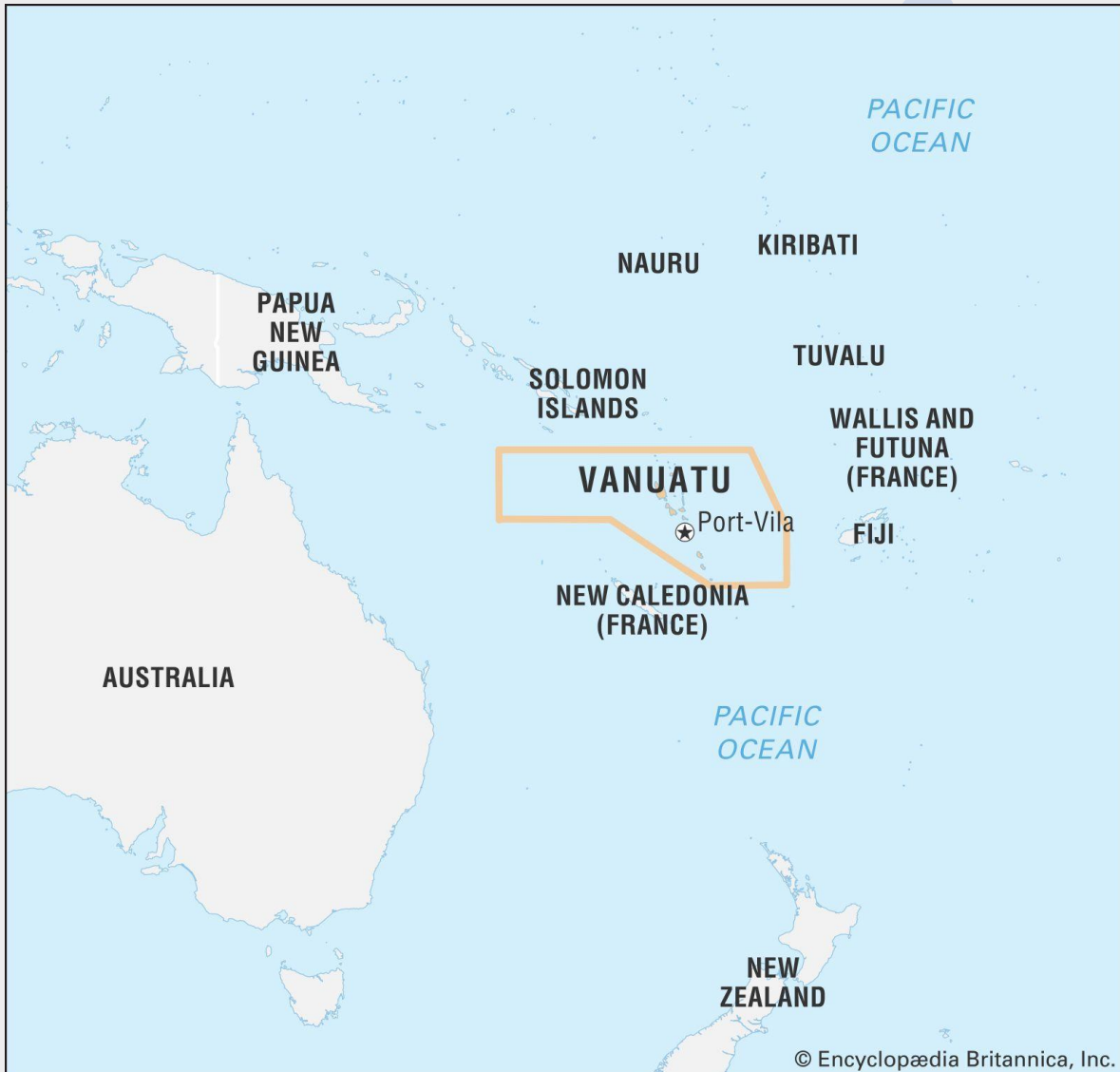


**1. Why Vanuatu boasts one of the most popular 'golden passport' schemes****Introduction**

Vanuatu, a South Pacific Ocean, has a popular citizenship by investment (CBI) or "golden passport" program, which allows wealthy individuals to purchase its passport. The CBI program of Vanuatu again came to limelight when Lalit Modi recently acquired citizenship of Vanuatu.

**About Lalit Modi**

Lalit Modi is an Indian-born Vanuatuan citizen and former cricket administrator. He was the founder, first chairman and League Commissioner of the Indian Premier League (IPL), and ran the tournament for three years until 2010.

Shortly after IPL 2010 ended, Modi was suspended from BCCI after being accused of misconduct, indiscipline and financial irregularities. BCCI launched an investigation against

him, and banned him for life in 2013. Modi denied any wrongdoing, and blamed accusations on political rivalries. Shortly before the Enforcement Directorate (ED) launched an investigation against him for alleged financial irregularities, he moved to London and was labeled a fugitive.

### **Buying citizenship**

CBI or economic citizenship allows individuals to acquire citizenship in a country by making significant financial contributions to its economy. Countries around the world offer foreigners citizenship to attract investment and stimulate economic growth.

### **Vanuatu's program**

Vanuatu's citizenship by investment program is the fastest and most simple citizenship program available. Very few documents are required, and all documentation can be provided digitally, meaning the applicant does not even have to set foot in the country to become a citizen.

The cost of Vanuatu citizenship ranges from \$135,500 to \$155,500 (Rs 1.18 cr to 1.35 cr), with options to also purchase citizenship for a family of four. Processing times vary from 30 to 60 days after the filing of the application. The passport sales account for roughly 30% of the country's revenue.

### **Specific advantages**

Aside from the ease and speed of the process, Vanuatu's program provides some specific benefits.

● As of 2025, a Vanuatu passport allows visa-free entry to 113 countries. The Henley Passport Index ranks the Vanuatu passport as the 51st strongest in the world (out of 199 countries), ahead of Saudi Arabia (57), China (59), and Indonesia (64). India ranks 80th.

Vanuatu's passport was even stronger until March 2022 when the European Council temporarily suspended its visa-free access to the European Union due to security concerns around the golden passport scheme. The suspension was made permanent in February 2023.

● Vanuatu is, for all intents and purposes, a tax haven. It is a zero-tax jurisdiction that is free of personal income tax, capital gains tax, inheritance tax, and wealth tax. While Vanuatu does charge indirect taxes such as VAT, as well as tax on property transactions, rates are typically lower than other countries in the South Pacific.

### **Criticism**

In recent years, Vanuatu has faced multiple corruption scandals and allegations that its citizenship scheme and tax laws are being used by global criminal syndicates.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: Indian Express

## **2. Story of 26/11 accused Tahawwur Rana, set to be extradited to India from US**

### **Introduction**

The United States Supreme Court recently rejected the plea of the 2008 Mumbai terror attack accused Tahawwur Hussain Rana against his extradition to India.



Rana, 64, had filed an "Emergency Application For Stay" after President Donald Trump approved his extradition following his meeting with Prime Minister Narendra Modi last month. Rana will be extradited on the basis of the India-US Extradition Treaty signed by the two countries in 1997.

#### **Rana's story, from 2009**

**Charges:** Rana is accused of aiding and abetting the reconnaissance for the attacks carried out by David Coleman Headley, with whom he went to school in Pakistan, and of participating in the terror conspiracy.

Rana was arrested in Chicago in October 2009 for his involvement in the 26/11 attacks and the foiled attack on Danish newspaper Jyllands Posten that same year.

The US District Court for the Northern District of Illinois prosecuted him for conspiracy to provide material support to terrorism in India and Denmark, and to the Lashkar-e-Taiba terrorist group.

**Sentence in US:** The jury acquitted Rana of the charge of conspiring to provide material support to terrorism in India, but convicted him on the other two counts. On January 7, 2013, Rana was sentenced to 168 months in prison.

**Release and Arrest:** On June 9, 2020, he was released on compassionate grounds. A day later, a Magistrate Judge in California, where Rana was serving his sentence, signed a provisional arrest warrant with a view to extraditing him to India based on a December 2019 extradition request.

Rana opposed his extradition on the ground of "double jeopardy". A Magistrate Judge rejected his arguments on May 16, 2023. Rana then petitioned the US District Court for the Central District of California for a writ of habeas corpus.

After this was rejected on August 10, 2023, he appealed in the Court of Appeals for the Ninth Circuit. This too was rejected.

Rana then filed a writ of certiorari in the US Supreme Court, which was rejected on January 21 this year. After Trump announced his extradition last month, Rana filed the emergency application in a last-ditch attempt to stay in the US.

### **India-US extradition treaty**

The treaty established a legal framework for the extradition of individuals charged with or convicted of serious offences in either country. An offence is extraditable if it is punishable by imprisonment for more than one year under the laws of both countries.

Political offences are not extraditable under the treaty. However, certain actions such as the murder or other willful crime against a Head of State/ Government or a member of their family, aircraft hijacking and aviation sabotage, crimes against internationally protected persons, and hostage-taking, etc., are not construed as political offences under the treaty.

### **Tahawwur Rana's case**

Following his provisional arrest in 2020, US authorities had submitted in court that Rana should be cleared for extradition to India as his offences and legal situation met all criteria required under the extradition treaty.

They said there was "probable cause to believe that Rana committed the offences" of which he had been accused in India.

### **The case in India**

In 2011, the NIA completed its investigation of the Mumbai attacks and filed a chargesheet against Rana, Headley, and seven others. According to the case page on the NIA website, all nine have been charged with murder and conspiracy to wage war against the Government of India under the Indian Penal Code, 1860, along with charges of conspiracy to commit terrorist acts under the Unlawful Activities (Prevention) Act, 1967.

The charge sheet was filed before an NIA Special Court judge in Delhi, which declared the accused persons as absconding in 2014, and issued fresh arrest warrants.

The proceedings in India are stalled as the IPC does not allow a trial or conviction to take place in absentia, that is, without the accused present and available (though provisions for such a trial have now been introduced in the Bharatiya Nyaya Suraksha Sanhita, 2023).

If and when Rana does land in India, his trial can begin in earnest. An NIA team is waiting for a final go-ahead to fly to the US to take custody of Rana.

### **Other extraditions from US**

There have been only two extraditions of alleged terrorists from the US to India so far — alleged Khalistanis Charanjeet Singh Cheema and Kulbeer Singh Kulbeera in February 2005 and June 2006 respectively.

According to data provided by the Ministry of External Affairs to Parliament, the treaty facilitated the extradition of only 11 Indian fugitives between 2002 and 2018.

One of these individuals was accused of the sexual abuse of children, another of attempt to murder. The rest were accused of financial fraud and cheating.

The government told Parliament recently that 65 requests for extradition remain pending with the US.

The US has rejected several requests for extradition from India, most importantly that of Rana's associate Headley.

The Lashkar operative who was born Daood Gilani was arrested in October 2009. He was tried and sentenced by a US court for the killing of six Americans in the Mumbai attacks after he pleaded guilty to the charges. One of the key terms of his plea bargain was that he would not be extradited to India.

The US had earlier rejected India's request to extradite Warren Anderson, who was CEO of Union Carbide at the time of the 1984 Bhopal gas leak. Anderson had been arrested by police in India, but he was soon given bail and allowed to leave the country.

Almost 20 years later, in May 2003, India sent a request for his extradition to the US, which was declined on the ground of insufficient evidence.

Relevance: GS Prelims & Mains Paper II; Bilateral Relations

Source: Indian Express

### **3. Bitcoin as a US strategic reserve: Does it make sense?**

#### **Introduction**

While central banks worldwide keep large reserves of the dollar and gold, until now, only one country — El Salvador — has created a strategic reserve of cryptocurrencies. Several governments do hold them, mostly seized from criminal activities or to circumvent international sanctions.

Recently US President Donald Trump signed an executive order to create a strategic reserve of bitcoin, having previously said he wants the United States to be a leader in digital money.

#### **What do we know about Trump's plan?**

Under Trump's order, the federal government will retain the nearly 200,000 bitcoin seized in criminal and civil proceedings. The US will not sell any bitcoin deposited into the Reserve. The executive order calls for a "full accounting" of the government's bitcoin holdings.

US agencies hold 198,109 bitcoins, worth around \$18.1 billion (€16.7 billion).

Most of the holdings are the seized proceeds of crime, including drug trafficking, money laundering, and hacking. The government also holds millions of dollars of seized ethereum, tether and other smaller digital coins.

#### **What is a strategic reserve?**

A strategic reserve is a stockpile of vital resources kept by governments or large organisations to provide a safety net during hard times.

Examples include the US Strategic Petroleum Reserve, which helps ensure a regular supply of oil during crises, food reserves, including stockpiles of grain, to protect against hunger, and the stockpiling of vaccines by the US and European Union during the COVID-19 pandemic.

Countries also maintain monetary reserves, like foreign currencies or gold, to stabilize their economies and facilitate trade. The US government, for example, holds around 8,133 metric tonnes of gold.

Increasingly, reserves of critical minerals needed for technology, the energy transition and defense are also being established.

### **Will a crypto stockpile work?**

Proponents say a crypto strategic reserve could help financial stability by diversifying US national reserves beyond traditional assets like gold and foreign currencies.

Such a stockpile would also help legitimise cryptocurrencies, encouraging more financial institutions to hold them.

But some analysts think the value of the stockpile could vanish in a market crash. Other critics accused Trump of favoritism toward a highly speculative investment, without providing clear strategic benefits for the nation.

Some observers pointed to the contradiction between creating a government stockpile of an asset that is deemed anti-establishment. Bitcoin was originally designed as a way to bypass government and central bank control.

Others were worried that if more governments began stockpiling the likes of bitcoin, they could potentially start to manipulate the crypto market, just as they do with gold and currencies.

The gold price last month reached a record high of \$2,956, much of it down to large purchases by Poland, Turkey, India and China.

Trump now faces significant legal and political hurdles before the stockpile becomes a reality as the idea still lacks congressional support and as large amounts of the crypto seized by US authorities once had legitimate owners.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: Indian Express

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