



## Australian Sanctions Office

### ADVISORY NOTE

# IRANIAN PROCUREMENT NETWORKS

DATE: 12 December 2025

This **ADVISORY NOTE** is produced by the Australian Sanctions Office (ASO) and the Australian Border Force (ABF) to inform the regulated community of a developing issue presenting significant sanctions risk. It provides a summary of relevant sanctions laws but does not cover all possible sanctions risks. Users should consider all applicable sanctions measures and seek independent legal advice. This document should not be used as a substitute for legal advice. Users are responsible for ensuring compliance with Australian sanctions laws.

## IRANIAN PROCUREMENT

Iranian procurement refers to the process by which Iran acquires goods, technology, and services, often through complex or illicit networks, to support its military and nuclear programs. This activity is a key focus of international efforts to restrict Iran's access to technologies that could contribute to weapons development. Iran's attempts to acquire nuclear technology, weapons, and related materials pose significant sanctions risks for Australian businesses that may export sensitive or high-value goods to Iran.

## IRAN'S PROCUREMENT STRATEGIES

Iran has an extensive international procurement network, leveraging shell companies, intermediaries, and covert routes across Asia, Europe, North America, and the Middle East, to bypass sanctions. These networks are known for their complexity, adaptability and global reach. Common tactics leveraged by Iranian procurement networks include:

- attempting to use Australia-based companies with existing trade links to Iran to access dual-use or sensitive technologies
- attempting to access dual-use or sensitive technologies without clear industrial or commercial justification
- using front companies, including newly established or short-lived entities with minimal operational footprints
- using intermediaries and brokers, including entities with open-source reporting linking them to the acquisition of sensitive goods and technologies for Iran's Ministry of Defence and Armed Forces Logistics
- using transshipment points, often routing goods through countries with weaker export controls - such as those in the Middle East - resulting in complex and commercially impractical shipping routes
- using falsified documentation, such as mislabeling goods or providing incorrect details about the end recipient. This may also involve vague or misleading use of HS (or AHECC) codes and commodity descriptions
- using state owned shipping and transportation companies to transfer high-risk goods
- transporting dual-use or sensitive goods via vessels displaying high-risk indicators, including those previously sanctioned for shadow fleet activity, with histories of frequent flag hopping, or involvement in repeated ship-to-ship transfers

**Case Study:** On November 12, 2025, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated 32 individuals and entities based in Iran, the United Arab Emirates (UAE), Türkiye, China, Hong Kong, India, Germany, and Ukraine that operate multiple procurement networks supporting Iran's ballistic missile and unmanned aerial vehicle (UAV) production. It was alleged that network involved coordinated the procurement of ballistic missile propellant ingredients, including sodium chlorate, sodium perchlorate, and sebacic acid, from other countries on behalf of Parchin Chemical Industries (PCI), an element of Iran's Defense Industries Organization (DIO) that is responsible for the import and export of chemical goods.

Sodium chlorate is used to produce sodium perchlorate, which is used to manufacture the Missile Technology Control Regime (MTCR)-controlled chemical ammonium perchlorate. Ammonium perchlorate is used in solid propellant rocket motors, which are commonly used for ballistic missiles. Sebacic acid is used to produce resins, which are materials sought by Iran for its ballistic missile program, and plasticizers, certain types of which are propellant additives and agents controlled by the MTCR.

**Case Study:** On April 1, 2025 U.S. Department of the Justice reported on current action by the Department of Treasury on individuals alleged to be conspiring to procure U.S. parts for Iranian Unmanned Aerial Vehicles (UAVs, also known as drones), conspiring to provide material support to the IRGC – a designated foreign terrorist organization – and conspiring to commit money laundering. According to Department of Justice the accused falsely purported to represent other companies, including a company based in the United Arab Emirates (UAE) (Company-2) and a company based in Belgium (Company-3). It is alleged the defendants used a 'spoofed' email address, containing a misspelled version of Company-2's name, to communicate regarding the procurement of parts, including parts manufactured by U.S. companies. It is also alleged the defendants also used various 'front' or 'shell' companies to pay for UAV parts and to obfuscate the true end destination and the true identities of the sanctioned end users, including QAI and the IRGC, which were acquiring U.S.-made parts through aliases to obfuscate their true identities in furtherance of the scheme.

## IRAN PROCUREMENT AND EXPORT CONTROLS

Many of the goods listed below are of interest to Iran for **proliferation** purposes and may be subject to export controls. Businesses exporting these items are strongly advised to conduct due diligence to ensure their products are not supplied, directly or indirectly, to Iran. Not all goods fall under a single AHECC code, and the list is not exhaustive.

Additionally, many of these goods are prohibited exports to Iran under Australian sanctions law. Between 2006 and 2010, the United Nations Security Council (UNSC) passed several resolutions imposing sanctions on Iran in response to its refusal to suspend uranium enrichment. On 28 September 2025, further sanctions were reimposed by the UNSC under the 'snapback' mechanism in UNSC Resolution 2231. Australia has implemented these updated measures in its domestic law. details of which can be found in the '**Advisory Note- Goods prohibited under the Iran snapback**', and '**Advisory Note – Iranian Shadow Banking**'.

If your activities involve the export of high-risk goods to Iran, it is strongly recommended that you consult the Defence Export Controls and seek legal advice.

High Risk Goods	Relevant AHECC Codes
Computer Numerical Control machines	AHECC Chapter <b>84</b>
Frequency Converters	Includes some goods referenced in Chapters <b>8504</b> and <b>8502</b>
Guidance sensors (such as accelerometers, gyroscopes and inertial measurements systems)	Typically referenced as goods for “measuring and checking instruments” within AHECC Chapter <b>90</b> .
Mass Spectrometers	AHECC Code <b>9027.81.00.01</b>
Centrifuge and Centrifuge Components	AHECC Code <b>8421</b> and <b>8503.00</b>
Carbon Fiber	AHECC Code <b>6815.1</b>
Aluminium Alloys	AHECC Chapter <b>76</b> (specifically NSG controlled aluminium)
Klystrons (microwave tubes)	AHECC code <b>8540.79</b>
Flash X-Ray Systems	AHECC code <b>9022.19.00</b>
Radioactive isotopes	AHECC Chapter <b>28</b>
Tritium	AHECC Code <b>284441</b>
Strontium	AHECC Chapter <b>90</b>
Nickel	AHECC Chapter <b>63</b>
Drones and Drone Componentry	AHECC Chapters <b>8806</b> and <b>8807</b>
Cyber Tools and Surveillance	This may encompass information technology programs and software applications.

## FURTHER INFORMATION AND RESOURCES

For more information on Australian sanctions, please refer to the DFAT sanctions website:

- [Iran Sanctions Framework](#)
- [Advisory Note – Sanctions & proliferation financing | Australian Government Department of Foreign Affairs and Trade](#)
- [Advisory Note – Prohibited Export Goods under the Iran Snapback](#)
- [Advisory Note – Iranian Shadow Banking](#)

For further information on potential high-risk goods, please refer to the following:

- Nuclear Suppliers Group
- [Guidelines for nuclear Transfers \(INFCIRC/254, Part 1\)](#)
- [Guidelines for transfers of nuclear-related dual-use equipment, materials, software, and related technology \(INFCIRC/254, Part 2\)](#)