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LAKSHYA ACADEMY®

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# **1 - FSB Is Worried About Cryptocurrency Asset Brokers:**

## **GS III**

### **Indian Economy:**

- **Cryptocurrency assets: what are they?**

- Cryptocurrency assets are digital tokens that can be exchanged, stored, or transferred online. NFTs, or non-fungible tokens, are also included in this.
- NFTs are blockchain-based tokens that stand for distinct assets like as media, digital content, or works of art. For any given item, digital or physical, an NFT can be viewed as an irreversible digital certificate of ownership and authenticity.
- A subset of digital assets known as "crypto assets" record transactions using distributed ledger technology and utilise cryptography to secure digital data.

- **Multi-function Crypto-asset Intermediaries (MCIs): What are they?**

- MCIs is a single company, or networks of connected companies, that provides a variety of cryptocurrency-related services, goods, and tasks, the main one being the management of the trading platform.
- Binance, Bitfinex, and Coinbase are a few examples.
- The transaction fees from trading-related activities are these platforms' main source of income.
- In addition, these MCIs might make money by running a blockchain infrastructure and getting paid for transaction validation fees.

- **What worries the FSB's report raises about MCIs?**

- Transparency: According to the survey, the majority of MCIs typically don't make their corporate structure visible. When they do divulge information, it's usually for a certain jurisdiction or a tiny portion of their operation.
- MCIs did not give a detailed description of their audit procedures or transaction activity.
- Anti-Competitive Behaviour: When a lot of services are concentrated in one area, it can result in anti-competitive behaviour that weakens the system.
- Due to this concentration, it might be more difficult for new competitors to enter the market and switching to a different service provider would cost more for customers.

- **Banks that Support Crypto Assets:** The closure of banks that support crypto assets underscores the general risk associated with a substantial concentration of deposits linked to companies that rely on such assets.
- Investor confidence in crypto-asset markets was damaged by significant losses brought on by market stress.
- Fiat currencies and cryptocurrencies: MCIs depend on banks and payment service providers to provide transaction services, such as currency conversion (also known as on-ramp and off-ramp services).
- Counterparty difficulties could arise if the trading platform stops working or if the bank is unable to provide real-time operations.
- Credit risk also exists when banks lend money to MCIs and provide credit lines to them; this is particularly true when crypto-based collateral is used, which could lose value over time.

- **The Financial Stability Board (FSB): What is it?**

- The global financial system is observed and recommendations are made by the worldwide Financial Stability Board (FSB).
- Under the auspices of the G20, the FSB was founded in 2009.
- With three seats in the Plenary of the FSB held by the Secretary of Economic Affairs, Ministry of Finance, Deputy Governor of the Reserve Bank of India (RBI), and Chairperson of the Securities and Exchange Board of India (SEBI), India is an active member of the FSB.

- **International Collaboration and Exchange of Information:**

- Encourage improved information exchange and cross-border collaboration among local authorities to efficiently manage and close operational gaps in MCIs.
- Establish global guidelines for reporting and transparency to guarantee a thorough grasp of MCI operations across legal jurisdictions.

- **Implementing Policies:**

- Provide and execute well-defined regulatory frameworks that are especially designed to handle the special difficulties presented by MCIs, promoting financial stability, investor protection, and market integrity.

- **Business Openness:**

- MCIs should be required to improve corporate transparency by giving thorough details about their business lines, activities, and corporate structure.
- Put policies in place to penalise failure to comply with transparency standards, making sure MCIs reveal pertinent data for thorough regulatory monitoring.

- **Source → The Hindu**

## **2 - Web browsers:**

### **GS III**

#### **Science and Technology:**

- **Web browsers: What Are They?**

- **About:**

- An application programme used to explore the www (World Wide Web) is the web browser. It acts as a conduit for requests for web pages and services to be sent to the server from the client.
- It functions as a compiler for the Hypertext Markup Language (HTML), which is used to create webpage designs.
- A web page built in HTML with text, links, photos, stylesheets, and JavaScript functions loads in the browser whenever we conduct an online search.
- Web browsers include Mozilla Firefox, Safari, Microsoft Edge, and Google Chrome.

- **Source:**

- When the internet first started to take off, users could only visit text-based sites. However, in 1990, Tim Berners-Lee unveiled the World Wide Web and the first web browser, called "WorldWideWeb."
- User engagement was revolutionised in 1993 when graphics were added to the web through the revolutionary Mosaic browser.
- The introduction of bookmarks and other user-friendly features by Netscape Navigator considerably improved browsing and led to the 'Browser Wars' between it and Internet Explorer.

- **The Shifts in Evolution:**

- In 2004–2005, Mozilla Firefox disrupted the monotony of Internet Explorer's hegemony, igniting innovation with add-ons and tabbed browsing and establishing new benchmarks.
- The 2008 release of Google's Chrome, with its focus on speed and minimalism, helped to revive the browser business.
- Other competitors, including Microsoft Edge (which replaced Internet Explorer) and Apple's Safari, developed over time and offered a variety of settings based on user preferences.

- **Anatomy of Internet Explorer:**

- Request and Response: Opening a webpage starts a series of electronic messages that are sent and received over a network of servers.
- Breaking Down the Response: Web content is delivered as files encoded in HTML, CSS (Cascading Style Sheets), and JavaScript. Each of these languages is essential to the creation of the finished web page.
- A webpage's architectural blueprint is provided via HTML. HTML establishes the structure of the website by defining elements like headings, paragraphs, photos, and links. This is comparable to the skeleton framework of a building, which is constructed with iron bars, bricks, and cement.
- One may argue that CSS is the interior designer of the digital sphere. By regulating elements like colour schemes, fonts, spacing, and placement, this data gives the HTML structure style and beauty.
- The dynamic engine that powers web sites' interactivity and responsiveness is JavaScript. JavaScript is like the electrical system in a building; it gives static content life. It enables interactive features that make for a more engaging user experience, including as forms, pop-ups, animations, and real-time updates.
- Rendering: In a matter of seconds, the browser puts together the webpage by decoding the HTML structure, applying CSS to make it seem nice, and running JavaScript to make it interact.
- Data management: The cache keeps frequently viewed files, which speeds up page loads, while cookies save browsing data for smooth navigation.
- Security measures: To protect and warn users against such threats, browsers use warning systems and encryption protocols like HTTPS.

- **Which Ways Does Browsing Head?**

- Web browsers change at the same rate as technology advances. They are adopting state-of-the-art technologies such as WebAssembly, a format that allows for near-native performance in the context of a browser.
- There are plans to support augmented reality (AR) and virtual reality (VR) experiences, which should lead to immersive online interactions.
- Furthermore, privacy features are being strengthened to provide consumers more control over their online presence.
- Because they translate code into the dynamic web pages that are the foundation of our online experiences, web browsers are the unsung heroes of our digital undertakings.
- We may better appreciate the flawless enchantment they create with each click as we uncover the complex web of mechanisms that underpin their operation.

- **Source → The Hindu**

### **3 - The United Nations Declaration of Human Rights:**

#### **GS II**

#### **International Issues:**

- **Human Rights: What Are They?**

- All people have these rights by nature, regardless of their gender, colour, nationality, ethnicity, language, religion, or any other characteristic.
- These include the freedoms of opinion and expression, labour and education rights, freedom from slavery and torture, and many more.
- "To deny people their human rights is to challenge their very humanity," said Nelson Mandela.
- According to Article 1 of the Universal Declaration of Human Rights (UDHR), "all human beings are equal in dignity and rights and free from birth."
- Furthermore, according to Article 2, "without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status," everyone is entitled to all the freedoms and rights outlined in the declaration.
- The Indian Constitution's Articles 12 through 35 provide the following rights: equality, freedom, protection from exploitation, freedom of religion, rights to culture and education, preservation of certain laws, and constitutional remedies.

- **The Universal Declaration of Human Rights: What is it?**

- **About:**

- The 30 rights and freedoms encompass economic, social, and cultural rights such as the right to social security, health, and education, as well as civil and political rights such as the right to life, liberty, free expression, and privacy.
- India actively participated in the UDHR's drafting.
- Since the UDHR is not a treaty, it does not impose any explicit legal duties on nations.
- The International Bill of Human Rights is made up of the UDHR, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights, and their respective Optional Protocols (on the death penalty and the complaints procedure).
- This proclamation was fundamental in forming the international order that arose following the devastation of World War II, serving as a shared benchmark of accomplishment for all peoples and states.

- **Successes:**
- **The Declaration's Non-Binding Character:**
- Despite being created in 1948, the UDHR is not a treaty with legal force behind it. Nonetheless, several nations have incorporated its tenets into their legal systems through widespread adoption.
- **Impact and Global Influence:**
- The importance of the UDHR goes beyond its non-binding nature; it acted as a spark for more than 70 human rights treaties worldwide. Movements like anti-apartheid, decolonization, and other global liberation battles are examples of its influence.
- A disjointed environment with disparate norms might have developed in the absence of the UDHR, possibly leading to a more difficult situation.
- **The Universal Standard and Persistent Applicability:**
- The UNDR's resulting from accords expanding on the 1948 declaration, despite some objections claiming its inapplicability to some religions, cultures, or areas, emphasises its ongoing significance.
- The UDHR's guiding principles were reinforced, for example, by the 1993 Vienna Declaration and Programme of Action.
- *Source → The Hindu*

## **4 - Anarcho-Capitalist System:**

### **GS III**

#### **Economy related issues:**

- **Anarcho-capitalism: what is it?**
- **About:**
- Anarcho-capitalism is a political philosophy and politico-economic theory that promotes free trade in products and services in a society where the market, as opposed to the government, regulates most aspects of society.



- The American libertarian movement's major figure from the 1950s, Murray Rothbard, is credited with coining the term "anarcho-capitalism."
- Anarcho-capitalists contend that in a free market, private businesses can effectively offer legal and policing services.
- The theory argues that private legal and policing systems can function better than their state-monopolized equivalents, much like the private sector may provide better goods and services.
- People in anarcho-capitalist societies pay private law enforcement and courts to keep them safe and settle disputes.
- Private enterprises, motivated by client loyalty, are said to be more responsible since disgruntled consumers might migrate to rival providers.
- Competitive markets, according to anarcho-capitalists, ensure excellent and reasonably priced legal and police services. In contrast, state-funded systems give users the flexibility to choose services that best suit their need and interests.

### • **Issues:**

- Multiple for-profit companies providing legal and law enforcement services in one area could spark violence and anarchy.
- A system based on market forces that favours the wealthy and lets them evade justice by paying more to private companies gives rise to scepticism.
- There are concerns that a profit-driven system would push the impoverished to the margins and restrict their access to the legal system.
- Critics fear that in the absence of a centralised authority, private companies might not be answerable to the general public, allowing them to sway justice in accordance with their financial interests and possibly jeopardising its integrity.
- The possibility of vigilantism—where individuals or organisations break the law—may be higher in the absence of a centralised authority.
- Anarcho-capitalism may make social inequality worse while giving affluent people stronger legal protections.
- Different standards of justice could arise from the lack of a standardised legal framework, leading to ambiguity and inconsistent legal outcomes.

### • **Anomie-Capitalism's Reactions to Issues:**

- In order to ensure equitable and accessible justice for all, private companies would seek to please the broader market rather than just the wealthy.
- Private companies rely on client loyalty in a market that is competitive, which holds them responsible to the public and forces them to adapt to their requirements.
- Private companies might work to satisfy the needs of those at the bottom of the pyramid, giving the impoverished perhaps better opportunities for justice.
- Private companies would be forced to agree on common regulations due to competition, which would stop disputes and potential vigilantism.



- *Source → The Hindu*



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