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EDITORIAL OF THE DAY-01.06.2026

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1. Towards A Dialogue on Adolescent Sexuality (TH)

GS Paper II - Social Justice

Topic - Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections; Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Sub-Topic - Medical Termination of Pregnancy (MTP) Act, POCSO Act (2012), Reproductive Autonomy vs. Fetal Viability, Medical Ethics, and Comprehensive Sexuality Education (CSE).

1. Introduction

A recent judgment by the Supreme Court of India allowing the medical termination of a pregnancy at 28 weeks has drawn significant legal and medical attention. The case involved an unwed 15-year-old minor who had reportedly attempted suicide twice, prompting the judiciary to prioritize her reproductive autonomy and psychological well-being. However, the All India Institute of Medical Sciences (AIIMS) sought a reconsideration of the order. This intervention brought to light a deep conflict between judicial mandates protecting a vulnerable individual's rights and the ethical anxieties faced by medical professionals at the threshold of fetal viability.

2. The Medical-Ethical Dilemma at the Edge of Viability

The arguments advanced by AIIMS doctors highlight how advanced gestational age changes the nature of abortion procedures -

The Viability Shift - At 28 weeks, a medical termination does not result in a typical abortion; it involves delivering a living child.

The Prognosis Burden - At this advanced stage, doctors can accurately predict a fetus's chances of survival and identify potential long-term co-morbidities, serious medical complications, and permanent disabilities.

Diverging Medical Obligations - When a fetus is non-viable, a doctor's sole ethical obligation is to the pregnant woman. However, when a live birth is likely, the doctor's duty extends to preserving the neonate's life. This shifts the procedure from an abortion into a medically induced premature delivery.

The Limits of Legal Immunity - Although a Supreme Court order shields medical professionals from malpractice lawsuits or criminal prosecution, it cannot erase their personal ethical, moral, and humanitarian obligations. To improve the infant's survival odds and mitigate severe health complications, AIIMS doctors requested a six-week delivery postponement—a plea the court ultimately rejected.

3. Statutory Roadblocks - The MTP Act and Delayed Detection

The case exposes a structural breakdown within India's reproductive healthcare laws -

The Statutory Ceiling - The *Medical Termination of Pregnancy (MTP) Act* (as amended in 2021) establishes a strict statutory cap of 24 weeks for abortions, even under exceptional circumstances. Beyond this window, an abortion cannot be performed without a directive from a formal medical board or the judiciary.

The Barrier of Delayed Realization - In this case, a de-facto consensual relationship between a 15-year-old girl and her 17-year-old partner led to an unnoticed pregnancy. The condition was only detected when the minor's mother observed an "unusual heaviness" in her abdomen. By this point, the gestation had advanced past the 24-week legal limit, forcing the family into a lengthy judicial appeal process during a critical medical window.

4. Policy Critique - Blanket Criminalization vs. Adolescent Reality

The text argues that the state's current legal framework fails to address the reality of adolescent behaviour -

The POCSO Conflict - India's *Protection of Children from Sexual Offences (POCSO) Act, 2012* relies on blanket criminalization. It treats all sexual activity involving minors under 18 as a criminal offense, failing to separate exploitative child abuse from de-facto consensual teenage relationships.

Empirical Ineffectiveness - Data from special POCSO courts shows that 10% to 15% of all registered cases involve de-facto consensual relationships. This indicates that strict criminal laws do not successfully deter adolescent sexual activity, a trend mirrored by the failure of abstinence-only policies in international studies (e.g., the United States).

5. The Educational Vacuum and Repressive Cultural Norms

A restrictive legal approach is worsened by a lack of public health information -

The "Don't Do It" Paradigm - Public policies often reduce discussions around adolescent sexuality to a simple message of abstinence. This approach is reinforced by regulatory actions, such as broadcasting bans on condom advertisements between 6 -00 AM and 10 -00 PM.

The Absence of Comprehensive Information - By brushing sexuality under the carpet, the system leaves adolescents without basic information regarding safe sex practices, menstruation, sexually transmitted diseases (STDs), and pregnancy dynamics. This lack of awareness directly contributes to delayed pregnancy detection and subsequent medical crises.

6. Strategic Institutional Solutions and Way Forward

To address these recurring crises, the state must transition toward a health-centric policy framework -

Nuanced Legal Distinctions - Amending child protection statutes to clearly separate de-facto consensual adolescent interactions from heinous instances of child rape, grooming, and structural exploitation.

Mandating Comprehensive Sexuality Education (CSE) - Replacing abstinence-only approaches with evidence-based school curricula covering safe sexual practices, reproductive biology, contraception, and consent.

Expanding Early Healthcare Access - Building confidential, stigma-free adolescent reproductive health clinics within primary healthcare networks to ensure early pregnancy detection and safe, legal interventions within standard MTP boundaries.

Source - **https -//www.thehindu.com/opinion/op-ed/towards-a-dialogue-on-adolescent-sexuality/article71045657.ece**

Question

The conflict between a minor's reproductive autonomy and a medical professional's ethical obligation at the threshold of fetal viability reveals deeper structural gaps in India's legal and educational policies regarding adolescent health. Critically analyse this statement in light of recent judicial interventions in advanced-stage pregnancies." (250 Words, 15 Marks)

1. Introduction

Recent judicial directives allowing the medical termination of a minor's pregnancy at 28 weeks highlight a complex challenge in Indian healthcare and governance. These cases create a direct conflict between a patient's reproductive rights and a doctor's ethical duty to preserve life at the point of fetal viability. They point to broader systemic gaps within the *Medical Termination of Pregnancy (MTP) Act*, the *POCSO Act*, and the national approach to adolescent health education.

2. Critical Analysis of the Structural and Policy Crisis

A. The Legal-Medical Conflict at the Edge of Viability

The Viability Paradox - While the judiciary prioritizes a minor's mental health and reproductive choice under Article 21, terminating a pregnancy at 28 weeks essentially involves delivering a living child.

The Dual Obligation Burden - For medical professionals, an advanced-stage termination functions as a premature delivery. This creates a dual ethical obligation to both the young mother and the vulnerable new-born, who faces high risks of long-term co-morbidities and permanent disabilities. Legal immunity from courts does not resolve these underlying professional and moral anxieties.

B. Statutory Ceilings and Delayed Detection

The 2021 MTP amendment caps standard abortions at 24 weeks, leaving no room for late-term exceptions without a court order.

This rigid limit becomes a barrier because a repressive cultural environment often delays pregnancy detection among teenagers. As a result, families are forced into lengthy court battles during critical medical situations.

C. The Limits of Blanket Criminalization

The *POCSO Act, 2012* treats all sexual activity under the age of 18 as a criminal offense, without separating consensual adolescent relationships from actual child abuse.

With 10% to 15% of POCSO cases involving consensual teenage relationships, strict criminal laws have not served as an effective deterrent. Instead, this criminalization, combined with the absence of comprehensive sex education and restrictions like evening broadcasting bans on condom advertisements, leaves youth without accurate information on safe sex practices and reproductive health.

3. Proposed Policy Framework

Reforming Educational Content - Implementing comprehensive, age-appropriate sexuality education in schools to improve awareness of reproductive health and safety.

Refining Legal Definitions - Amending child protection laws to distinguish between consensual adolescent relationships and exploitative sexual abuse, reducing the fear that prevents minors from seeking early medical help.

Strengthening Institutional Support - Setting up independent, specialized medical-legal boards at the district level to quickly evaluate late-term pregnancies, ensuring faster decisions that protect both patient health and medical standards.

Conclusion

Protecting adolescent well-being requires moving beyond short-term judicial remedies and strict criminal laws. True progress involves addressing the reality of adolescent health honestly and systematically. By combining legal updates with comprehensive sex education and clear medical protocols, India can protect individual rights while easing the ethical burden on its healthcare professionals.

Source - https -//www.thehindu.com/opinion/op-ed/towards-a-dialogue-on-adolescent-sexuality/article71045657.ece

2. India Needs Austerity, But Energy Security Requires Breaking Silos in Government (IE)

GS Paper II - Polity and Governance

Topic - Reorganization of ministries and departments; Appointment to various Constitutional posts, powers, functions, and responsibilities of various Constitutional Bodies; Infrastructure - Energy.

Sub-Topic - Fragmented Governance in Energy Sector, Department of Energy Resources and Security (DERS), Energy Responsibility and Security Act, Value Chain Asymmetry, and Strategic Resource Security.

1. Introduction

The Prime Minister of India has issued a critical call for national energy austerity. This directive is highly relevant because global oil stocks have run low, and even if critical transport channels like the Strait of Hormuz stay open, India faces a prolonged period of high prices and volatile energy supplies. The situation is worsened by recent physical damage to eight refineries across the Persian Gulf and Qatar's Ras Laffan LNG terminal. Furthermore, India's long-term planning must account for geopolitical uncertainties, where a prolonged "no war-no peace" status quo could turn into an unpredictable conflict due to an administrative miscalculation or misunderstanding.

While a call for consumer austerity is a practical step, the column highlights a deeper institutional challenge - India's current administrative setup is too fragmented to execute a unified, long-term energy policy.

2. The Primary Dilemma - The Crisis of Administrative Silos

The core structural weakness in India's energy management is the total absence of a centralized authority or individual with executive command over national energy policy -

Fragmented Portfolios - Responsibility for energy is split across several independent cabinet-level ministries, including Petroleum, Coal, Renewables, Power, and Nuclear Energy.

The Execution Deficit - Because each ministry operates within its own silo, no single institutional node has a comprehensive view of the entire energy sector. This division makes it difficult to turn high-level prime ministerial directives into concrete targets.

The Analogy of Systemic Blindness - The author compares India's energy policy to the 2008 global financial crisis. Economists at the London School of Economics explained to Queen Elizabeth that while individual experts managed their specific jobs properly, no one looked at the "whole picture," allowing small individual risks to trigger a systemic collapse. Similarly, India's energy ministries focus on their individual portfolios while missing the systemic impact of separate choices.

3. Institutional Alternatives - Reorganizing the Cabinet Structure

The column discusses two primary paths to consolidate national energy governance -

A. The First-Best Option - A Unified Ministry of Energy

The Proposal - Reverting to the pre-1992 cabinet model by merging the separate ministries of Petroleum, Coal, Renewables, and Power into a single Ministry of Energy.

Seniority and Stature - This consolidated ministry would be led by a senior cabinet minister ranked alongside Defence, Home, Finance, and External Affairs.

Past Political Roadblocks - This concept was proposed years ago but rejected due to coalition politics, which required multiple ministries to accommodate 23 political partners. Because coalition dynamics are less restrictive today, the author suggests NITI Aayog should be directed to reopen discussions on this consolidation.

B. The Second-Best Option - Creating the DERS within the PMO

The Structural Setup - If a full ministerial merger is politically difficult, the alternative is creating a Department of Energy Resources and Security (DERS) directly within the Prime Minister's Office (PMO).

Personnel Composition - The DERS would be led by a cabinet-ranked official and staffed by a multidisciplinary cadre of skilled energy, financial, and environmental specialists.

Non-Duplicative Support - The department would supplement and coordinate rather than duplicate or dilute the responsibilities of existing ministries, which would continue their standard administrative work.

4. Five Strategic Mandates of the Proposed DERS

If established, the DERS would hold executive responsibility across five key pillars to achieve a "whole-of-system" approach -

Integrated Policy Planning and Evaluation - Providing a centralized platform to plan, monitor, and evaluate energy policy—similar to the Chief of Defence Staff (CDS) model in the military. It would assess the connections between energy and non-energy sectors (such as water, food, fertilizer, semiconductors, and heavy industry) to balance supply resilience and decarbonization goals.

Ensuring Investment Symmetry Across the Value Chain - Coordinating investments across generation, transmission, storage, and distribution. Currently, a lack of coordination across centre-state agencies leads to significant energy waste. For example, economist Swaminathan Aiyar notes that 4 GW of solar energy sits stranded in Rajasthan simply due to inadequate transmission evacuation infrastructure.

Leveraging Market Power ("India Inc. Energy") - Creating a unified platform to help Indian energy companies utilize their combined market power to secure long-term resources at competitive prices, attract global risk capital, and build research partnerships.

Functioning as an Energy Ombudsman - Standardizing and streamlining regulations across overlapping regulatory bodies. The ombudsman would resolve disputes regarding strategic reserves, inter-state power transmission, time-of-day electricity pricing, and EV charging infrastructure.

Nodal Point for Public Communication - Serving as the central authority for public outreach on macro energy issues. This would transition the responsibility of educating citizens on energy economics from the Prime Minister to technical experts.

5. Statutory Consolidation - The Energy Responsibility and Security Act

1. **Defining Roles -** To support these reforms, the government should consider passing an "Energy Responsibility and Security Act".
2. **Formalizing Atmanirbharta -** This law would define the statutory roles and responsibilities of both the state and individual citizens in securing energy self-reliance (*Atmanirbharta*) and long-term sustainability.

3. **The First Draft -** The proposed DERS would take the lead in drafting the initial framework of this legislation.

Source - https -//indianexpress.com/article/opinion/columns/india-austerity-energy-security-breaking-silos-government-10717471/

Question

"India's energy governance suffers from policy fragmentation, where individual ministries operate within separate silos without a unified line of sight. In light of growing global supply volatility, analyse the structural bottlenecks caused by this institutional setup and evaluate the utility of a 'whole-of-system' department to manage national energy security." (250 Words, 15 Marks)

1. Introduction

The call for national energy austerity, amid global supply chain shocks and infrastructure damage in the Persian Gulf, highlights the urgent need to protect India's external accounts. However, India's energy governance is hindered by internal divisions. Responsibility is split across several separate cabinet ministries (Petroleum, Coal, Power, and Renewables), which limits the state's ability to plan and execute a unified long-term strategy.

2. Analysis of Institutional Bottlenecks

Lack of Combined Value-Chain Coordination - The division of portfolios leads to mismatched investments across energy generation, transmission, and grid storage. A prominent example is the 4 GW of solar energy left stranded in Rajasthan due to delays in building transmission lines by separate agencies.

Systemic Risk Oversight Deficit - Because individual ministries focus primarily on their specific targets, the government misses cross-cutting impacts on related sectors like water, agriculture, fertilizers, and manufacturing. This resembles the systemic blind spots that preceded the 2008 global financial crisis.

Regulatory Overlap and Disputes - Overlapping jurisdictions across central and state regulators create persistent delays in settling contracts, implementing time-of-day pricing, and deploying EV charging infrastructure.

3. Evaluating a "Whole-of-System" Department (DERS)

Setting up a centralized Department of Energy Resources and Security (DERS) within the Prime Minister's Office (PMO) offers a practical solution to link these separate portfolios -

Centralized Policy Planning - Mirroring the Chief of Defence Staff (CDS) model, the DERS would provide a single authority to plan and monitor long-term strategy, ensuring that decarbonization targets align with industrial and economic goals.

Leveraging Market Power - A single department would enable Indian energy companies to coordinate their procurement, helping them negotiate competitive international supply contracts and attract foreign investment.

A Dedicated Ombudsman and Statutory Support - Serving as a central ombudsman would help standardize regulation across agencies. Furthermore, leading the drafting of an Energy Responsibility and Security Act would formalize clear roles for energy self-reliance (*Atmanirbharta*) across public and private sectors.

Conclusion

Surviving global energy shocks requires moving beyond short-term conservation appeals toward deep structural integration. While merging ministries can face political hurdles, establishing an empowered department like the DERS within the PMO provides a balanced, effective path forward. This reform can break existing bureaucratic silos, protect public finance, and secure long-term energy self-reliance for the nation.

Source - [https -//indianexpress.com/article/opinion/columns/india-austerity-energy-security-breaking-silos-government-10717471/](https://indianexpress.com/article/opinion/columns/india-austerity-energy-security-breaking-silos-government-10717471/)

3. Why Rural Development Will Define India's Journey Towards a Developed Nation By 2047(TP)

General Studies Paper - General Studies Paper II – Governance and Rural Development

Topic - Rural Development and Inclusive Growth

Sub-Topic - Agricultural Transformation

Introduction

India's aspiration to become a developed nation by 2047 depends significantly on the transformation of its rural economy. Since a large share of the population continues to reside in rural areas, sustained economic growth, social development, and poverty reduction require strong investments in rural infrastructure, agriculture, employment generation, and technology-driven governance.

1. Why Rural Development is Critical for India

Demographic Importance

A significant proportion of India's population resides in rural areas.

Rural regions provide the workforce for agriculture, manufacturing, and services.

Economic Significance

1. Agriculture and allied sectors remain important contributors to livelihoods.
2. Rural markets increasingly drive domestic demand and consumption.

Inclusive Growth Imperative

1. Balanced regional development is essential for reducing inequalities.
2. Rural prosperity supports national economic stability and social cohesion.

2. Key Pillars of Rural Development

Agricultural Modernisation

1. Adoption of advanced farming technologies.
2. Promotion of mechanisation and precision agriculture.
3. Improved irrigation and water management practices.

Rural Infrastructure

1. Expansion of rural roads and connectivity networks.
2. Improved electricity, housing, and digital infrastructure.
3. Better logistics and storage facilities for agricultural produce.

Employment Generation

1. Creation of non-farm employment opportunities.
2. Promotion of rural enterprises, MSMEs, and local industries.
3. Development of skill-based livelihoods.

Human Development

1. Improved access to education and healthcare.
2. Enhanced nutrition and social protection measures.
3. Greater participation of women in economic activities.

3. Role of Technology in Rural Transformation

Digital Governance

1. Direct Benefit Transfers (DBTs) improve transparency and efficiency.
2. Digital platforms reduce leakages and improve service delivery.

Smart Agriculture

1. Use of drones, sensors, and data analytics.
2. Weather forecasting and advisory services for farmers.
3. Improved crop monitoring and productivity enhancement.

Financial Inclusion

1. Digital payments and banking services increase accessibility.
2. Expansion of formal credit and insurance coverage.

4. Major Challenges

Fragmented Land Holdings

1. Small and marginal farmers face productivity constraints.
2. Limited economies of scale affect profitability.

Infrastructure Gaps

1. Uneven access to roads, markets, storage, and irrigation facilities.
2. Persistent regional disparities.

Employment Concerns

1. Dependence on agriculture creates disguised unemployment.
2. Limited high-quality non-farm job opportunities.

Climate Vulnerability

1. Agriculture remains highly dependent on climatic conditions.
2. Increasing frequency of droughts, floods, and extreme weather events.

5. Government Initiatives Supporting Rural Development

Infrastructure Development

1. Expansion of rural roads, electrification, and digital connectivity.
2. Improved logistics and market access.

Agricultural Reforms

1. Promotion of modern farming practices.
2. Strengthening agricultural value chains and farmer incomes.

Rural Employment Programmes

1. Employment generation through public works and livelihood schemes.
2. Focus on skill development and entrepreneurship.

Digital Inclusion Measures

1. Expansion of broadband connectivity and digital public infrastructure.
2. Improved access to e-governance services.

6. Benefits of Strong Rural Development

Higher Agricultural Productivity

1. Increased yields and farm incomes.
2. Improved food security.

Poverty Reduction

1. Creation of sustainable livelihoods.

2. Enhanced economic opportunities for vulnerable groups.

Balanced Regional Growth

1. Reduction of migration pressures.
2. More equitable distribution of development benefits.

Stronger Domestic Demand

1. Rising rural incomes stimulate consumption and investment.

7. Way Forward

Strengthen Rural Infrastructure

Accelerate investments in roads, irrigation, warehousing, and digital connectivity.

Promote Rural Industrialisation

1. Develop agro-processing industries and rural manufacturing clusters.
2. Encourage local entrepreneurship.

Expand Technology Adoption

1. Improve digital literacy and access to modern agricultural technologies.
2. Promote data-driven governance.

Build Climate Resilience

1. Encourage sustainable agriculture and water conservation.
2. Strengthen disaster preparedness mechanisms.

Enhance Human Capital

1. Improve education, healthcare, and skill development outcomes.
2. Focus on women and youth empowerment.

Conclusion

India's journey towards becoming a developed nation by 2047 will be shaped significantly by the progress of its villages and rural economy. Strong infrastructure, modern agriculture, technological innovation, and diversified livelihoods can transform rural India into a major engine of inclusive growth. A vibrant and prosperous rural sector will be essential for realizing the vision of Viksit Bharat.

Source - https -//dailypioneer.com/news/why-rural-development-will-define-indias-journey-towards-a-developed-nation-by-2047

Question

Rural development will play a decisive role in India's aspiration to become a developed nation by 2047. Discuss the major challenges facing rural India and suggest measures to promote inclusive and sustainable rural transformation. (250 Words)

Introduction

Rural India remains central to the country's socio-economic development due to its large population base and significant contribution to agriculture and livelihoods. Achieving the vision of Viksit Bharat 2047 requires comprehensive rural transformation that promotes inclusive growth and economic resilience.

Importance of Rural Development

Economic Growth

1. Enhances agricultural productivity and rural incomes.
2. Expands domestic demand and consumption.

Social Development

1. Improves education, healthcare, and quality of life.

2. Reduces poverty and regional disparities.

Inclusive Development

1. Ensures balanced growth across regions and communities.

Major Challenges

Infrastructure Deficits

1. Inadequate roads, irrigation, storage, and digital connectivity.

Employment Constraints

1. High dependence on agriculture and limited non-farm opportunities.

Climate Risks

1. Increasing vulnerability to droughts, floods, and weather shocks.

Human Development Gaps

1. Poor educational and healthcare outcomes in many rural regions.

Measures Needed

1. Strengthen rural infrastructure and digital connectivity.
2. Promote agricultural modernisation and value addition.
3. Encourage rural industries, MSMEs, and entrepreneurship.
4. Expand skill development and employment opportunities.
5. Build climate-resilient agricultural systems.

Conclusion

Rural transformation is essential for achieving inclusive and sustainable development. By investing in infrastructure, technology, human capital, and diversified livelihoods, India can ensure that rural areas become powerful drivers of economic growth and national development by 2047.

Source - https -//dailypioneer.com/news/why-rural-development-will-define-indias-journey-towards-a-developed-nation-by-2047

4. Tiger Global Ruling (TS)

General Studies Paper - General Studies Paper II – Governance and Policy

Topic - Foreign Direct Investment (FDI)

Sub-Topic - Tax Treaties and Double Taxation Avoidance Agreements (DTAAs)

Introduction

A stable and predictable tax regime is a critical factor in attracting foreign investment. In an increasingly globalized economy, multinational investors seek clarity regarding taxation, treaty benefits, and regulatory obligations. Uncertainty in tax treatment can discourage capital inflows, affect investor confidence, and increase the cost of doing business.

1. Importance of Tax Certainty

Encourages Investment

1. Investors prefer jurisdictions where tax rules are transparent and predictable.
2. Reduces legal and compliance risks associated with cross-border investments.

Improves Ease of Doing Business

1. Simplifies investment decisions and financial planning.
2. Enhances confidence among domestic and foreign investors.

Supports Economic Growth

1. Greater investment contributes to capital formation, employment generation, and economic expansion.

2. Taxation and International Investments

Capital Gains Tax

1. Levied on profits arising from the sale of assets such as shares, securities, or property.
2. Plays an important role in determining investment returns.

Tax Residency

1. Determines which country has the primary right to tax an investor's income.
2. Usually established through tax residency certificates and domestic tax laws.

Double Taxation Avoidance Agreements (DTAAs)

1. Prevent the same income from being taxed in multiple jurisdictions.
2. Promote cross-border trade and investment.
3. Provide certainty regarding tax liabilities.

3. Challenges in International Taxation

Ambiguity in Tax Interpretation

1. Different interpretations by tax authorities and taxpayers can lead to disputes.
2. Unclear provisions increase litigation.

Retrospective Taxation Concerns

1. Unexpected changes in tax rules create uncertainty.
2. Investors may perceive higher policy risks.

Lengthy Legal Proceedings

1. Tax disputes often take years to resolve.
2. Delayed resolution increases compliance costs and business uncertainty.

Frequent Regulatory Changes

1. Constant amendments complicate long-term investment planning.

4. Impact on Foreign Investment

Reduced Investor Confidence

1. Uncertainty regarding tax treatment may discourage foreign investors.
2. Increases perception of regulatory risk.

Capital Flow Volatility

1. Investors may shift funds to countries with more predictable tax systems.
2. Can affect both FDI and portfolio investments.

Higher Cost of Capital

1. Increased risk premiums raise financing costs for businesses.

Competitive Disadvantage

1. Countries offering greater tax certainty often attract more global capital.

5. Need for a Stable Tax Framework

Predictable Tax Policies

1. Consistent interpretation and application of tax laws.
2. Reduction in discretionary assessments.

Strengthening Treaty Frameworks

1. Effective implementation of DTAAs.

2. Clear guidelines on treaty benefits and eligibility.

Faster Dispute Resolution

1. Improve efficiency of tax tribunals and judicial processes.
2. Encourage alternative dispute resolution mechanisms.

Institutional Coordination

1. Better coordination among tax authorities, policymakers, and regulators.

6. Significance for India's Growth Aspirations

Supporting Capital Formation

1. India requires substantial foreign capital for infrastructure, manufacturing, and technology sectors.

Enhancing Global Competitiveness

1. Predictable taxation improves India's attractiveness as an investment destination.

Achieving Development Goals

1. Stable investment inflows support employment, innovation, and economic modernization.

Strengthening Investor Trust

1. A transparent tax regime signals policy stability and institutional maturity.

Way Forward

Provide Long-Term Policy Stability

1. Avoid abrupt or retrospective changes in tax regulations.
2. Ensure consistency in tax administration.

Simplify International Tax Rules

1. Reduce ambiguity in cross-border taxation provisions.
2. Publish clear interpretative guidelines.

Improve Dispute Resolution Mechanisms

1. Faster settlement of tax disputes.
2. Strengthen certainty for investors and businesses.

Promote Investor-Friendly Governance

1. Balance revenue considerations with investment promotion objectives.
2. Build confidence through transparent and predictable policymaking.

Conclusion

Tax certainty is an essential pillar of a strong investment climate. Clear taxation rules, predictable policies, and efficient dispute resolution mechanisms not only improve investor confidence but also strengthen economic growth. As India seeks higher levels of foreign investment and integration with global markets, ensuring tax stability and regulatory predictability will remain crucial.

Source - https -//www.thestatesman.com/opinion/tiger-global-ruling-1503600483.html

Question

Q. Discuss the importance of tax certainty in attracting foreign investment. How can a predictable international taxation framework contribute to India's economic growth and investment climate? (250 Words)

Introduction

Tax certainty refers to the predictability, transparency, and consistency of tax laws and their administration. In an interconnected global economy, foreign investors consider tax stability as a key factor while making long-term investment decisions.

Importance of Tax Certainty

Promotes Foreign Investment

1. Predictable tax rules reduce investment risks.
2. Encourages both foreign direct investment and portfolio investment.

Strengthens Ease of Doing Business

1. Facilitates financial planning and compliance.
2. Reduces litigation and administrative burdens.

Enhances Global Competitiveness

1. Countries with stable tax systems attract larger capital inflows.
2. Improves investor confidence and market credibility.

Challenges

1. Ambiguities in tax interpretation.
2. Frequent regulatory changes.
3. Prolonged dispute resolution processes.
4. Uncertainty regarding treaty benefits and tax residency.

Measures Needed

1. Ensure consistency in tax administration.
2. Strengthen Double Taxation Avoidance Agreements.
3. Simplify international taxation rules.
4. Establish faster and transparent dispute resolution mechanisms.
5. Avoid retrospective taxation and provide long-term policy stability.

Conclusion

A predictable and transparent taxation framework is essential for attracting global capital and supporting economic growth. By improving tax certainty, India can strengthen investor confidence, enhance its business environment, and accelerate its journey toward becoming a leading global investment destination.

Source - https -//www.thestatesman.com/opinion/tiger-global-ruling-1503600483.html