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BUREAU OF INDUSTRY AND SECURITY

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Department of Commerce Announces Additional Export Restrictions to Counter Russian Aggression

WASHINGTON, D.C. – In advance of the G7 Summit, today, and in concert with the Department of the Treasury and the Department of State, the Commerce Department’s Bureau of Industry and Security (BIS) is announcing several significant additional export control restrictions and related actions against Russia to further degrade its ability to continue waging war against Ukraine. These actions underscore the Biden-Harris Administration’s unwavering commitment to countering Russian aggression and its illegal, unjustified, and unprovoked war in Ukraine.

Key actions include:

1. Cracking down on diversion through shell companies;
2. Further cutting off exports of business software that enable Russian and Belarusian defense industries;
3. Restricting trade in more items destined to Russia and Belarus;
4. Tightening the availability of license exceptions for Russia and Belarus;
5. Cutting off trade to foreign companies through the Entity List;
6. Issuing Temporary Denial Orders (TDO), which cuts off not only the right to export items subject to the Export Administration Regulations (EAR) from the U.S., but also to receive or participate in exports from the U.S. or reexports of items subject to the EAR;
7. Restricting distributors and transhippers.

“BIS will continue working with our international and interagency partners to tighten and enforce our restrictions. This work is imperative to limiting Putin’s military options by imposing substantial costs on his ability to repair, replenish, and rearm with high-tech, high-quality equipment,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.**

“BIS will continue to stand with Ukraine and do its part by restricting Russia’s access to items that can sustain its war effort, as well as by identifying entities—wherever located—that seek to provide support to Russia’s war effort and further Putin’s horrors,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “We remain determined,

along with our allies and partners, to degrade Russia's ability to wage this tragic war of aggression."

"Today's actions are just the latest of the aggressive and innovative steps we're taking to degrade the Russian war machine," said **Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod**. "Today's Temporary Denial Orders and novel restrictions on shell company addresses make plain that we're committed to using all enforcement and regulatory tools to counter Russia's circumvention efforts."

Below are summaries of the key actions:

Targeting Shell Companies

BIS is targeting the shell company service industry by creating a new regulatory framework for listing addresses on the Entity List that present a high risk of involvement in unlawful diversion. This will make it harder for shell companies, who can easily change their names or use multiple corporate identities, to find a corporate services provider willing to lend the use of their address for unlawful trade. This new rule requires enhanced client screening by the foreign corporate services industry.

BIS is adding eight addresses in Hong Kong to the Entity List and, going forward, any company that uses the addresses identified in this new rule as a Purchaser, Intermediate Consignee, Ultimate Consignee, or End-User will be faced with restrictions on their ability to engage in transactions subject to the Export Administration Regulations (EAR).

- Address 01: Unit D, 16/F One Capital Place, 18 Luard Rd, Wan Chai, Hong Kong.
- Address 02: Unit 04, 7/F Bright Way Tower, No. 33 Mong Kok Road, Kowloon, Hong Kong.
- Address 03: Room 19C Lockhart Centre 301-307, Lockhart Rd. Wan Chai, Hong Kong.
- Address 04: Room 803, Chevalier House 45-51, Chatham Road South, Tsim Sha Tsui, Hong Kong.
- Address 05: Flat/RM 2309, 23/F, Ho King Commercial Centre, 2-16 Fa Yuen Street, Mong Kok, Kowloon, Hong Kong.
- Address 06: Office 4, 16/F Ho King Commercial Centre, 2-16 Fayuen Street, Hong Kong.
- Address 07: Room 1318-19, 13F, Hollywood Plaza, 610 Nathan Road, Mong Kok, Kowloon, Hong Kong.
- Address 08: Room 1318-20, 13F, Hollywood Plaza, 610 Nathan Road, Mong Kok Kowloon, Hong Kong.

Further Restricting Software Exports

BIS is imposing additional restrictions on the export, reexport, or transfer (in country) of certain types of software, to include enterprise management software and design software, to Russia and Belarus, even when not specifically identified on the Commerce Control List. This will make it harder for Russia's and Belarus' military industrial bases to operate with a modern software infrastructure. The United States strongly supports the free flow of information and communication globally. These actions are not intended to disrupt civilian access to software and

aim to protect access by Russian and Belarusian civil society and the broader public to information communications technology.

Restricting Trade in More Items Destined to Russia and Belarus

BIS is adding controls on more than 500 additional 6-digit Harmonized Tariff System codes for export, reexport, or transfer (in-country) to Russia and Belarus. With this rule, BIS now controls 22 entire 2-digit chapters of HTS codes to Russia. BIS is also adding controls on several additional riot control agents to Russia and Belarus. Most remaining trade with Russia is limited to agricultural or medical sectors.

Reducing License Exception Eligibility for Certain Consumer Goods

BIS is narrowing the scope of License Exception Consumer Communications Devices (CCD). While maintaining its policy of strongly supporting the free flow of information to the people of Russia and Belarus, additional items such as lower-level graphics processing units are no longer eligible for export to Russia or Belarus pursuant to License Exception CCD. BIS has the ability to revoke or suspend the availability of license exceptions for actors aiding in the evasion of export controls.

Additions to the Entity List

Five Entities in Russia and China are being added to the Entity List, restricting exports, reexports, and transfers (in-country) involving these entities.

- Shenzhen Daotong Intelligent Aviation Technology Co., Ltd (Autel), located in China, has been involved in the shipment of controlled items to Russia since Russia's invasion of Ukraine in February 2022 as well as acquiring and attempting to acquire U.S.-origin items applicable to unmanned aerial vehicles to be used by Chinese military entities.
- Volgogradpromproyekt (VPP), located in Russia, has been involved with, contributes to, and supports the Russian military and defense sectors and has sold a variety of chemicals for use in the activities of companies of concern.
- Three entities located in China, are being added for procuring components, including U.S.-origin components, that are used to develop and produce Shahed-series UAVs which have been used by Russia in Ukraine. These companies are: Advantage Trading Co. Limited; Duling Technology (HK) Limited; and FY International Trading.

Temporary Denial Orders

BIS issued two Temporary Denial Orders (TDO) against two Russian procurement networks facilitating exports of aircraft parts to Russia through third countries in violation of U.S. export controls. TDOs are significant protective administrative measures issued by BIS that cut off not only the right to export items subject to the EAR from the U.S., but also the ability to receive or participate in exports from the United States or reexports of items subject to the EAR.

1. BIS issued a [TDO](#) against Turboshaft FZE, Treetops Aviation, Black Metal FZE, Timur Badr, and Elaine Balingit due to their involvement in the export of aircraft parts to Russia in violation of BIS export controls. Badr, through his companies Turboshaft FZE, Treetops Aviation, and Black Metal FZE, and with Balingit's assistance, exported more than 500 shipments, at least some of which consisted of aircraft parts, to Russia. The

Russian recipients included an arm of Siberian Airlines, a company which is itself subject to a TDO.

2. BIS issued a [TDO](#) against Skytechnic, Skywind International Limited, Hong Fan International, Lufeng Limited, Unical dis Ticaret Ve Lojistik JSC, Izzi Cup DOO, Alexey Sumchenko, Anna Shumakova, Branmir Salevic, and Danijela Salevic. Their transnational scheme to circumvent BIS export controls is responsible for the export of approximately 260 shipments, the majority of which contained aircraft parts, to Russia. The Russian recipients included Pobeda Airlines, a Russian aviation company that is also subject to a TDO.

Restricting Distributors and Transhippers

In addition to today's actions, BIS continues to impair transshipment of items to Russia's defense industrial base. BIS recently informed over 130 U.S. distributors of additional restrictions on shipments to known suppliers to Russia. These controls focused on disrupting the flow of U.S. and foreign-produced electronic components destined to Russia through intermediaries. This work builds on BIS's ongoing efforts to crack down on shipment of high priority items to Russia.

To further impair Russia's diversion efforts, BIS will more extensively target foreign companies who supply U.S.-branded products to Russia through Entity List additions and other related actions. Products of U.S.-headquartered companies are often reliant on U.S. technology, software or tooling, and even though they may not be of U.S.- origin, they may nonetheless be subject to U.S. jurisdiction.

Additional Background on Today's Actions:

These efforts are meant to serve as a response to continued Russian aggression against Ukraine. The restrictions imposed in today's rule serve as an action against those entities listed, which have supported the Russian military industrial base and other activities contrary to U.S. national security and foreign policy interests, as well as others involved in the support of Russia's military capabilities.

Since February 24, 2022, BIS has implemented a series of [stringent export controls](#) that restrict Russia's access to the technologies and other items that it needs to sustain its brutal war against Ukraine. These restrictions also apply to Belarus in response to its substantial enabling of Russia's destabilizing conduct.

The text of the rule released today, which includes the list of entities, is available on the Federal Register's website here: <https://www.federalregister.gov/public-inspection/current>.

Additional information on the Entity List is available on BIS's website at: [Training Opportunities | Bureau of Industry and Security \(bis.gov\)](#)

For more information, visit: bis.gov