

## WOULD INDIA FALL UNDER CAATSA SANCTIONS?

By  
**Dost Muhammad Barrech**  
*Research Associate*  
*India Study Centre (ISC), ISSI*

Edited by  
**Dr Saif ur Rehman Malik**

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*(Views expressed in the brief are those of the author, and do not represent those of ISSI)*



Moscow has started supplying New Delhi with S-400 air defence missile systems, said Dmitry Shugayev, the head of the Russian military cooperation agency. S-400 air defence missile systems deal between Russia and India worth around US\$5.5 billion was signed in 2018 for five long-range surface-to-air missile systems that New Delhi believes are crucial to counter China.<sup>1</sup> The deal attracts a great deal of attention from the experts to the U.S. legislation called Countering America's Adversaries Through Sanctions Act (CAATSA). CAATSA is the US Federal Law signed on August 2, 2017, that requires the US President to sanction Russian, North Korean and Iranian, sectors, punishing direct or indirect support of them. The three sections of CAASTA are aimed at curbing Iran's nuclear missiles program, reducing Russian growing influence in Europe and Eurasia and curbing North Korean weapons of mass destruction.<sup>2</sup>

The U.S. applied CAASTA on Turkey in January 2021 after buying S-400 systems from Moscow. But sanctioning India under CAATSA appears to be a herculean task for Washington nor does New Delhi worry about CAATSA as it considers it the US law, and not one by the United Nations. In March 2021 Lloyd Austin, visiting the U.S. Secretary of Defense raised concerns over India's planned

1 "Russia Starts Missile Supplies to India Despite US Sanctions Risk," *Dawn*, November 14, 2021, <https://www.dawn.com/news/1658063/russia-starts-missile-supplies-to-india-despite-us-sanctions-risk>.  
2 "CAATSA: A Brief Overview," *Turkish Law Blog*, November 19, 2021, <https://turkishlawblog.com/read/article/140/caatsa-a-brief-overview>.

procurement of the S-400 air defence missile. He had accentuated that the US allies and partners ought to shun “any kind of acquisitions that will trigger sanctions”.<sup>3</sup>Austin soon after clarified that the question of sanctioning India was not under consideration as New Delhi had not taken delivery of the system; sanctions would be applied only when deliveries took place, Austin added.<sup>4</sup> Interestingly, India at the current juncture has purchased S-400 air defence missile systems from Russia. A few queries remain unanswered. Will the US impose sanctions against India under CAATSA? If sanctions are applied what would be the Indian reaction?

India, arguably, is a robust bulwark of the US against the containment of China sanctioning would lose a strategic ally in the Indo-Pacific region. Meanwhile, India and Russia have a long history of military relations since the era of the Soviet Union. Currently in the military services of India nearly 86 per cent of the weapons, equipment, and platforms are of Russian origin. The US started selling weapons and equipment to India in 2001 after easing its relations with New Delhi. The Russian air defence system is extensively used in the Indian military; the latter is unlikely to compromise on the former’s sophisticated weapons. Sanctioning India will reduce Indian military buttress vis-à-vis China and will swing New Delhi to Moscow that the US never wants to happen.<sup>5</sup> The US is fully cognizant of the fact that if sanctions are imposed it will alienate India resulting in losing the Indian arms market damaging the U.S. military-industrial complex. The fact of matter is that instead of sanctioning and alienating India, the U.S. presumably will occupy the Indian arms market by competing with Russian weapons and equipment in terms of performance and price.<sup>6</sup>

On the other hand, there is a great deal of likelihood that CAATSA will bypass India, under the Act’s ‘modified waiver authority’ for “certain sanctionable transactions’ granted by the U.S. president Joe Biden.<sup>7</sup> India has already been lobbying in Washington for CAATSA waiver over the S-400 air defence missile systems. Indian diplomats and security officials reassured the U.S. that both India and the US had a comprehensive global strategic partnership and both were having a threat from China and S-

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3 "Russian S-400 Air Defence Systems Begin Arriving in India, US Threat of CAATSA Sanctions Looms," *The Print*, November 14, 2021, <https://theprint.in/defence/russian-s-400-air-defence-systems-begin-arriving-in-india-us-threat-of-caatsa-sanctions-looms/766020/>.

4 Ibid.

5 Song Zhongping, "Why Washington Can't Ask New Delhi to Drop S-400 Deal," *Global Times*, Nov 15, 2021, <https://www.globaltimes.cn/page/202111/1239023.shtml>.

6 Ibid.

7 “Russian S-400 missile systems will bolster India’s lagging air defence network”, *The Wire*, <https://thewire.in/security/hopeful-of-a-caatsa-bypass-india-looks-to-bolster-air-defence-with-russian-s-400>

400 air defence missile systems were attributed to countering China. New Delhi had also guaranteed the protection of the US materiel and the US “technical and operational secrecy”.<sup>8</sup>

India predominantly reassured Washington that the former was willing to reduce its dependency on Russian defence equipment in the foreseeable future. India, as a result, was backed by three Republican senators who presented an amendment in Congress to the National Authorization Act for Fiscal Year 2023 with the aim of making obstacles for the U.S. in the imposition of CAATSA on India. The US latest legislation, called the Circumspectly Reducing Unintended Consequences Impairing Alliances and Leadership (CRUCIAL) Act, 2021 maintains that CAATSA will only weaken the U.S. security in the Indo-Pacific region. Ted Cruz a Republican senator, argues that “Now would be exactly the wrong time for President Biden to undo all of that progress (in partnering India) through the imposition of these sanctions”.<sup>9</sup>

S-400 obviously ushers a path to a diplomatic crisis for the Biden administration. Applying CAATSA on India will dilute the strategic coherence of Quadrilateral Security Dialogue QUAD in the Indo-Pacific undermining U.S. diplomatic ties with India in the containment of China. Moscow also looks forward to taking advantage of the sanctions reclaiming its role as an Indian bona fide military partner. Applying sanctions would remain a geostrategic victory of Russia damaging the U.S. Indo-Pacific strategy overwhelmingly.<sup>10</sup>

Beijing remains as a prime adversary of the US and India that forces both countries to be strategic allies in the region. However, the S-400 air defence missile somewhat caused a rift in the diplomatic ties of the US and India. It can be argued that the US irresponsible withdrawal from Afghanistan and the non-inclusion of India in the AUKUS compelled India to move towards Moscow in a bid to pressurize the US. The U.S. certainly hangs in the balance as far as CAATSA is concerned. On one hand, sanctioning India will bring New Delhi and Moscow further closer, weakening the U.S. containment policy of China and the credibility of the Quad. On the other, non-imposition of CAATSA would tarnish the US image globally, showcasing its selective approach in punishment of the countries.

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<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Young, T. , “Sanctioning India would spoil the quad”, *Foreign Policy*, April 12, 2021, <https://foreignpolicy.com/2021/04/12/united-states-india-quad-china-russia-s-400-caasta-waiver-biden-modi/>