

# MP-IDSA *Commentary*

## United States Sanctions on Pakistan

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### **S***ummary*

The imposition of sanctions on entities involved in clandestinely procuring strategic technologies highlight that the widely proclaimed dismantlement of the proliferation network involving Pakistan and China was either overstated or an oversight.

On 18 December 2024, the United States announced sanctions on four Pakistani organisations under Executive Order (E.O.) 13382.<sup>1</sup> The organisations named were the National Development Complex (NDC), Akhtar and Sons Private Limited, Affiliates International and Rockside Enterprise. Of these, three are Karachi-based private entities, while the NDC is a government-owned organisation headquartered in Islamabad.

The sanctions were imposed due to the organisations' involvement in ballistic missile proliferation. According to the U.S. State Department's press release, these sanctions represent an extension of existing measures targeting the entities, which have been implicated in long-term activities related to ballistic missile development.<sup>2</sup> Additionally, it was noted that the private organisations acted as affiliates of the NDC.

A fact sheet<sup>3</sup> issued by the State Department on the same day elaborated on the sanctions and their rationale. It stated that the NDC had been targeted for its role in developing long-range missiles, including the Shaheen series. The document also highlighted that the NDC was creating specialised vehicle chassis intended for use as launch support equipment and missile testing platforms. However, the fact sheet left unclear whether the principal target of the sanctions was long-range ballistic missiles in general, the Shaheen series specifically, or the special vehicle chassis.

## Implications

The broader implications of these sanctions under E.O. 13382 warrant examination. Are they new developments in US proliferation policy on Pakistan? Or do they signify a continuation of longstanding US policy? The title of the statement—indicating "additional sanctions"—implies that these organisations have already been under scrutiny and subject to prior measures for their involvement in missile proliferation. The significance of the 18 December statement, therefore, lies in its reinforcement of an ongoing narrative rather than the introduction of a new policy direction.

Executive Order (E.O.) 13382, which came into effect on 28 June 2005 was designed to build upon the principles outlined in E.O. 12938 of 14 November 1994. E.O. 13382 serves as an additional mechanism to combat the proliferation of weapons of mass destruction (WMD) and their delivery systems. It is administered by the Office of Foreign Assets Control (OFAC) under the U.S. Department of the Treasury.

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<sup>1</sup> Matthew Miller, [“U.S. Announces Additional Sanctions on Entities Contributing to Pakistan’s Ballistic Missile Program”](#), U.S. Department of State, 18 December 2024.

<sup>2</sup> Ibid.

<sup>3</sup> [“U.S. Sanctions on Four Entities Contributing to Pakistan’s Ballistic Missile Program”](#), U.S. Department of State, 18 December 2024.

In the U.S. system, OFAC manages

economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of WMDs, and other threats to the national security, foreign policy, or economy of the United States.<sup>4</sup>

E.O. 13382 specifically targets "the property of specially designated WMD proliferators and members of their support networks".<sup>5</sup> Its measures effectively deny designated parties access to U.S. financial and commercial systems. As part of this action, on 18 December 2024, OFAC added the four Pakistani organisations, along with others, to the Specially Designated Nationals (SDN) List.<sup>6</sup>

Under these sanctions, no US person—which includes individuals and entities within the United States as well as US citizens living abroad—may conduct business with the designated organisations. Additionally, the sanctions require any blocked property or assets belonging to these organisations to be reported to OFAC within a specified period.

## Continuity or Change?

Although Pakistan and its proliferating organisations and individuals have been subject to sanctions for decades,<sup>7</sup> recent years have seen a series of American notifications imposing additional restrictions. For instance, on 23 October 2024, the *Federal Register* published a notice that added 16 Pakistani organisations and individuals to the Entity List maintained by the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce.<sup>8</sup> These entities were cited for their involvement in ballistic missile proliferation. The same notice also included 26 entities from four countries, including China.

The Pakistani entities listed in the 23 October 2024 notification include the following:

- Ansar Mahmood
- Asia Pacific Trade Hub

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<sup>4</sup> [Office of Foreign Assets Control](#), U.S. Department of the Treasury.

<sup>5</sup> [“Executive Order 13382, ‘Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters’; the Weapons of Mass Destruction Trade Control Regulations \(Part 539 of Title 31, C.F.R.\); and the Highly Enriched Uranium \(HEU\) Agreement Assets Control Regulations \(Part 540 of Title 31, C.F.R.\)”](#), Office of Foreign Assets Control, U.S. Department of the Treasury.

<sup>6</sup> [“Balkans-related, Iran-related, Non-Proliferation, and Russia-related Designations; Issuance of Russia-related General Licenses and Frequently Asked Questions”](#), Office of Foreign Assets Control, U.S. Department of the Treasury.

<sup>7</sup> [Bureau of Industry and Security](#), U.S. Department of Commerce.

<sup>8</sup> [“Bureau of Industry and Security, U.S. Department of Commerce”](#), *Federal Register*, Vol. 89, No. 205, 23 October 2024.

- Combine Communications
- Engineering Aura
- Haris M. Fazal
- Mansoor Ahmed Malik
- Metal Paint Products (Pvt) Ltd
- Innovative Equipment (Private) Limited
- Konsult Tek (Pvt) Ltd
- Marriala Consultants
- Rehman Feroze
- Rockside Enterprise
- Technologic Enterprises
- United Institute of Technical Professional Education
- Usman Feroze
- Zaheer & Sons

The notification stated that these entities were designated for "engaging in activities contrary to the national security and foreign policy interests"<sup>9</sup> of the United States. Specifically, the entities were accused of acting as front companies and procurement agents for the Advanced Engineering Research Organization (AERO), a Pakistani company that was first added to the BIS Entity List in 2014. AERO, which also operates under the alias Integrated Solutions, has been involved in clandestinely procuring items for Pakistan's ballistic and cruise missile programs as well as its strategic unmanned aerial vehicles (UAVs).

The Federal Register notice on 18 September 2024 had similarly added nine entities, including AERO, to the Entity List. It noted that AERO had procured missile technologies from Chinese companies like Beijing Lion Heart International Trading Company, which were then transferred to Pakistan's Air Weapons Complex—a government organisation responsible for developing cruise missiles and strategic UAVs.

Some of the entities designated in the September 2014 notification were also implicated in supporting Pakistan's Atomic Energy Commission (PAEC), which has long been on the U.S. Entity List. Subordinate organisations of PAEC, such as the

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<sup>9</sup> Ibid.

Pakistan Institute of Nuclear Science and Technology, have similarly faced longstanding sanctions for nuclear proliferation activities.

Over the years, numerous Pakistani government entities, front companies and individuals have continued to appear on the Entity List for their roles in nuclear and missile proliferation. For example, in 2021, 11 Pakistani entities were added; in 2022, 3 were listed while 14 were designated in 2023.

Currently, over 165 Pakistani entities are on the BIS Entity List, and when aliases are included, the number exceeds 200.<sup>10</sup> This is a welcome development, as these entities are engaged in activities that directly and indirectly threaten regional and global security. The United States, as part of the global security framework, has been adversely affected by the actions of these organisations and individuals. Pakistan and its affiliated entities have long been viewed with suspicion due to their proliferation-related activities.

This extensive listing reflects the serious threat these entities pose to regional and global security. Many of these organisations, even those associated with the International Atomic Energy Agency or the Organization for the Prohibition of Chemical Weapons, are suspected of clandestinely assisting the development of weapons of mass destruction (WMD).

Inclusion on the Entity List triggers additional scrutiny for any organisation before items can be supplied to it. It affects the licensing process and activates the "catch-all clause", which ensures that any item potentially contributing to the development of ballistic missiles or WMD delivery systems is "reviewed under a presumption of denial". The US employs a combination of Commerce Control List-based controls, end-use controls, and end-user controls for Pakistan to mitigate these risks effectively.

## **Conclusion**

The imposition of sanctions and the continued increase in the number of entities involved in clandestinely procuring strategic technologies highlight that the widely proclaimed dismantlement of the proliferation network involving Pakistan and China was either overstated or an oversight of the stark reality. The proliferation network persists, with even US companies at times becoming unwitting participants. Notifications in the *Federal Register* explicitly acknowledge the ongoing complicity between China and Pakistan. Pakistan frequently employs non-state actors to advance its security and foreign policy objectives. These activities pose a significant threat not only to Indo-Pacific security but also to American national security.

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<sup>10</sup> “[Supplement No. 4 to Part 744—Entity List](#)”, Code of Federal Regulations.

## About the Author



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