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COMMERCE ADDS SEVEN CHINESE ENTITIES TO ENTITY LIST FOR SUPPORTING CHINA'S MILITARY MODERNIZATION EFFORTS

WASHINGTON, D.C. – The U.S. Commerce Department, through its Bureau of Industry and Security (BIS), has issued a final rule adding seven Chinese space, aerospace, and related technology entities to the Entity List and severely restricting their access to commodities, software, and technologies subject to the Export Administration Regulations (EAR). These seven entities have been added to the Entity List for activities contrary to U.S. national security and foreign policy interests, specifically for acquiring and attempting to acquire U.S.-origin items in support of the People's Republic of China's (PRC) military modernization efforts. With this action, the Commerce Department will have approximately 600 Chinese entities on the Entity List – more than 110 of which have been added since the start of the Biden Administration.

“U.S. technologies that support space and aerospace activities should not be used to support the PRC's military modernization. We are constantly monitoring these sectors for evidence of diversion,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.** “China's military-civil fusion program requires BIS to be vigilant and act forcefully when necessary to protect our sensitive technologies.”

“Technology is value neutral, and that's why we exercise constant vigilance with respect to China, particularly in sectors like aerospace, where the potential for diversion to military applications is so high,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “The Entity List is a powerful tool—though not our only tool—for demonstrating that the U.S. government will not hesitate to use export controls to protect U.S. national security.”

“The United States is the global leader in space and aerospace technologies, and Export Enforcement protects that leadership by working to prevent the diversion of sensitive technologies to the Chinese military-civil fusion program,” **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** “We will continue to leverage all our investigative resources to deny the PRC access to sensitive U.S. technologies.”

The rule released today takes effect on August 24, 2022. Text of the final rule is available online [here](#). The entities added to the Entity List in today's rule are:

- China Aerospace Science and Technology Corporation (CASC) 9th Academy 771 Research Institute;
- China Aerospace Science and Technology Corporation (CASC) 9th Academy 772 Research Institute;
- China Academy of Space Technology 502 Research Institute;
- China Academy of Space Technology 513 Research Institute;
- China Electronics Technology Group Corporation 43 Research Institute;
- China Electronics Technology Group Corporation 58 Research Institute; and
- Zhuhai Orbita Control Systems.

With this final rule, BIS imposes a license requirement for all exports, reexports, or transfers subject to the EAR to which these seven entities are parties. BIS will review license applications involving these entities under a presumption of denial.

Additional Background:

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 ([supplement no. 4 to part 744 of the EAR](#)) 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—that 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 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.

Entity List additions are determined by the interagency End-User Review Committee (ERC), comprised 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 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: <https://bis.doc.gov/index.php/policy-guidance/faqs>

For more information, visit www.bis.doc.gov.