20-04-2024 NEWS

BrahMos Missile export to Philippines

- The Indian-made BrahMos missile was exported to the Philippines for the first time yesterday.
- India-Russia joint venture Brahmos Aerospace, the company was started in India and manufactured BrahMos missiles.
- The name Brahmos was created by combining the names of India's Brahmaputra River and Russia's Moskva River.
- BrahMos supersonic missiles were developed for launching from land, warships, submarines and fighter aircraft.
- This missile has a speed of 2.8 mach (3 times the speed of sound) and is capable of hitting targets at a distance of 290 km.
- Due to China's naval dominance in the South China Sea, the Philippines offered to buy BrahMos missiles from India to attack enemy warships.
- Accordingly, the first batch of Brahmos missiles manufactured in India were sent to the Philippines yesterday.
- It is noteworthy that this is the first shipment of BrahMos missiles.
- A few other countries, including Argentina, have expressed interest in buying BrahMos missiles from India.

New Chief of Naval Staff

- Dinesh Kumar Tripathi has been appointed as the new Chief of the Indian Navy.
- He is currently serving as the Deputy Commander of the Navy.
- The term of office of the current Chief of the Indian Navy, R. Hari Kumar, ends this month
- After completion, Dinesh Kumar Tripathi will take over.

Full member status to Palestine

- The United States used its 'veto' power to nullify the resolution granting Palestine full membership of the UN.
- The UN has 193 member states. A draft resolution for inclusion of Palestine in the General Assembly brought to the Security Council.
- 12 of the 15 member states of the Council voted in favor of the resolution brought by Algeria.
- Britain and Switzerland abstained from voting. However, the US overruled the resolution using its special 'veto' power.
- If the resolution has been passed, the UN Palestine will be recognized as the 194th member state of the General Assembly.
- At present, the UN In the General Assembly, Palestine remains only a spectator. This status, granted in 2012, enables Palestine to participate in General Assembly proceedings but it cannot vote.

A needed amendment

- Amendments to the Double Taxation Avoidance Agreement between India and Mauritius is an appropriate decision. This is a change that should have been made at some point.
- Corrupt money in India was being invested in India through countries like Mauritius, taking advantage of the Double Taxation Avoidance Agreement between the two countries.
- There are 37 countries in the OECD in which India is a member. OECD has framed rules regarding trade and finance management.
- Therefore, India like other member countries has shown an inclination to avoid the tax abuses by taking advantage of the Double Taxation Avoidance Agreements.
- There was a reason for the double taxation avoidance agreement between India and Mauritius in 1982.
- It was a time when foreign investments were scarce in India. So the purpose of the treaty is to avoid double taxation on those investments.
- In the country from which the investment is made, the profit earned from the investment is taxed in that country.
- Investments in countries like Mauritius have zero percent taxation on capital gains, as capital gains are taxed at zero percent. Investments started pouring into India through Mauritius.
- In India the profit from that investment does not have to be taxed.
- Through the current amendment, both countries have sought to eliminate double taxation avoidance and prevent tax evasion.
- An amendment has also been made that if they try to misuse this agreement, they may be denied the privilege.
- Until now, the Government of India used to give tax exemption to the investors if they had a residence certificate issued by the Government of Mauritius.
- As per the new amendment, apart from residence certificate, the power to levy tax is given on the basis of background check of investors.
- This problem is also seen internationally. Corporates set up their headquarters in low-tax countries to avoid taxes.
- As a result, the United States faces a revenue loss of $50 billion to $100 billion annually.
- In 2016, more than 100 countries made changes to their taxation treaties. It also coordinated changes to international tax rules to prevent multinational companies from engaging in tax avoidance.
- Mauritius, Luxembourg, Hong Kong and the Netherlands are so-called 'tax havens' also signed the agreement.
- It is hoped that the amendment to the Double Taxation Avoidance Agreement between India and Mauritius will curb tax evasion and corrupt money circulation to some extent!

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