuer) have been instructed to formulate a KYC policy which shall include a customer acceptance policy, risk management strategies, procedure for customer identification and means to monitor transaction of customers.

However, these entities have to be careful that additional information is obtained with the explicit consent of the customer. Also, "if an existing KYC compliant customer of a RE desires to open another account with the same RE, there shall be no need for a fresh CDD exercise."

Customers shall be categorised as low, medium and high risk category, based on the assessment and risk perception of the RE, "provided that various other information collected from different categories of customers relating to the perceived risk, is non-intrusive and the same is specified in the KYC policy," it said.

According to RBI, the norms have been revised because the government had amended laws on prevention of money laundering in June last year . However, it's not clear when the new guidelines would come into force.