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1. Why was the Surrogacy (Regulation) Rules, 2022 challenged? What does the new amendment stipulate? Why were the modifications deemed necessary by the Supreme Court? Can single unmarried women also avail of the same relief?

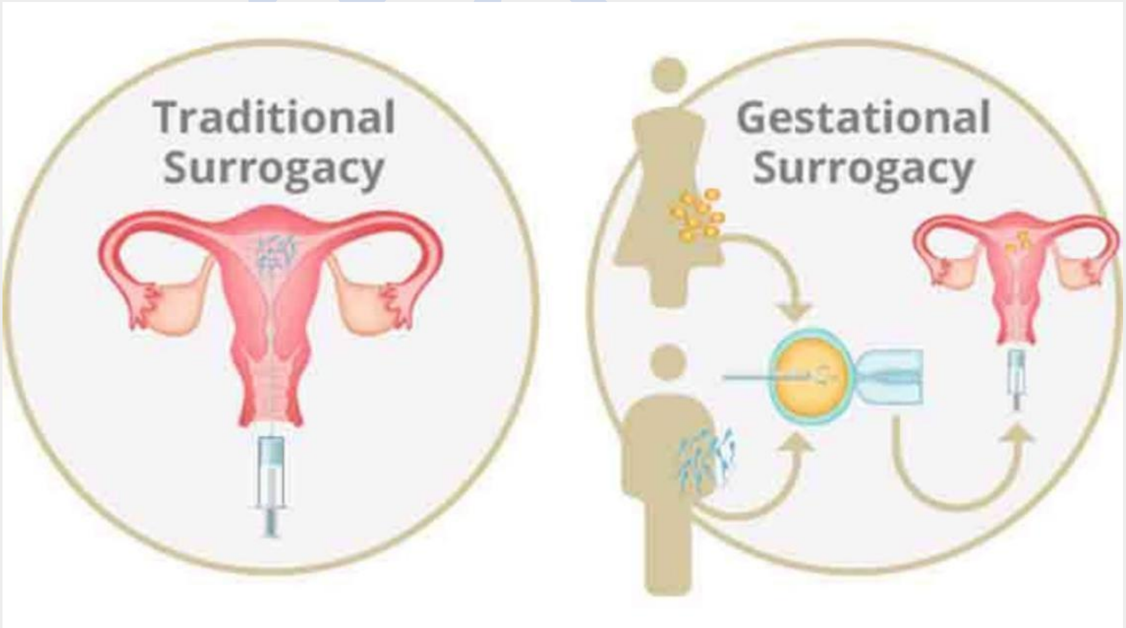
Why in news?

The Union government recently modified the Surrogacy (Regulation) Rules, 2022, to permit married couples to use donor eggs or donor sperm for surrogacy — a move that provided a big relief to those with medical complications. This revoked a previous amendment made in March 2023 that banned the use of such donor gametes.

The modification in the surrogacy rules came more than a month after Additional Solicitor General Aishwarya Bhati apprised the Supreme Court that the government was considering changes in the amendment brought in last year to allow married couples to use donor gametes for surrogacy in case they suffered from medical ailments that made it difficult to conceive.

What does the new amendment state?

On March 14 2023, Form 2 (Consent of the Surrogate Mother and Agreement for Surrogacy) of the Surrogacy Rules read with Rule 7 was amended to stipulate that donor eggs could not be used for gestational surrogacy of an intending couple. This has now been amended by a notification of the Ministry of Health and Family Welfare allowing married couples to use a donor gamete on the condition that a District Magistrate Board certifies that either the husband or the wife suffers from a medical condition.



However, the notification outlines that the child to be born through surrogacy must have at least one gamete from the intending parents. This implies that a married couple where both partners are unable to use their gametes due to an existing medical condition cannot opt for surrogacy.

What did the Supreme Court say?

Last year, the 2023 amendment was challenged before the Supreme Court by a woman suffering from the Mayer-Rokitansky-Kuster-Hauser (MRKH) Syndrome. Medical board records reflected she was unable to produce her eggs due to absent ovaries or a uterus. The petition contended that the amendment violated a woman's right to parenthood and contradicted Sections 2(r) and 4 of the Surrogacy Act, 2021 (2021 Act) which recognised the situation when a medical condition would require a couple to opt for gestational surrogacy to become parents.

Staying the operation of the law, a bench of Justices B.V. Nagarathna and Ujjal Bhuyan highlighted that it prevents intending couples from achieving parenthood through surrogacy which is prima facie contrary to the objective of the parent law — the 2021 Act.

Last month, the Centre informed a bench of Justices B.V. Nagarathna and Sanjay Karol that following its observations, the amendment barring married couples from availing donor gametes was under active reconsideration.

Can single women avail of the same?

The regulatory change is however not applicable for single women as it specifies that a widow or a divorcee undergoing surrogacy must use self-eggs and donor sperm. This comes even after questions are being raised in Indian courts over the exclusion of single women from using surrogacy to have children and the resultant discrimination. A petition has been filed in the Delhi High Court by a 44-year-old unmarried woman challenging provisions of the 2021 Act on the ground that the restrictions are violative of her fundamental rights under Articles 14 (right to equality) and 21 (right to life) of the Constitution. Questioning the association of marital status with the eligibility for surrogacy, the petitioner has pointed out that at her age, the use of donor eggs is recommended by medical practitioners. To be genetically connected, the petitioner's brother has consented to donate his male gametes, the court was told. Experts have also criticised the restrictions on access to surrogacy by single persons, live-in couples, and LGBTQ couples.

Relevance: GS Prelims & Mains Paper II; Governance
Source: The Hindu

2. What is the new FPI fraud SEBI has warned investors against

Why in news?

The markets regulator Securities and Exchange Board of India (SEBI) has warned individuals against fraudulent trading platforms falsely claiming or suggesting affiliation with its registered Foreign Portfolio Investors (FPIs).

These platforms are misleading individuals by claiming to offer them trading opportunities through FPI or Foreign Institutional Investor (FII) sub-accounts or institutional accounts with special privileges.

What is the modus operandi?
The SEBI said it has received many complaints where fraudsters are enticing victims through online trading courses, seminars, and mentorship programmes in the stock market, leveraging social media platforms like WhatsApp or Telegram, as well as live broadcasts.

These scamsters are posing as employees or affiliates of SEBI-registered FPIs, and coaxing individuals into downloading applications that purportedly allow them to purchase shares, subscribe to IPOs, and enjoy 'institutional account benefits'—all without the need for an official trading or Demat account.

These operations often use mobile numbers registered under false names to orchestrate the fraudulent schemes.

What has SEBI clarified?
The market regulator clarified that the FPI investment route is unavailable to resident Indians, with limited exceptions as outlined in the SEBI (Foreign Portfolio Investors) Regulations, 2019. SEBI has not granted any relaxations to FPIs regarding securities market investments by Indian investors.

What should investors do to stay safe?
SEBI has urged investors to exercise caution and to steer clear of any social media messages, WhatsApp groups, Telegram channels, or apps claiming to facilitate stock market access through FPIs or FIIs registered with SEBI. Such schemes are fraudulent and do not have SEBI's endorsement, the regulator said.

Relevance: GS Prelims; Economics
Source: The Indian Express

3. What is Bitcoin halving?

Why in news?
Just as the sporting world eagerly awaits the Olympics every four years, those following cryptocurrency look forward to their own quadrennial event. As athletes train for the 2024 Games in Paris this summer, crypto traders and Bitcoin miners are preparing for what is known as the 'Bitcoin halving'—predicted to happen in April.

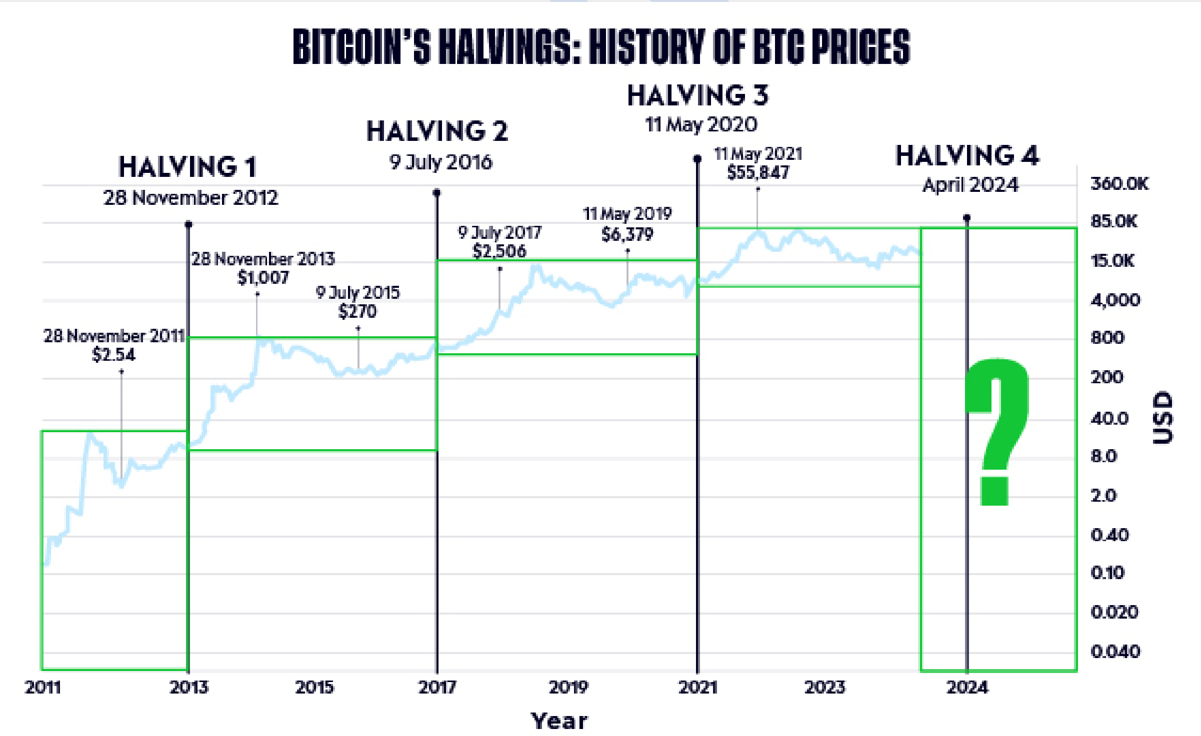
What is the Bitcoin halving?
Bitcoin halving refers to the 50% reduction in the reward paid to Bitcoin miners who successfully process other people's cryptocurrency transactions so that they can be added to the public digital ledger known as the blockchain. In order to "grow" Bitcoin's blockchain and keep the ecosystem running, Bitcoin miners rely on advanced computer equipment to solve a complex mathematical puzzle through a process known as 'Proof of work.' This intense activity

is the reason Bitcoin transactions result in huge carbon footprints and require vast amount of electricity. No real mining is carried out.

The Bitcoin miners with cutting-edge computer equipment, working on an industrial scale, are most likely to solve the puzzle first and claim their prize, which is currently set at 6.25 Bitcoin (BTC). While the reward amount is set, the true value of this prize fluctuates based on BTC prices in the market, and when the owner chooses to sell.

Think of a group of grocery store cashiers who are in a contest to each bill the same set of items, with the person doing it first (and accurately) getting a prize of ten gold coins at the end. The cashiers can use their favourite tools in order to bill the items and process the payment. While one might prefer to tally up the total with paper and pencil, another might decide to use their smartphone calculator, while someone else buys a state-of-the art computer system attached to a price scanner. The person most likely to win in this case is the cashier with the most advanced equipment, but the others stand a chance of winning as well. This is largely a positive system for everyone: the customers' items are efficiently billed and all the cashiers do their job well because they want to claim the prize.

After four or so years, you return to the grocery store where the cashiers still have this contest, but the prize money has been reduced to five gold coins. Is the prize still worth the effort? That depends on the price of gold in the market, and the cost of the equipment that the cashiers bought in order to win the gold coins. This is one way to understand Bitcoin halving.



Why does the Bitcoin halving matter to crypto investors?

Bitcoin mining increases the supply of BTC in circulation while Bitcoin halving reduces the rate at which these coins are released, making the asset more scarce. Scarcity is seen as pushing up prices, as is the case with gold. While there can only ever be 21 million BTC in the world, over 19 million have already been "mined" or released. This sounds like the end of the story, but Bitcoin halving means it will take far more time for the remaining coins to be mined. A halving takes place after 2,10,000 blocks are mined, and has happened so far in 2012, 2016, and 2020 — every four years.

In 2009, a successful Bitcoin miner could claim a prize of 50 BTC. After this year's halving, they will only get 3.125 BTC. However, keep in mind that Bitcoin prices are far higher now than they were in 2009, so this isn't necessarily a loss for the miner. As of February 14, the price of 1 BTC was around $49,528. This means a mining reward on February 14 would be worth around $3,09,550 (6.25 x price of 1 BTC). Whether this value will rise or fall after the Bitcoin halving depends on the price of Bitcoin.

Both corporate and independent Bitcoin miners are spread across the world, trying to leverage cheap electricity prices in countries like Kazakhstan and Iran to mine as much Bitcoin as they can. China was originally home to many of the world's crypto miners, but government crackdowns triggered an exodus to other countries.

Relevance: GS Prelims & Mains Paper III; Economics
Source: The Indian Express