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BUREAU OF INDUSTRY AND SECURITY

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Department of Commerce Announces Additions to Entity List to Safeguard National Security

WASHINGTON, D.C. – Today, the U.S. Commerce Department's Bureau of Industry and Security (BIS) published a final rule that expands the Entity List by adding six entities in the People's Republic of China (PRC), South Africa, the United Arab Emirates (UAE), and the United Kingdom. These additions, available here and effective upon publication, are designed to prevent entities that threaten U.S. national security and foreign policy interests from accessing items subject to the Export Administration Regulations (EAR). This final rule also modifies entries for two existing Entity Listed parties – one in the PRC and one in Russia – in order to ensure that restrictions on exports to these entities are more targeted and effective.

"As the national security threat environment continues to evolve, it's critical to pinpoint and curb the activities of specific entities that pose a clear danger," said Alan Estevez, Under Secretary for the Bureau of Industry and Security. "The additions to the Entity List, such as Global Training Solutions Limited and Smartech Future Limited, directly respond to their roles in training military personnel and supporting unauthorized military advancements. These targeted measures are crucial to prevent these entities from exploiting our most cutting-edge technologies against our national security interests."

The additions under the destination of the PRC include Global Training Solutions Limited and Smartech Future Limited due to their connections with an Entity List party and the training of the PRC military. Additionally, two entities have been added under the destination of the UAE for their evasive conduct during end-use checks attempted by BIS to ensure that exports are consistent with national security and foreign policy interests.

"The actions taken today support our mission to protect U.S. national security and foreign policy interests by preventing sensitive U.S. technologies from being exploited," said Thea D. Rozman Kendler, Assistant Secretary for Export Administration.

"Preventing American know-how from training PRC military pilots and U.S. technology from aiding Russia enhances U.S. national security," said **Assistant Secretary for Export Enforcement Matthew S. Axelrod**. "As today's actions reaffirm, parties that support

destabilizing military modernization and evade our controls will face the consequences of Entity List restrictions."

A license requirement for all items subject to the EAR that are to be exported, re-exported, or transferred is now imposed on each of these entities. BIS will review license applications for these entities with a presumption of denial.

Additional Background on the Entity List Process

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the EAR.

The Entity List (<u>supplement no. 4 to part 744 of the EAR</u>) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities—including businesses, research institutions, government and private organizations, individuals, and other types of legal persons—have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. Parties on the Entity List are subject to individual licensing requirements and policies supplemental to those found elsewhere in the EAR.

The interagency End-User Review Committee (ERC) – comprised of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, the Treasury – makes decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entity to the Entity List by majority vote and makes all decisions to remove or modify an entity by unanimous vote.

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