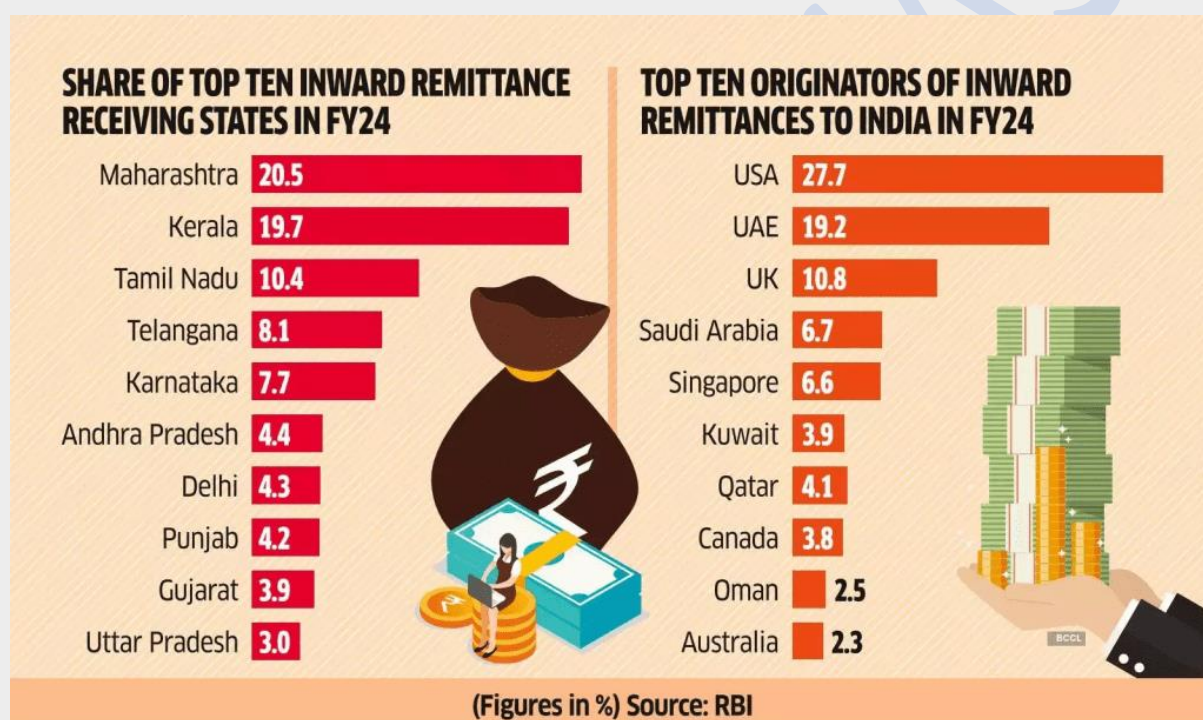


**1. More remittances received from Advanced Economies than the Gulf****Why in News?**

Findings of the Reserve Bank of India's (RBI's) latest Remittances Survey released last month show a significant shift in India's remittance sources.

The Advanced Economies (AEs) — particularly the United States, the United Kingdom, Singapore, Canada, and Australia — together accounted for more than half the total remittances in 2023-24, overtaking the Gulf Cooperation Council (GCC) countries, which have traditionally contributed the largest share of remittances to India.

**Remittances from the Gulf...**

Historically, the six GCC nations — Saudi Arabia, the United Arab Emirates (UAE), Qatar, Oman, Bahrain, and Kuwait — have been the biggest contributors of remittances to India because of the large numbers of Indian workers employed in those countries.

However, multiple factors have led to a decline in remittances from the Gulf.

1. The economic downturn caused by the Covid-19 pandemic resulted in widespread job losses and salary cuts, reducing the disposable income available for remittances.
2. Additionally, "nationalisation" policies — such as the Saudi Nationalisation Scheme or Nitaqat, also known as "Saudisation" — which prioritise local employment over foreign workers, have significantly decreased opportunities for Indian migrants.

The share of the UAE in total remittances fell from 26.9% in 2016-17 to 19.2% in 2023-24, and that of Saudi Arabia and Kuwait fell from 11.6% to 6.7% and 6.5% to 3.9% respectively during this same period.

### ...And the Advanced Economies

Remittances from the AEs have risen steadily in recent years.

The US remains the largest contributor, accounting for 27.7% of total remittances in 2023-24. US remittances made up 22.9% of the total in 2016-17.

Between 2016-17 and 2023-24, the share of remittances from the UK, Canada, and Singapore rose from 3% to 10.8%, 3% to 3.8%, and 5.5% to 6.6% respectively.

Although the number of Indian migrants in the US is smaller than in the GCC, they send higher per capita remittances due to higher wages and the greater purchasing power of the US dollar. This pattern is also seen in other advanced economies such as Canada, the UK, Germany, and Australia, where Indian professionals earn significantly more than their counterparts in the Gulf.

Relevance: GS Prelims; Economics

Source: Indian Express

## 2. Why NCDRC called the current crypto regime 'nebulous', dismissed WazirX case

### Why in News?

Underlining the continued lack of clarity on the issue of cryptocurrency regulation, the National Consumer Disputes Redressal Commission (NCDRC) last week dismissed a lawsuit by investors against WazirX, a cryptocurrency exchange focused on the Indian market.



Investors approached the NCDRC claiming a 'deficiency in service' by WazirX after a cybersecurity breach last July saw the firm lose about \$233 million. They argued that WazirX failed to implement adequate security measures, allowing the cyberattack to take place.

In its ruling, the NCDRC held that the governance regime for cryptocurrency was 'nebulous' and that the consumer court

does not have jurisdiction to hear the case. It did not comment on the measures WazirX could have taken to prevent a security breach or the losses to investors.

### The case before the NCDRC

On July 18, 2024, over \$233 million, or about 45% of the value of WazirX's digital asset holdings, were withdrawn from one of its 'multisig wallets'. A multisig or multisignature wallet

requires a user to provide two or more private keys for authentication before a transaction can be processed and confirmed.

The company immediately halted withdrawals on the platform, even as users incurred massive losses. In September, a Singapore court granted a four-month moratorium on any proceedings against it, further halting withdrawals. WazirX has since claimed that the North Korea-based Lazarus Group was responsible for the attack.

In January 2025, Indian users approached the NCDRC, claiming a deficiency in the services provided by WazirX. They also alleged that the platform was indulging in unfair trade practices by halting withdrawals.

The NCDRC considered two questions in the case. First, whether cryptocurrency could be considered a 'good' under the Consumer Protection Act, 2019 (CPA). Second, whether it could hear the case at all.

### **1. CRYPTO AS A 'GOOD'**

Under Section 2(21) of the CPA, the term 'goods' means "every kind of movable property". The NCDRC acknowledged that cryptocurrencies, officially dubbed "virtual digital assets" (VDA), are included in the definition of property under the Income Tax Act (and taxed at a rate of 30% since April 2022). However, the NCDRC repeatedly flags the lack of clarity in this field, noting that:

- The connection between VDAs and consumer services is "still in a nebulous state";
- The Reserve Bank of India "has not yet taken any responsibility" by regulating platforms like WazirX, "even though concerns have been raised about financial crisis occurring in the offing".

Ultimately, the NCDRC did not clarify crypto's status as a good, stating, "on the one hand they can be treated to be digital products as they are digital goods, but they are still not recognised as currencies or securities".

### **2. NCDRC JURISDICTION**

The NCDRC said there are no laws to "regulate or even provide legal measures for tackling such claims". It also noted that there are several different aspects to consider in a case like this, including the criminal aspects of the complaint against WazirX, as it paints a picture of fraud committed against the users. Depending on the nature of the deception alleged, the NCDRC also said the Prevention of Money Laundering Act could also apply.

It thus ruled that "the consumer forum (NCDRC) may not be that well equipped to carry out investigations into the alleged breach". The NCDRC indicated that either the legislature or a "judicial platform" like the SC or a High Court would have to declare that such cases could be heard in the consumer court before it takes any action.

### **Cryptocurrency regulation in India**

So far, Parliament has not passed any laws specifically governing Virtual Currencies and related transactions, despite attempts for the same. In 2021, the Centre floated 'The Cryptocurrency and Regulation of Official Digital Currency Bill', which would ban 'private' cryptocurrencies and

instead establish a Central Bank Digital Currency and a board to oversee crypto-related regulations. However, the bill was never discussed in Parliament, and there has been no movement since.

Relevance: GS Prelims & Mains Paper III; Economics

Source: The Hindu

### 3. China hits back with 34% tariff on U.S. goods

#### Why in News?

China announced that it will impose a 34% tariff on imports of all U.S. products beginning April 10, part of a flurry of retaliatory measures following U.S. President Donald Trump announcement.

Beijing also announced it filed a lawsuit with the World Trade Organization over the tariffs. The new tariff matches the rate of the U.S. "reciprocal" tariff of 34% on Chinese exports that Trump ordered this week.



#### Export controls on Rare Earths

The Commerce Ministry in Beijing also said in a notice that it will impose more export controls on rare earth elements, which are materials used in high-tech products such as computer chips and electric vehicle batteries.

Included in the list of minerals subject to controls was samarium and its compounds, which are used in aerospace manufacturing and the defence sector. Another element called gadolinium is used in MRI scans.

#### Suspended Chicken imports

China's customs administration said it had suspended chicken imports from some U.S. suppliers after it detected furazolidone, a drug banned in China, in shipments from those companies.

Separately, it said it had found high levels of mold in the sorghum and salmonella in poultry meat from some of the companies.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: The Hindu

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