

8th Feb, 2025

1. Repo Rate Cut by RBI - A Shift in Monetary Policy GS 3 (Economy)

• Why in News:

- The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) has **lowered the repo rate by 25 basis points (bps) to 6.25%** - the first rate cut in 57 months.
- This move is aimed at **supporting economic growth** amid easing inflation projections.

• Key Highlights of the RBI'S MPC Decisions:

- **Repo rate cut:** The repo rate is the **interest rate at which a central bank lends money to commercial banks**. The term "repo" stands for "**repurchase option**". The RBI reduced the repo rate from **6.5% to 6.25%**.
- **Inflation outlook:** Inflation is expected to ease to 4.4% this quarter and further moderate to 4.2% in 2025-26.
- **Impact on loans:** The reduction in the repo rate could lead to **cheaper loans** for homes, cars, and other purposes.
- **First rate cut since 2020:** The last rate cut occurred in May 2020 when the repo rate was reduced to 4% during the COVID-19 crisis.

• Digital Security Initiative - Introduction of 'bank.in' Domain:

- **Exclusive internet domain for banks:** The RBI has announced the launch of the 'bank.in' domain for Indian banks to **enhance trust in digital transactions**.
- **Objective:** To reduce cybersecurity threats, prevent phishing, and streamline secure financial services.
- **Implementation:**
 - The Institute for Development and Research in Banking Technology (IDRBT) will act as the exclusive registrar.
 - Actual registrations will begin in April 2025.
 - Detailed guidelines for banks will be issued separately.
- **Future expansion:** Plans to introduce 'fin.in' for non-bank financial entities in the future.

• Key Takeaways from the RBI'S MPC Decisions:

- **Monetary policy stance:**
 - **Neutral approach:** Despite the rate cut, the MPC has maintained a neutral monetary stance
 - **Global uncertainties:** Risks from geopolitical tensions, trade protectionism, and financial market volatility remain key concerns.
 - **Inflation targeting:** The RBI remains committed to ensuring inflation aligns with its target while supporting economic growth.
- **Economic growth projections:**
 - **Real GDP growth forecast:**
 - 6.4% for the current financial year (2024-25). 6.7% for 2025-26.
 - Real gross domestic product (GDP) is an **inflation-adjusted measure** that reflects the value of all goods and services produced by an economy in a given year.
 - **Factors supporting growth:**
 - Improving employment conditions.
 - Income tax relief from the 2025-26 Union Budget.
 - Stable agricultural output with the assumption of a normal monsoon.
 - **Rural vs. urban demand:**
 - **Rural demand:** On an upward trend, showing resilience.
 - **Urban consumption:** Subdued, with mixed signals from high-frequency indicators.

REPO RATE CUT BY 25 BPS TO 6.25%

After tax relief in Budget, RBI cuts key rate, first in five years, to spur growth

RBI keeps stance neutral, expects growth to be 6.7% in FY27, estimates inflation at 4.2%



HITESH VYAS

MUMBAI, FEBRUARY 7

AS WIDELY expected, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) unanimously decided to reduce the repo rate — the interest rate at which it lends to banks — by 25 basis points (bps) to 6.25 per cent amid easing inflation and worries over slowing growth.

RBI Governor Sanjay Malhotra along with Deputy Governors M Rajeshwar Rao, Swaminathan Janakiraman and T Rabi Sankar in Mumbai on Friday.

due to global uncertainties. The six-member rate-setting panel has projected the real gross domestic product (GDP) at 6.7 per cent and the retail inflation at 4.2 per cent for the fiscal 2025-26.

There is no key policy rate — the first in nearly five years — will provide relief to home-owners and continue on PAGE 2

Key takeaways: A less restrictive policy, no clear exchange rate targeting

GEORGE MATHEW

MUMBAI, FEBRUARY 7

RBI GOVERNOR Sanjay Malhotra sent clear signals to the banking sector and other market participants on the repo, liquidity management and monetary policy changes on the cards. Banks told to lend in call money market

are reluctant to on-lend in the uncollateralised call money market. Instead, they are passively parking funds with the Reserve Bank. He asked banks to actively trade among themselves in the uncollateralised call money market to make it deeper and vibrant for better signal extraction from the weighted average call money rate (WACMR). This could be aimed at facilitating the orderly

CONTINUED ON PAGE 2

- **Currency and external sector:**
 - **Rupee volatility:**
 - The Indian rupee has depreciated by 3.2% against the US dollar since November 6, 2024, in line with global trends.
 - The RBI is focused on maintaining stability in the currency market without targeting a specific exchange rate.
 - **Foreign exchange reserves:**
 - Stand at **\$630.6 billion as of January 31, 2025**, covering over 10 months of imports
 - The RBI has been using foreign exchange reserves to prevent excessive volatility while allowing a gradual depreciation.
- **Current account deficit:** Expected to remain within sustainable levels, ensuring external sector resilience.
- **Liquidity management:**
 - **Liquidity crunch in December-January:** Attributed to advance tax payments, capital outflows, forex operations, and increased currency circulation.
 - **Rise in currency in circulation:** Increased by ₹1.80 lakh crore (5.3%) to ₹35.99 lakh crore as of January 2025.
 - **Banks urged to lend in Call Money Market:**
 - The call money market is a short-term financial market where banks and other institutions borrow and lend funds to each other. It's also known as the "**notice money**" market.
 - RBI Governor Sanjay Malhotra advised banks to actively participate in the uncollateralized call money market instead of parking funds with the RBI.
 - **Measures to address liquidity:** The RBI has assured proactive interventions to ensure orderly liquidity conditions.
- **Market Reactions of the RBI'S MPC Decisions:**
 - **Stock markets:** The Sensex fell by 198 points (0.25%) to 77,860.19, while the NSE Nifty declined by 43 points (0.18%) to 23,559.95
 - **Banking sector performance:** The BSE Bankex fell by 0.49%.
 - **Bond markets:** The 10-year bond yield increased slightly to 6.70%.
 - **Rupee movement:** The rupee **appreciated** by 15 paise to 87.43 against the US dollar.
- **Future Monetary Policy Expectations:**
 - **Less restrictive policy on the anvil?** Malhotra hinted that the MPC might shift its stance from neutral if inflation-growth dynamics turn favorable.
 - **Expected rate cuts:** There are expectations of two more rate cuts in 2025 if inflation moves as projected.
 - **Aspirational growth target:** The RBI Governor expressed a desire for 7% GDP growth.
- **Conclusion:**
 - The RBI's rate cut signals a shift in monetary policy to stimulate economic growth while maintaining inflation control.
 - With a neutral stance, the central bank is balancing inflationary concerns and global uncertainties while ensuring stability in India's financial markets.
 - The introduction of the 'bank.in' domain is a crucial step toward securing India's digital financial ecosystem.
 - **The market remains cautious, awaiting further policy signals from the RBI.**

2. Simplifying Tax Laws

GS 3 (Economy)

- **Why in News:** The **Union Cabinet** approved a new **Income-Tax Bill** that is expected to be tabled in Parliament. The Bill is designed to simplify the **complex tax laws** and make them easier to understand and follow for both taxpayers and tax authorities.

- **Key Objectives of the New Income-Tax Bill**

- **Simplification:** One of the primary aims of the new Bill is to **reduce complexity**. The government intends to cut the number of sections by **25-30%**, making the law more concise and easier to understand. Unnecessary provisions, explanations, and provisos have been removed, and the overall word count has been halved.
- Currently, there are **multiple tax regimes** applicable in case of various taxpayers (such as **companies, individuals, Hindu Undivided Family (HUF) Association of Persons (AOPs) Body of individuals (BOIs), co-operative societies, etc.**).
- The new bill will converge to a single tax regime with an objective of reducing overall compliance burden and providing tax certain
- **Clear Language:** The Bill focuses on using **simpler language**. It aims to eliminate **redundancy** and **complex explanations**, replacing them with **shorter sentences, active voice, and lucid language** for better clarity.
- **Avoiding Ambiguities:** The new law also addresses **interpretation issues** that have arisen in the past due to unclear language. This should reduce legal disputes and improve compliance.
- **New income tax slabs under the bill:** The Budget 2025 announcement proposed these income tax slabs under new tax regime:

Income Range	Tax Rate
Rs 0 – Rs 4 lakh	No Tax
Rs 4 lakh – Rs 8 lakh	5%
Rs 8 lakh – Rs 12 lakh	10%
Rs 12 lakh – Rs 16 lakh	15%
Rs 16 lakh – Rs 20 lakh	20%
Rs 20 lakh – Rs 24 lakh	25%
Above Rs 24 lakh	30%

- The government has effectively exempted incomes up to Rs 12 lakh by allowing deductions and rebates.
- If passed, the new tax system will take effect from the financial year 2025-26.
- It will apply to taxpayers from the assessment year 2026-27.

- **Structure of the Bill**

- **No Excessive Powers for Officials:** The Bill maintains that **substantive powers**—such as the authority to determine income and tax rates—will remain with **Parliament**. No **excessive powers** will be given to tax officials.
- **Delegation of powers** will be limited, with the procedural details shifted into rules, but major tax decisions will still require **Parliamentary approval**
- **Combining Related Sections:** The new Bill aims to **combine** related sections of the tax code, which should reduce complexity. By **avoiding cross-referencing**, each section will be more self-contained, making it easier for taxpayers to follow.
- **Public Consultation and Stakeholder Input:** The **tax department** plans to put the Bill through a **public consultation process** to gather feedback from **taxpayers, businesses, and experts**. This ensures that any

New income-tax bill gets Cabinet nod; to be tabled in Parliament next week

ENS ECONOMIC BUREAU
NEW DELHI, FEBRUARY 7

THE UNION CABINET on Friday cleared the new income-tax bill that is proposed to replace the existing six-decade old Income-tax Act, sources said. The new income-tax bill is now likely to be introduced in Parliament on Monday, they said.

The new income-tax bill is aimed to make the language and implementation of the income tax legislation simpler for taxpayers. On Thursday, Finance Secretary Tuhin Kanta Pandey had said that the new income-tax bill will not have long sentences, provisos and explanations and will mark a different way of engagement with citizens, with no aim to put any new tax burden, said Finance Secretary Tuhin Kanta Pandey on Thursday.

The bill will include the recent changes in income tax rates, slabs and TDS (Tax Deducted at Source) provisions will also be reflected in it, he had said.

While presenting the Union Budget for 2025-26 on February 1, Union Finance Minister Nirmala Sitharaman had stated that a new income tax legislation will be introduced by the government next week in the ongoing Budget session of the Parliament.

BILL TO BE WORDED DIFFERENTLY

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ambiguities can be addressed before the law is enacted, reducing the chances of legal challenges in the future

- **Role of the Standing Committee:** Once the Bill is tabled in Parliament, it will be referred to the **Standing Committee on Finance**, which will initiate further consultations.

- **Expected Outcomes**

- **Easier Compliance:** The new Bill is expected to make tax laws **easier to comply with**. By reducing complexity and focusing on clarity, taxpayers will find it simpler to understand their obligations.
- **More Efficient Tax Administration:** With clearer laws and fewer ambiguous provisions, the tax administration will likely become more efficient, resulting in **fewer legal disputes** and **more streamlined tax collection**.
- **Improved Transparency:** The public consultation process and focus on clear language are expected to increase **transparency** and **reduce confusion** among taxpayers.

3. Swavalambini Programme

GS 2 (Governance)

- **Why in News:** Recently, the union Ministry of Skill Development and Entrepreneurship launched the Swavalambini programme.
- **About Swavalambini Programme:**
 - It was launched by the **Ministry of Skill Development and Entrepreneurship (MSDE)** through **Indian Institute of Entrepreneurship (IIE)**, in collaboration with **NITI Aayog** in Assam, Meghalaya and Mizoram.
 - This initiative is aimed at **empowering female students** in select **Higher Education Institutions (HEIs)** in the northeast by equipping them with the essential entrepreneurial mind-set, resources, and mentorship they need to succeed in their entrepreneurial journey.
 - Those who successfully build their ventures will be recognized and awarded, ensuring that their success stories inspire others. This initiative will define a clear process for how we nurture and scale women-led enterprises in India.
 - The initiative aims to provide structured training through the **Entrepreneurship Awareness Programme (EAP)** which introduces 600 female students to entrepreneurship as a viable career option.
 - For 300 selected students, the Women Entrepreneurship Development Programme (EDP) offers an intensive 40-hour training covering crucial business aspects such as training and skilling, access to finance, market linkages, compliance and legal support, business services, and networking opportunities.
 - This will be followed by **six months of mentorship** and handholding support to help participants translate their ideas into sustainable prospects.

4. Donkey Route

Recent events of importance

- **Why in News:** Indian deportees from the US, arriving in Amritsar, recently shared their harrowing experiences using the "donkey route" for illegal immigration.
- **About Donkey Route:**
 - **Named after a Punjabi idiom referring to an arduous, unplanned journey**, it involves **crossing multiple international borders**, often through **treacherous terrain**, under false promises of legal entry.
 - It typically **involves illegal border crossings via indirect routes** with multiple stops in different countries.
 - For instance, individuals might obtain a tourist visa for the European Union's Schengen Area, allowing free movement across 26 countries, and then illegally enter the UK with the help of "consultants" or "agents."
 - These agents often charge hefty fees for services ranging from fake documentation to smuggling via shipping containers.

5. Technology and the challenge of equitable education GS 2 (Governance)

- Why in News:** The digital revolution in rural India, especially following the COVID-19 pandemic, has highlighted both the potential and challenges in using technology for education. While mobile phones, particularly smartphones, have become ubiquitous, challenges like access to devices, quality of education, and integration of advanced technologies such as AI remain significant. The ASER 2024 data highlights these trends, indicating both progress and obstacles in leveraging digital technology to improve education outcomes for underprivileged communities.

Technology and the challenge of equitable education



Madhukar Chaturvedi
is a co-founder
of Pratham

In India, the 1990s and the early 2000s were a time of education activities on a mass scale, but results from the nationwide annual Status of Education Report (ASER) surveys of that period indicated that while enrolment and infrastructure indicators showed a rush to schools, learning indicators pointed to no change. At the same time, computers, mobile phones, and digital technology were making waves. It was a time of many possibilities and promises with digital solutions and businesses. However, it was when the COVID-19 pandemic struck that the digital revolution hit the ground in rural India. This is reflected very well in ASER data.

Smartphone use and rural households
In 2010, nearly 90% of rural households had simple mobile phones and 30% had smartphones. In 2022, the proportion of households with smartphones had risen to over 70% and, according to ASER 2024, it has grown further to 84% this year. While the percentage of children who have access to a smartphone at home is nearing saturation, the proportion of children aged between 14 and 16 years who own a smartphone has risen from 19% to about 31% within a year.

It is not clear from the ASER data whether mothers of young children have their own phones. This ownership of smartphones is important when it comes to use in supporting young children's learning and their own learning. The main use of smartphones during the pandemic period was that of a carrier of tests, worksheets, and videos, which were a substitute for textbooks. Virtual training sessions had become common too. As the pandemic faded away, the digital skills learned during the period remained, although some of the practices became less important and a new excitement began to build around artificial intelligence (AI). The best promise of the digital revolution was,



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to this writer, in the open and continuing education domain for the underprivileged. The need and the possibilities in India are tremendous. For example, at this time, over 40% mothers of school children are not schooled or have completed school less than class five. Nearly another 40% are schooled between class six and class 8, and the remaining have completed class 10. Educating mothers so that they can help children in an investment India should make to accelerate and strengthen the education of children.

Over the past 30 years, we have lived through the computer, the internet, and mobile revolutions, and we are now looking at AI. With every new wave of technology, there is new hope and talk of revolutionising education. By the time the technology becomes affordable, something new and exciting for the privileged shows up on the horizon, but technology has not delivered on its promise where the education of the underprivileged is concerned. One of the biggest constraints is the availability of devices.

But, as ASER 2024 data shows, availability of individually owned smartphones is going to be less and less of a constraint. Most rural households already have a smartphone. Getting a second phone may be easier for many families in times to come.

No language barrier

Hardware, without a doubt, is becoming easily available. Language used to be a major impediment. It is not so any more. Writing or dictation in local languages is now possible. Translation from one language to another is easy. All the tools needed for learning are accessible, if you know what to access, where, and how. But what if there was one place in a village – let us call it a school – where questions of what, where, and how were answered by an intelligent device? Access to schools is complete. But school

attendance is still a problem. In a village or a community, some children go to a private school, some to a government school, others to private classes and some do not go to school at all. This is somewhat of a chaotic situation at the level of the village and also at the larger community level, which reflects in the quality of learning in schools.

During the pandemic, in many villages of Maharashtra, a learning programme was broadcast from a village point. It should be possible to work out a curriculum and broadcast schools in villages so that group learning can be organised. Organising new schools in this manner should be possible, although, initially, there may not be many takers.

Every civilisation has created its own schooling system over the last 5,000 years. Teachers and methods in one education system did not work in another, the curriculum in one country was not a good fit in another. That was because civilisations were separated by time, space, culture, and technology. The age of empires and colonialism started integrating civilisations. Although separated by national boundaries, countries today are integrated by science and technology. Education too is an integrating factor. But so is profit. Every technological innovation, having been promoted by philanthropists as public goods, has to look for a for-profit market. Where profits cannot be made, innovations find limited use.

The prediction that hardware and devices would become inexpensive has come true but the need for a higher order and bigger hardware is growing with the innovations of AI. Will philanthropic interventions be enough to help universalise the innovations that could transform education? As a country, India needs to come up with a road map that allows the promise of technology to be harnessed for the benefit of those who need it the most.

- Growth of Smartphone Access in Rural India:**
 - Smartphone Penetration:** By 2022, over 74% of rural households had smartphones, which further increased to 84% by 2024, marking a significant growth in access to digital technology.
 - Ownership Among Children:** The proportion of children aged 14-16 years owning a smartphone has risen from 19% to about 31% within a year, highlighting the increasing digital integration in rural households.
 - Challenges for Mothers:** Although children's access to smartphones is high, it is unclear whether mothers of young children have access to their own smartphones, which could aid in supporting their children's learning.
- Pandemic's Role in Accelerating Digital Learning:**
 - Pandemic Learning Shift:** During the pandemic, smartphones became vital for transmitting educational materials like worksheets, texts, and videos as substitutes for textbooks, marking a shift toward digital learning in rural areas.
 - Sustained Digital Skills:** As the pandemic faded, digital skills learned during the crisis continued, with a growing focus on artificial intelligence (AI) in the education sector.
 - Need for Investing in Mothers' Education:** The education of mothers, especially those with limited schooling, is a key factor in supporting their children's learning. Educating them could help bridge educational gaps in rural areas.
- Technological Challenges and Opportunities for Rural Education:**
 - Hardware Accessibility:** While hardware, including smartphones, is becoming more accessible in rural areas, larger and more sophisticated devices are needed to leverage advanced AI-driven learning tools.
 - Language and Translation Tools:** Technological advancements have overcome the language barrier, enabling tools for learning in local languages and facilitating translation, making content more accessible.
 - Creating Community-Based Learning:** The idea of creating a centralized learning hub within villages (such as a 'school' with an intelligent device to guide learning) could provide structured education in areas with chaotic or inconsistent school attendance.

6. TROPEX-25 GS 2 (Security)

- **Why in News:** The 2025 edition of Indian Navy's capstone Theatre Level Operational Exercise (TROPEX), is currently underway in the Indian Ocean Region.
- **About TROPEX-25:**
 - It is an **operational level exercise** is **conducted biennially** with participation by all operational **Indian Naval units** along with substantial participation of **Indian Army, Indian Air Force and Coast Guard assets**.
 - TROPEX 25 is aimed at validating **Indian Navy's core warfighting skills**, and ensuring a synchronised, integrated response to preserve and protect national maritime security interests in a contested maritime environment against conventional, asymmetric as well as hybrid threats.
 - The exercise is being conducted in various **phases - both in Harbour and at Sea**, integrating various facets of combat operations, cyber and electronic warfare operations, live weapon firings during Joint Work Up Phase and **Amphibious Exercise (AMPHEX)**
 - During the exercise, the combined fleets comprising approximately 65 Indian Naval Ships, 09 Submarines and over 80 Aircrafts of different types, are put through complex maritime operational scenarios.
 - It is witnessing participation of platforms like indigenous aircraft carrier Vikrant, state-of-the-art Visakhapatnam and **Kolkata-class destroyers, Kalvari-class submarines** and aircraft fleet comprising MiG 29K, P8I, HALE Sea Guardian and MH-60R helicopters.
 - Towards enhancing synergy and jointness amongst the Services, IA, IAF and Indian Coast Guard have also been integrated into the exercise, with participation of **Sukhoi-30, Jaguar, C-130, Flight Refueller, AWACS aircraft**.
 - TROPEX 25 is a step forward in coordinated planning, precise targeting, combat effectiveness and credible joint operations in a dynamic environment, towards safeguarding India's national maritime interests.

Nine submarines, 65 ships taking part in TROPEX exercise

The Hindu Bureau
NEW DELHI

Indian Navy's biennial capstone Theatre Level Operational Exercise (TROPEX) is under way in the Indian Ocean Region, in which the combined fleet, comprising approximately 65 Indian Navy ships, nine submarines, and over 80 aircraft, are being "put through complex maritime operational scenarios to validate and refine the Navy's Concept of Operations".

This is conducted biennially with participation by all operational units of the Navy along with participation of Army, Air Force, and Coast Guard assets. "TROPEX-25 is aimed at validating Indian Navy's core warfighting skills, and ensuring a synchronised, integrated response to preserve and protect national maritime security interests in a contested maritime environment against conventional, asymmetric as well as hybrid threats," the Navy said in a statement.

7. US President Trump Imposes Sanctions on the International Criminal Court GS 2 (International Relations)

- **Why in News:** U.S. President Donald Trump signed an executive order imposing sanctions on the International Criminal Court over investigations of Israel, a close U.S. ally.
- **Background:**
 - **U.S. President Donald Trump** signed an **executive order**, imposing sanctions on the **International Criminal Court (ICC)**.
 - The move comes in response to the ICC's issuance of an **arrest warrant against Israeli Prime Minister Benjamin Netanyahu** for alleged war crimes committed in **Gaza following the Hamas attack in October 2023**.
 - Neither the **United States** nor **Israel** recognizes the ICC's jurisdiction, leading Trump to denounce the court's actions as **"illegitimate and baseless"**.
 - This order marks another significant step in the U.S. stance against the ICC's interventions in American and allied affairs.

Trump sanctions ICC for 'illegitimate probes' targeted against Israel, U.S.

Curbs include asset freezes and travel bans against ICC officials, employees and their family members along with anyone deemed to have helped the court's probe. The Hague-based court vows to continue providing justice around the world.

Agence France Press
WASHINGTON

U.S. President Donald Trump imposed sanctions on the International Criminal Court for probes targeting America and its ally Israel, but the ICC on Friday vowed to continue providing "justice and hope" around the world.

Mr. Trump signed an executive order on Thursday saying the court in The Hague had "abused its power" by issuing an arrest warrant for visiting Israeli Prime Minister Benjamin Netanyahu, who held talks with the U.S. President in Washington on Tuesday.

It said sought to "harm its independent and impartial judicial work". "The Court stands firmly by its personnel and judges to continue providing justice and hope to victims of atrocities across the world," it said in a statement.

The United Nations said it deeply regretted Mr. Trump's decision to slap sanctions on the ICC and urged him to reverse the move.

The names of the individuals affected by the sanctions were not immediately released, but previous U.S. sanctions under Mr. Trump had targeted the court's prosecutor.

Mr. Trump's order said the tribunal had engaged in "illegitimate and baseless" actions "targeting America and our close ally Israel" - referring to ICC probes into alleged war crimes by U.S. service members in Afghanistan and Israeli troops in Gaza.

Israel's Foreign Minister Gideon Sa'ar applauded Mr. Trump on Friday over the sanctions, calling "the court's actions against Israel illegitimate."

Neither the U.S. nor Israel are members of the court. The EU warned the move was a threat to its independence.

- **Reasons Behind Donald Trump Imposing Sanctions on the ICC:**
 - **ICC's Arrest Warrant for Israeli Leaders**
 - The ICC issued an **arrest warrant for Israeli Prime Minister Benjamin Netanyahu** and **former Defense Minister Yoav Gallant**, holding them accountable for Israel's **military actions in Gaza** after the 2023 Hamas attack.
 - The conflict resulted in **tens of thousands of Palestinian casualties, including children**, drawing widespread international condemnation.
 - **U.S. and Israel's Non-Recognition of ICC**
 - Neither **Israel nor the U.S. is a member of the ICC**, as both governments reject the court's authority over their national security matters.
 - Trump's executive order argues that the **ICC is setting a dangerous precedent** by prosecuting leaders of non-member states.
 - **Trump's Defense of U.S. Allies**
 - The executive order states that the **ICC's actions are a direct attack on a close U.S. ally**, and that targeting Netanyahu is **unacceptable**.
 - The U.S. government has long been wary of an **international tribunal holding American and allied officials accountable for military operations**.
- **Significance of the Sanctions:**
 - Trump's executive order threatens **"tangible and significant consequences"** for ICC officials involved in the investigation against Israel. These include:
 - **Freezing Assets and Property** – ICC officials and their associates could have their **U.S. assets frozen**
 - **Travel Bans** – ICC prosecutors and their **family members may be denied entry into the U.S.**
 - **Restrictions on Collaborators** – Individuals and organizations that assist the ICC's investigations could face **legal consequences** under U.S. laws.
 - This is not the first time the **U.S. has sanctioned ICC officials**. In 2020, Trump imposed similar measures against **then-Chief Prosecutor Fatou Bensouda** for investigating alleged U.S. war crimes in **Afghanistan**. However, these sanctions were later lifted under **President Joe Biden**.
- **Criticism of Trump's Decision:**
 - **Human Rights Organizations Condemn the Move**
 - **Human Rights Watch** and the **American Civil Liberties Union (ACLU)** have denounced the sanctions, calling them **an attack on international justice**.
 - As per the ACLU, the **sanctions would discourage victims of human rights abuses from seeking justice** through the ICC.
 - **Concerns Over Free Speech and Accountability**
 - Critics argue that the **executive order violates First Amendment rights**, as **U.S. citizens who assist the ICC could face penalties**.
 - **Impact on U.S. Global Influence**
 - The move raises concerns about the U.S. appearing to **shield its allies from accountability** while advocating for international justice elsewhere.
 - In **2023, the U.S. supported ICC charges against Russian President Vladimir Putin** for war crimes in Ukraine, showing **inconsistency in its stance toward the court**.
- **Political and Diplomatic Implications:**
 - Trump's sanctions on the ICC could have **long-term geopolitical consequences**:
 - **Strengthening U.S.-Israel Relations** – The move is likely to **deepen U.S.-Israel ties**, as Trump presents himself as a defender of Israel against international scrutiny.
 - **Straining U.S. Relations with Europe** – Many European nations support the ICC's role in **prosecuting war crimes**, and this decision could create friction between the **S. and its European allies**.
 - **Future of U.S. Foreign Policy** – Trump's **aggressive stance against international institutions** like the ICC could reshape **U.S. foreign policy** in future global conflicts.