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SUDDEN DEMISE OF IRANIAN PRESIDENT AND INDO-IRAN RELATIONS

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "**SUDDEN DEMISE OF IRANIAN PRESIDENT AND INDO-IRAN RELATIONS**". THIS TOPIC IS RELEVANT IN THE "**INTERNATIONAL RELATION**" SECTION OF THE UPSC CSE EXAM.

Why in the News?

Iran's president Ebrahim Raisi, along with the foreign minister and several other officials, were discovered dead shortly after their helicopter went down in the northwest region of the country. In the wake of this tragedy, Iran's Supreme Leader Ayatollah Ali Khamenei declared that **First Vice President Mohammad Mokhber** would take over as interim president.

POLITICAL STRUCTURE OF IRAN:

- **Supreme Leader (Rahbar):** The highest political and religious authority in Iran. Ayatollah Ali Khamenei has held this position since 1989.
- **President:** Serving as the head of government and the second-highest official after the Supreme Leader, the president is elected by popular vote for a four-year term and can serve a maximum of two terms. Following Ebrahim Raisi's death, Mohammad Mokhber is the interim president.
- **Guardian Council:** This 12-member council reviews political candidates and legislation. It includes 6 theologians appointed by the Supreme Leader and 6 attorneys nominated by the judiciary and subjected to approval by parliament.
- **Islamic Consultative Assembly (Majlis):** Iran's legislative body, comprising 290 members elected by the people for four-year terms.
- **Assembly of Experts:** This 88-member body of Islamic scholars is elected by the public for eight-year terms. Its main functions include appointing, monitoring, and potentially dismissing the Supreme Leader.
- **Expediency Discernment Council:** An advisory council that resolves conflicts between the Majlis and the Guardian Council and provides advice to the Supreme Leader on state matters.

PRESIDENT'S DEATH AND IMPACT ON IRANIAN POLITICS

- **Political Instability:** Raisi's death has created a leadership gap in Iran, necessitating the appointment of an interim president and the organization of new elections within 50 days. This abrupt leadership change has disrupted the country's political stability and decision-making processes.
- **Succession Uncertainty:** Raisi was not only the president but also considered a potential successor to Supreme Leader Ayatollah Khamenei. His passing has created uncertainty about the succession plan and the future leadership of Iran, sparking speculation about who will assume the roles of the next president and Supreme Leader.
- **Power Struggle:** The absence left by Raisi's death could ignite a power struggle among Iran's political elite, with various factions and interest groups competing for influence and control. This internal competition could influence the direction of Iran's domestic and foreign policies.
- **Continuity vs. Change:** Analysts are divided on whether Raisi's death will maintain Iran's current political course or lead to significant changes. Some predict continuity, while others believe this event could allow certain groups, such as the Islamic Revolutionary Guard Corps (IRGC), to increase their influence.
- **Foreign Policy Implications:** The sudden leadership change in Iran could affect its foreign policy, especially in relation to the United States and Israel. While the core issues between these countries are likely to remain, the new leadership might introduce subtle shifts in Iran's regional and international strategies.

HARDLINERS V/S MODERATES IN IRANIAN POLITICS

- **Foreign Policy Approach:** Hardliners typically support a more confrontational and assertive foreign policy, especially towards Western powers like the United States, prioritizing Iran's national interests and sovereignty with a more aggressive stance in international relations. In contrast, moderates favour a diplomatic and conciliatory approach, aiming to engage with the international community and enhance Iran's global standing through dialogue and negotiation.
- **Nuclear Deal and International Relations:** Hardliners and moderates differ on the Iran nuclear deal (**Joint Comprehensive Plan of Action – JCPOA**) and Iran's global engagement. Hardliners are generally sceptical of agreements like the JCPOA, seeing them as compromises on Iran's sovereignty. Moderates, however, are more supportive of engaging with the West and international bodies, believing such agreements can bring economic and diplomatic benefits to Iran.
- **Economic Policies:** There is a clear divide between hardliners and moderates on economic strategies. Hardliners often emphasize self-sufficiency and protectionist measures to protect Iran's economy, while moderates advocate for open-market policies and international trade agreements to drive economic growth and development.
- **Social and Cultural Issues:** Hardliners and moderates frequently clash over social and cultural matters, such as women's rights, freedom of expression, and individual liberties. Hardliners usually back conservative social policies and restrictions, whereas moderates push for progressive reforms and greater personal freedoms.
- **Role of Religion in Politics:** The role of religion in governance is another contentious issue between hardliners and moderates. Hardliners often support a significant role for religious authorities in shaping government policies and societal norms, while moderates seek a more secular approach, emphasizing the separation of religion and state.

CURRENT RELATIONS BETWEEN INDIA AND IRAN

- **Strategic Importance:** Iran's strategic position between the Persian Gulf and the Caspian Sea makes it an essential partner for India. Its abundant energy resources and close geographical proximity to India are pivotal for regional connectivity, trade, and economic collaboration.
- **Trade Relations:** India is a key trading partner for Iran, ranking among its top five. Trade between the two nations includes India's exports of rice, tea, sugar, pharmaceuticals, and electrical machinery to Iran and its **imports of dry fruits, chemicals, and glassware from Iran.**
- **Cultural Cooperation:** India and Iran enjoy strong cultural and people-to-people connections rooted in a shared civilizational history. The **Swami Vivekananda Cultural Centre, established in 2013,** has enhanced cultural exchanges, promoting tourism and cultural interaction between the countries.
- **Connectivity and Regional Cooperation:** In 2015, India and Iran signed a Memorandum of Understanding (MoU) to co-develop the **Shahid Beheshti Port at Chabahar.** This port project is a significant example of their cooperation, playing a key role in regional connectivity, communication, and shared prosperity.



POSSIBLE IMPACT ON INDIA

- **Chabahar Port:** The development of the Chabahar Port might slow down as Iran focuses on its internal issues following Raisi's death.
- **Impact on Economy:** The global oil market could be affected, given Iran's role as a major oil producer. Any rise in oil prices could impact the Indian economy, which heavily relies on oil imports.
- **Oil Price Fluctuations:** Brent crude prices, influenced by supply cuts from oil-producing nations, have risen by 8% in 2024 but have dropped by 3% this month. As the third-largest oil producer in OPEC, changes in Iran's oil production can significantly affect India.
- **Regional Tensions:** If Iran suspected Israeli involvement in Raisi's death, escalating tensions in West Asia could also impact India, although this remains speculative at present.

Way Forward for India

Strengthening Economic Ties

- **Chabahar Port Development:** Finalize a long-term agreement for India's role in developing Iran's Chabahar port to attract investment and ensure the timely execution of connectivity plans.

- **Trade and Economic Cooperation:** Enhance trade with Iran, a significant market for Indian goods, and use it as a gateway to Central Asia.
- **Alternative Payment Mechanisms:** Explore ways to bypass US sanctions to maintain trade relations with Iran.

Cooperation on Regional Issues

- **Afghanistan Policies:** Coordinate strategies on Afghanistan, where both India and Iran seek stability and an inclusive government.
- **West Asian Cooperation:** Work together on West Asian issues amidst regional rebalancing, enhancing the potential for India-Iran ties.
- **Regional Challenges:** Collaborate to address regional threats like terrorism and extremism and piracy.

Leveraging Shared Interests

- **Strategic Connectivity:** Use Iran's strategic location to boost India's connectivity to Central Asia and Europe through initiatives like the International North-South Transport Corridor (INSTC).
- **Multilateral Collaboration:** Partner in multilateral organizations such as the Shanghai Cooperation Organization (SCO) and BRICS, adapting to the evolving global order.
- **Focused Diplomacy:** Appoint a special envoy for relations with Iran to ensure dedicated attention and timely implementation of joint plans.

Navigating External Pressures

- **Balanced Relations:** Maintain a balanced approach in relations with Iran and other key partners like the US, Israel, and Gulf countries, while pursuing an independent foreign policy.
- **Sanctions and Tensions:** Mitigate the impact of US sanctions and Iran's conflicts with the West on India-Iran relations.

Prelims Based Question

Q1. Consider the following statements:

1. Chabahar port is located in the Gulf of Oman.
2. Chabahar port is situated west of Gwadar port and east of Bandar Abbas port.

Choose the correct answer using the codes given below:

- (a). 1 Only
- (b). 2 Only
- (c). Both 1 and 2
- (d). Neither 1 nor 2

ANSWER: C

Mains Based Question

Q1. Considering Iran's strategic importance to India, what are the potential consequences of Raisi's death on India-Iran relations, particularly in terms of economic ties and regional cooperation?

[Vishal Yadav](#)

PREVENTION OF MONEY LAUNDERING ACT (PMLA), 2002

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "PREVENTION OF MONEY LAUNDERING ACT (PMLA), 2002". THIS TOPIC IS RELEVANT IN THE "POLITICAL SCIENCE" SECTION OF THE UPSC CSE EXAM.

WHY IN THE NEWS?

The Supreme Court recently ruled that once a special court acknowledges a chargesheet submitted under the Prevention of Money Laundering Act (PMLA), the Enforcement Directorate (ED) no longer has the power to detain the accused. This decision curtails the ED's arrest capabilities and underscores the importance of safeguarding individual freedom.



The decision emanated from challenging the Enforcement Directorate by appealing a decision from the Punjab and Haryana High Court, which had refused anticipatory bail. The legal debate centred on whether an accused could seek bail under the standard Code of Criminal Procedure (CrPC) protocols.

KEY POINTS OF SUPREME COURT RULING ON PMLA ARREST NORMS:

- The Supreme Court underscored the importance of personal liberty, declaring that when a designated special court summons individuals under the Prevention of Money Laundering Act (PMLA), they are not deemed to be in custody. Consequently, they are not obligated to seek bail under the stringent conditions imposed by the PMLA.
- The Court determined that merely responding to a summons and appearing before a special court does not equate to being in custody. As a result, there is no need to apply for bail.
- The ruling limits the Enforcement Directorate's (ED) power to detain individuals once a special court has recognised a case. For custody, the ED is required to make a separate application and provide concrete reasons for the necessity of custodial interrogation.
- The Court indicated that the Special Court has the authority to demand that the accused submit bonds by Section 88 of the Code of Criminal Procedure. It was further clarified that providing a bond represents a commitment and should not be confused with granting bail. Consequently, the strict dual requirements outlined in Section 45 of the PMLA are not applicable in the context of bond provision.

- The Supreme Court underscored the strict bail requirements per Section 45 of the PMLA. According to it, the accused must demonstrate their initial innocence and convince the Court of their commitment not to engage in further illegal activities while out on bail, thereby imposing a heavy proof burden on the defendant.

About Section 45 of the PMLA.

According to Section 45 of the PMLA, bail can be granted to an accused in a money laundering case only if twin conditions are satisfied:

1. **Imposing Stringent Bail Conditions:** It imposes rigorous bail conditions, requiring the accused to prove their innocence.
2. **Ensuring No Offences While on Bail:** The accused must assure the court that they will not engage in criminal activity while released on bail.

WHAT IS THE PREVENTION OF MONEY LAUNDERING ACT (PMLA) 2002?

- The Prevention of Money Laundering Act, 2002 (PMLA) was established to curb money laundering activities and permit the seizure of assets obtained through such illegal practices. Its primary mission is to tackle the laundering of money associated with illicit undertakings like drug trafficking, smuggling, and financing of terrorism.
- According to Section 3 of the Act, an individual commits money laundering if they, directly or indirectly, engage in, support, participate in, or are implicated in any action or procedure associated with crime proceeds while presenting such proceeds as legitimate. Such an individual shall be deemed guilty of the money laundering offence.
- **The Act was established with the following objectives:**
 - To prevent money laundering;
 - To fight against and stop the diversion of funds into illicit endeavours and economic offences;
 - To enable the seizure of assets obtained from, or implicated in, money laundering;
 - To impose penalties on those guilty of money laundering infractions;
 - To designate an adjudicating authority and an appellate tribunal to oversee matters related to money laundering and
 - To address issues related and ancillary to the phenomenon of money laundering.
- The Prevention of Money Laundering Act underwent several amendments, starting with the Prevention of Money Laundering (Amendment) Act in 2009, followed by another amendment in 2012. It was further updated through amendments introduced by the Finance Acts of 2015, 2018, and, most recently, 2019.
- The 2019 amendments to the Prevention of Money Laundering Act introduced a new provision, Rule 3A, which allows the Special Court to issue a public notice in newspapers. This notice invites individuals who can prove a legitimate interest in properties that have been attached, seized, or frozen to come forward and present their claims for restoration following the formal accusation of charges.
- Section 25 of the PMLA establishes an Appellate Tribunal, which is empowered to hear appeals against the decisions made by the Adjudicating Authority.

CONCERNING REGARDING PMLA:

- **Overreach and Misuse of Powers:** The PMLA's broad definitions can cause unwarranted scrutiny of legitimate entities due to vague connections to money laundering. The ED's

significant powers under the PMLA, such as property attachment and arrests, have faced criticism for potential misuse and concerns over personal liberty violations.

- **Procedural Concerns:** Cases under the PMLA can result in extended legal battles and financial strain for those accused. Proving innocence against money laundering charges, especially in complex transactions, can be difficult, challenging the principle of “innocent until proven guilty.”
- **Impact on Businesses:** Financial institutions must adhere to the PMLA’s demanding reporting and record-keeping rules to combat money laundering. Still, these requirements can significantly burden businesses and discourage investment due to their strictness and the fear of unpredictable enforcement.
- **Human Rights Concerns:** The practice of authorities temporarily seizing properties without swift judicial review may infringe upon property rights. There are cases where such actions have disrupted the lives and operations of people and enterprises, with slow access to legal redress. Under the PMLA, certain offences warrant arrest without the option for bail, potentially leading to prolonged detention before trial. These issues highlight the potential violation of individual liberty and the principle of fair trial.

CONCLUSION:

The Prevention of Money Laundering Act (PMLA) of 2002 is a pivotal law aimed at deterring money laundering activities in India. It is in harmony with international norms and showcases India’s dedication to combating economic offences and maintaining the robustness of its financial architecture. The PMLA is indispensable in the fight against money laundering and upholding the financial system’s integrity. Nevertheless, addressing specific concerns is vital to boost its efficiency and fairness. Striking a balance between strict enforcement and the protection of individual rights and commercial interests is crucial for fulfilling the objectives of the Act without causing adverse side effects.

PRELIMS PRACTICE QUESTION:

Q. Consider the following statements:

1. Section 25 of PMLA establishes an Appellate Tribunal to hear appeals against the Adjudicating Authority’s orders.
2. India’s Parliament enacted the PMLA under Article 253, which empowered it to make laws for implementing international conventions.

Which of the statements given above is/are correct?

- A. Only
- B. Only
- C. Both 1 and 2
- D. Neither 1 nor 2

ANSWER: C

MAINS PRACTICE QUESTION:

Q. Discuss the ethical considerations guiding PMLA enforcement to ensure it does not disproportionately impact economically disadvantaged or marginalized groups. What

mechanisms should be under the PMLA to ensure transparency and accountability in the surveillance and investigation of financial transactions?

[Amit Pradhan](#)



Yojna IAS
योजना है तो सफलता है