



CAATSA

For Prelims: CAATSA, S-400 Missile System.

For Mains: Implications of CAATSA Waiver for India, US-India relations, Russia-India relations.

Why in News?

Recently, the United States (US) House of Representatives has approved an amendment to the **National Defence Authorization Act (NDAA)**, proposing India-specific waiver under the [Countering America's Adversaries Through Sanctions Act \(CAATSA\)](#).

- It will **allow India to freely purchase [Russia's S-400 missile system](#)** without the fear of American sanctions.
- The National Defense Authorization Act (NDAA) is legislation that Congress passes each year to make changes to the policies and organization of United States defense agencies and provide guidance on how military funding can be spent.

What is the Proposed Amendment?

- The amendment urges the US administration to use its authority to provide India with a Countering America's Adversaries Through Sanctions Act (CAATSA) waiver to help deter aggressors like China.
- The legislation says that the **United States-India Initiative on Critical and Emerging Technologies (ICET)** is a welcome and essential step to developing closer partnerships between governments, academia, and industry in the two countries to address the latest advances in artificial intelligence, quantum computing, biotechnology, aerospace, and semiconductor manufacturing.

What is CAATSA?

- **About:**
 - **US Law:**
 - CAATSA is a law that **came into effect in the US in 2017**, and was **meant to punish countries having deep engagements with Russia, North Korea, and Iran** using economic sanctions.
 - **Title II of the Act primarily deals with sanctions on Russian interests** such as its oil and gas industry, defence and security sector, and financial institutions, in the backdrop of its [military intervention in Ukraine](#) and its alleged meddling in the 2016 US Presidential elections.
 - Section 231 of the Act **empowers the US President to impose at least five of the 12 listed sanctions** — enumerated in Section 235 of the Act — on persons engaged in a "significant transaction" with Russian defence and intelligence sectors.
 - As part of Section 231 of the Act, the US State Department has notified 39 Russian entities, dealings with which could make third parties liable to

sanctions.

- **Sanctions that can Impact India:** There are only **two sanctions** that may impact either India-Russia relations or India-US relations.
 - **Prohibition of Banking transactions:** The first of these, which is likely to have an impact on India-Russia relations, is the **“Prohibition of Banking transactions”**.
 - This would mean difficulties for India in making payments in US Dollars to Russia for the purchase of the S-400 systems. It will also affect India’s purchase of spare parts, components, raw materials and other assistance.
 - In 2020, **Turkey was sanctioned** for its purchase of the S-400 system.
 - **Export Sanction:** The sanction will have greater consequences for India-US relations.
 - This is the “export sanction” which has the potential to completely derail the **India-US Strategic and Defence partnership**, as it will deny the license for, and export of, any items controlled by the US.
- **Waiver Criteria:**
 - The US President was **given the authority in 2018 to waive CAATSA sanctions on a case-by-case basis.**

What is Russia’s S-400 Missile System?

▪ About:

- It is a mobile, **Surface-to-Air Missile system (SAM)** designed by Russia.
- It is the **most dangerous operationally deployed Modern Long-Range SAM (MLR SAM)** in the world, considered much ahead of the **US-developed Terminal High Altitude Area Defence system (THAAD)**.
- It integrates a multifunction radar, autonomous detection and targeting systems, anti-aircraft missile systems, launchers, and command and control centre.
 - It is **capable of firing three types of missiles** to create a layered defence.
- The system can engage all types of aerial targets including aircraft, **unmanned aerial vehicles (UAV) and ballistic and cruise missiles** within the range of 400km, at an altitude of up to 30km.
- The system can track 100 airborne targets and engage six of them simultaneously.

▪ Significance for India:

- From India’s point of view, China is also buying the system. In 2015, China signed an agreement with Russia to purchase six battalions of the system. Its delivery began in January 2018.
- China’s acquisition of the **S-400 system has been viewed as a “game changer”** in the region. However, its effectiveness against India is limited.
- India’s acquisition is crucial to counter attacks in a **two-front war**, including even high-end F-35 US fighter aircraft.

What are the implications of CAATSA Waiver on India-US Relations?

- The NDAA amendment also urged the US to take more steps **to assist India’s pivot away from its reliance on Russia-made arms.**
- The amendment is **in sync with the tenor of the recent bilateral strategic relations.**
 - The watershed year was 2008 and since then cumulative US defence contracts with India add up to at least USD 20 billion. It was just USD 500 million in the period prior to 2008.
 - Furthermore, in 2016, the **US recognised India as a major defence partner.** Strategic ties have also been strengthened through groupings such as **Quad** and now **I2U2.**
- For India, a **transition away from Russian platforms is in its strategic interests.**
 - Russia’s dependence on China has increased significantly following its invasion of Ukraine, a situation that’s unlikely to change in future.
 - Already, China is next only to India as the second largest recipient of Russia’s arms

- exports.
- Given the unravelling of India's longstanding border management protocols with China, dependence on Russian arms platforms is unwise.

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