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BUREAU OF INDUSTRY AND SECURITY

Office of Congressional and Public Affairs <u>OCPA@bis.doc.gov</u>

COMMERCE ADDS 71 ENTITIES TO ENTITY LIST IN LATEST RESPONSE TO RUSSIA'S INVASION OF UKRAINE

WASHINGTON, D.C. – The U.S. Commerce Department, through its Bureau of Industry and Security (BIS), is issuing a final rule adding seventy-one entities located in Russia and Belarus to the Entity List in further response to Russia's invasion of Ukraine. This brings the total number of parties added to the Entity List for support of Russia's military since February 24 to 322.

"The U.S. and our international partners have put in place strong, sweeping restrictions on Russia's ability to obtain the items and technologies it needs to sustain its military aggression," said Under Secretary of Commerce for Industry and Security Alan Estevez. "Today's action demonstrates that we're watching closely and will not hesitate to act when there is evidence that entities and individuals are providing support to Russia's military."

"Russia cannot sustain its war against Ukraine indefinitely without revenue, repair, and resupply. The actions taken by the United States and our allies and partners prevent Russia's military from legally obtaining technologies and other items they need from the international community," said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler. "BIS will continue to use the tools at its disposal, including the Entity List, to demonstrate that there will be consequences for those that seek to aid Putin's military."

Sixty-six of the entities being added to the Entity List today were determined to be 'military end users,' and are receiving a "footnote 3 designation." The footnote 3 designation means these entities are subject to a license requirement for the export, reexports, exports from abroad, or transfers (in-country) of all items subject to the Export Administration Regulations (EAR), as described under the Russia/Belarus foreign "direct product" (FDP) rule. BIS will review license applications for these entities under a policy of denial. No license exceptions are available for exports, reexports, exports from abroad, or transfers (in-country) to these entities.

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.

The rule takes effect upon posting for public inspection on June 2, 2022, on the website of the Federal Register. Text of today's rule is available online here.

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

Additional information on BIS's actions in response to Russia's invasion of Ukraine is available here.

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