

## Commerce Press Release



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**BUREAU OF INDUSTRY AND SECURITY**

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### **Commerce Releases Clarifications of Export Control Rules to Restrict the PRC's Access to Advanced Computing and Supercomputing Items and Semiconductor Manufacturing Equipment**

**WASHINGTON, D.C.** – The U.S. Commerce Department's Bureau of Industry and Security (BIS) has published an interim final rule (IFR) revising and clarifying two interim final rules [released](#) on October 17, 2023: (1) "Export Controls on Semiconductor Manufacturing Items" (SME IFR); and (2) "Implementation of Additional Export Controls: Certain Advanced Computing Items; Supercomputer and Semiconductor End Use; Updates and Corrections" (AC/S IFR).

The rules released on October 17, 2023, reinforce the October 7, 2022, controls to restrict the People's Republic of China's (PRC's) ability to both purchase advanced computing chips and manufacture advanced chips critical for military advantage. These rules underscore our clear focus on strategically addressing the threats to our national security posed by the PRC Government's military-civil fusion strategy by controlling items necessary to enable the development and production of technologies, such as artificial intelligence (AI), used in military applications. The clarifications in this Interim Final Rule answer questions posed from industry and other stakeholders after the rules were released on October 17, 2023.

Highlights of this new IFR include clarifying that:

- Computers and other products incorporating integrated circuits that require preexport notification to BIS also require preexport notification; and
- Parts and components exported for ultimate incorporation into indigenous PRC Semiconductor Manufacturing Equipment (SME) require a BIS license for the initial export.

"It is imperative that we continually assess and update our regulations so that we can better protect U.S. national security and foreign policy interests," **said Under Secretary of Commerce for Industry and Security Alan Estevez.** "We value our partners in industry who assist us by providing meaningful feedback and comments."

"Industry is an essential partner when it comes to implementing and ensuring the effectiveness of our controls," **said Assistant Secretary of Commerce for Export Administration Thea D.**

**Rozman Kendler.** “Clarifying our sector-based controls on our most advanced technologies will enhance compliance with our rules.”

These sector-based controls, originally released on October 7, 2022, are calibrated to address, among other concerns, the PRC Government’s efforts to produce and use advanced integrated circuits. These advanced integrated circuits, produced by critical semiconductor manufacturing equipment, can be used for the next generation of advanced weapon systems. They can also be used for advanced artificial intelligence (AI) applications, which can be leveraged to enhance the speed and accuracy of military decision making, planning, and logistics; cognitive electronic warfare; radar; signals intelligence; and jamming. Advanced AI applications can also be leveraged to monitor, track, and surveil citizens and in other applications that enable human rights violations and abuses.

Comments on revisions, corrections, and clarifications in this rule, which can be found [here](#), must be received by BIS no later than April 29, 2024 and may be submitted to the Federal rulemaking portal ([www.regulations.gov](http://www.regulations.gov)). The regulations.gov ID for this rule is: BIS-2023-0016. Please refer to RIN 0694-AJ23 in all comments.