

1. Addressing Concerns on Search and Seizure Powers

The Supreme Court's Call for Guidelines

The recent actions of seizing and searching journalists' digital devices have raised significant concerns about the potential threats to freedom of speech and press. The Supreme Court's directive to the Union government to establish guidelines to protect the interests of media professionals marks a crucial initial response.

Chilling Effect on Media and Whistle-blowers

The seizure of journalists' laptops and smartphones sends a chilling message to the media fraternity, compromising the confidentiality of sources and hindering the ability of news professionals to perform their duties.

The act of seizing digital devices also poses a threat to journalists' livelihoods, given the critical role information plays in journalism.

Guidelines to include certain protections

Guidelines must ensure that law enforcement agencies can't seize or search devices without a prior judicial warrant, specifying the information sought to prevent unlimited searches.

Also, Journalists should not be compelled to provide passcodes or biometric data that may compromise their own security or that of their sources.

Further, Guidelines must include protocols to safeguard seized devices and data, preventing leaks, tampering, or unauthorized sharing of information. Irrelevant data should be promptly deleted.

Moreover, Allowing the cloning of devices enables journalists to continue their work without being deprived of their data for an unspecified period.

Next, Maintaining a record of the device at the time of seizure ensures transparency and guards against the planting of incriminating material during the investigation.

Adapting Laws to Digital Realities

Beyond guidelines for media professionals, there is a pressing need to update laws governing search and seizure by law enforcement agencies to align with the challenges posed by digital advancements.

In summary, the establishment of clear guidelines, judicial oversight, and public involvement are crucial in ensuring a balance between law enforcement needs and the protection of fundamental rights in the context of search and seizure powers.

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Hindu

2. Uttarakhand tunnel collapse

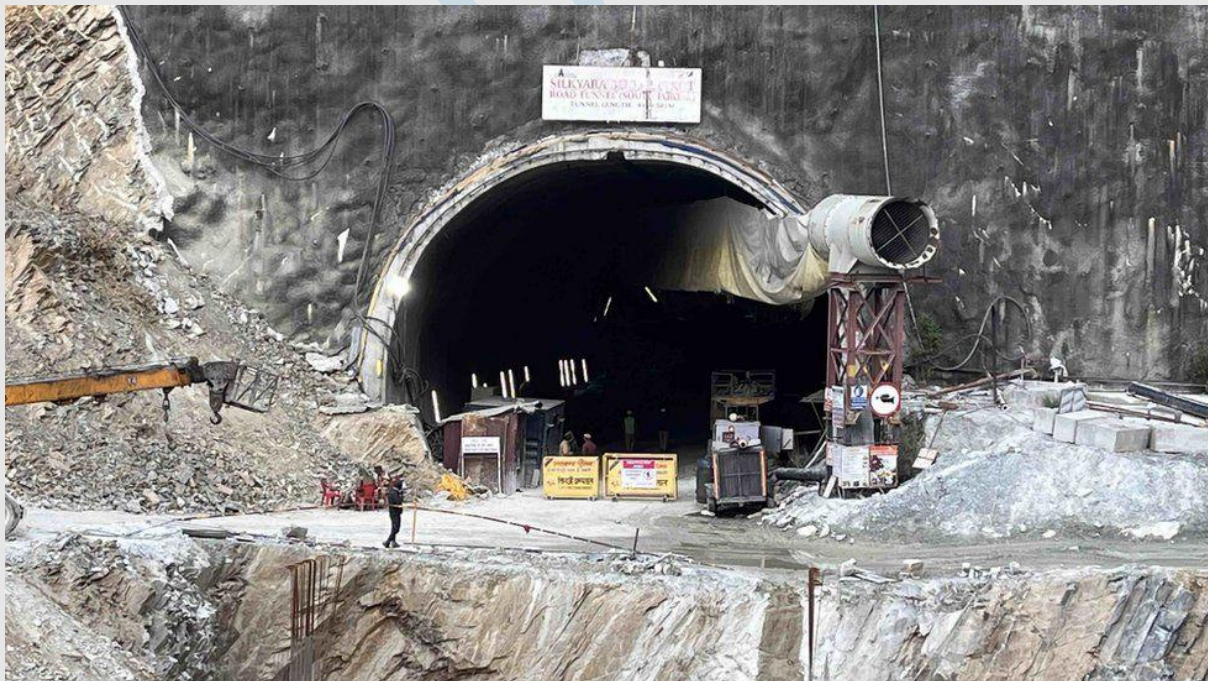
Introduction

An under-construction tunnel on the Yamunotri National Highway in Uttarakhand's Uttarkashi district collapsed, trapping 40 workers inside.

What could have caused a part of the tunnel to cave in?

The failure (the section that has collapsed) is located around 200-300 metres from the mouth of the tunnel. It could have happened due to a loose patch (of rock), which wasn't visible during the construction. The patch might have consisted of fractured or fragile rock, that is, rock with a lot of joints that may have made it weak.

Another reason could be the seepage of water through a loose patch. Water erodes loose rock particles over time, creating a void on the top of the tunnel, which can't be seen. However, these are only general principles, and we must wait for the results of a comprehensive investigation in this case.



What are the ways in which tunnels are excavated in rock?

There are essentially two ways: the drill and blast method (DBM), and by using tunnel-boring machines (TBMs).

DBM involves drilling holes into the rock and loading them with explosives. When the explosives are detonated, the rock breaks apart.

Building a tunnel with a TBM is more expensive than DBM, but much safer. TBMs bore the rock from the front (using a rotating head) while supporting the excavating tunnel behind the machine by installing precast concrete segments.

In India, imported TBMs are used. Each of these machines can cost up to Rs 200 crore.

Does the method of excavation depend on the type of terrain?

A TBM can't be used to drill through very tall mountains. Creating a void through a 1,000-2,000-metre-high mountain by using a TBM leads to rock burst — when a part of the rock suddenly falls due to high stress.

TBMs are ideal when the rock cover is up to 400 metres tall. Underground tunnels for the Delhi Metro were dug using a TBM at shallow depth. On the other hand, in places like Himalays, including Jammu & Kashmir and Uttarakhand, DBM is usually used.

Is the Himalayan region too fragile to tunnel through?

Geologically speaking, the Himalayas are still young (they were formed between 40 million and 50 million years ago) and they are still growing due to the collision between the Indian tectonic plate and the Eurasian tectonic plate.

There are some patches where the rock is indeed too fragile for a tunnel. But at other places, the rock is very good.

What is the key aspect of building a tunnel?

The first and foremost thing is to thoroughly investigate the rock through which a tunnel is proposed to be made. This is done by sending seismic refraction waves through the rock to check which patches are fragile or solid.

In India, engineers dig a borehole into the rock to extract a core sample, and send it for petrographic analysis (microscopic examination to determine the mineral content, grain size, texture and other features that have a bearing on the mechanical behaviour of the sample).

Such investigations help determine if the rock can take the load of the overburden when a tunnel is created. If the rock layer and its strength are good, it takes the entire load of the overburden by redistribution of the stresses, and it remains stable.

Relevance: GS Prelims & Mains Paper III; Disaster Management
Source: The Indian express

3. Secrecy and no tax — reason why Indians look at Cyprus

What is Cyprus Confidential?

Cyprus Confidential is a global offshore investigation of 3.6 million documents in English and Greek, which lays bare a paper trail of companies incorporated in the tax haven of Cyprus by the rich and powerful from around the world.

The investigation, carried out in partnership with the International Consortium of Investigative Journalists (ICIJ), involves more than 270 journalists from more than 60 media houses in 55 countries and territories.

The data trove comprises documents from six offshore service providers in Cyprus. Besides information on Indian investors who became Cypriot nationals under the country's Golden Passport scheme, it also has documents relating to entities set up by leading business houses to take advantage of the liberal tax regime in the island country in the Eastern Mediterranean.

What does the India investigation show?

The investigation attempts to lift the veil of secrecy for government and regulatory agencies. The documents reveal how entities with offshore residency were controlled from India, and instructions for financial transactions in these entities are given by individuals in India.



Can Indian companies set up offshore entities in Cyprus?

It is not illegal to set up an offshore company in Cyprus. India has double-taxation avoidance agreements (DTAAs) with several countries, including Cyprus, which offer low tax rates. Companies use their tax residency certificates in such countries to enjoy

tax benefits that are available legally. These jurisdictions are generally characterised by lax regulatory oversight and airtight secrecy laws.

What tax benefits does Cyprus offer?

Offshore companies and offshore branches managed and controlled from Cyprus are taxed at 4.25 per cent, and offshore branches managed and controlled from abroad and offshore partnerships are totally exempt from tax.

No capital gains tax is payable on the sale or transfer of shares in an offshore entity, and no estate duty is payable on the inheritance of shares in an offshore company. There is no import duty on the purchase of cars, office or household equipment for foreign employees. It also assures anonymity of the beneficial owners of offshore entities.

How does the India-Cyprus DTAA work?

It allows Cyprus — which has a low tax regime — to be used as a jurisdiction for tax planning. Many foreign investors set up their investment firms in Cyprus to invest in India to benefit from the DTAA.

Cyprus is now an alternative to Mauritius for setting up an offshore entity for investment in India. As dividends paid out from India will be subject to withholding tax, no taxation will arise in Cyprus as this will be adjusted or credited against the 4.25 per cent tax in Cyprus.

Withholding tax is an effective way to ensure tax compliance by non-residents who may be subject to different tax regulations than residents. It is applicable in case of payments done to non-resident individuals. It is the payee's responsibility to deduct tax when depositing the payment in the account of the NRI.

The payee deposits the deducted withholding tax with the government, and the tax rate is decided as prescribed in the Income-tax Act, 1961, or Double Taxation Avoidance (DTA) Agreement, whichever is lower.

What are Offshore Trusts?

As per Cyprus International Trust Law, offshore trusts are trusts whose property and income are outside Cyprus, and even the settlor and beneficiaries are not permanent residents of Cyprus.

If the trustee is a Cypriot, the offshore trust is exempt from estate duty, and does not have to pay any tax on the income and gains. The trust need not be registered with any government or other authority, and confidentiality is enshrined in the new law.

In other words, the trust allows businesspersons to avoid tax that would have otherwise been paid by the settlor had she/ he remitted the income arising from overseas operations, to the country of residence.

Offshore branches of companies not having management and control of their business in Cyprus are granted complete exemption from income tax in Cyprus in respect of their profits derived from sources outside Cyprus, whereas if the management and control is in Cyprus they are subject to a tax of 4.25 per cent. For offshore branches, there is no withholding tax on repatriation of profits.

Relevance: GS Prelims; Economics

Source: The Indian express & The Hindu