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OCPA@bis.doc.gov

COMMERCE RULE APPLIES POWERFUL RESTRICTIONS DIRECTLY ON ENTITIES SEEKING TO SUPPLY RUSSIA'S MILITARY SINCE START OF INVASION OF UKRAINE

Addition to Commerce Entity List Severely Restricts Access to U.S. Technologies and Items

WASHINGTON, D.C. – The U.S. Commerce Department, through its Bureau of Industry and Security (BIS), has issued a new rule adding a total of 36 entities in nine countries to the Entity List, including six specifically for their continued support of Russia's military efforts since imposition of export controls in response to Russia's invasion of Ukraine. The six entities are subject to severe restrictions on access to U.S. technologies and items for having contracted to continue to supply Russian military end users since February 24, 2022, when the current restrictions were put in place. The Department also publicly identifies two Chinese parties that have been on the Entity List since 2018 as having supported, and continued to support, Russia's military since the imposition of new controls.

"The sweeping export controls put in place by the United States and our allies and partners are restricting the Russian military's ability to repair, replace, and resupply and will continue to bite harder the longer Putin persists," **said Under Secretary of Commerce for Industry and Security Alan Estevez.** "Today's action sends a powerful message to entities and individuals across the globe that if they seek to support Russia, the United States will cut them off as well."

"We worked hard with our allies and partners to structure our export controls for maximum impact on Russia's strategic sectors. Given the breadth and cooperation of our multilateral coalition, we are well positioned not only to impose restrictions but also to track and cut off private firms that may seek to support Russia," **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** "We will not hesitate to act, regardless of where a party is located, if they are violating U.S. law."

"The United States and our allies and partners will continue to demonstrate our shared resolve on behalf of Ukraine by continuing to deny Russia's military the technologies and items it needs to perpetrate its atrocities--from whatever source attempts to supply them, wherever they are located," **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** "Our rules are clear, and we will not hesitate to take action when parties backfill in violation of them."

The Department of Commerce has made clear to industries and governments around the world that it will aggressively enforce enhanced export controls on Russia to prevent evasion, including by using the Entity List. Today's action is an unequivocal message to parties wherever located that the United States and its allies and partners will not hesitate to act swiftly, in accordance with our laws and policies, to continue to ensure that Russia remains marginalized from the global economy and its capacity to acquire sensitive technologies and other material support for its war effort is severely degraded.

The backfill actions of the six entities which are based in China, Lithuania, Russia, the United Kingdom, Uzbekistan, and Vietnam, along with two additional entities added to the Entity List in August 2018 – China Electronics Technology Group Corporation 13th Research Institute (CETC 13) and its subordinate institution Micro Electronic Technology in China – involved previously supplying items to Russian entities of concern and continuing to contract to supply Russian parties after Russia's invasion of Ukraine, notwithstanding the collective restrictions put in place by the United States and 37 of our coalition partners.

Additional entities are added for a variety of other activities contrary to U.S. national security and foreign policy interests. Two Russia-based entities are being listed on the basis of their attempts to procure items, including U.S.-origin items, for acting as agents, fronts or shell companies for OOO Intertech Instruments, which was added to the Entity List under the destination of Russia on March 4, 2021 (86 FR 12529). Twelve China-based entities are added for engaging in deceptive practices to supply or attempt to supply Iran with U.S. origin electronics that would ultimately provide support to Iran's military. Additional entities based in China, Russia, the United Arab Emirates, and Pakistan are added as well.

The rule also makes several other revisions and modifications to various existing entries on the Entity List including clarifying the ability of certain entities instrumental to the operation of the International Space Station to receive certain items following U.S. government approval of license applications.

The rule takes effect upon posting for public inspection on June 28, 2022, on the website of the Federal Register. Text of today's rule is available online here: <https://go.usa.gov/xJ6dZ>

The parties were added to the list upon a determination by the interagency End-User Review Committee (ERC), made up of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, Treasury, based on specific and articulable facts that the entities 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.

The ERC makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and makes all decisions to remove or modify an entry by unanimous vote.

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

Additional information on BIS's actions in response to Russia's invasion of Ukraine is available [here](#).

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