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Commerce Imposes Additional Restrictions on Exports to Wagner Group

WASHINGTON, D.C. – Today, the Commerce Department’s Bureau of Industry and Security (BIS) released a rule modifying the existing Entity List restrictions for the Russia-based Private Military Company Wagner (“Wagner Group”) resulting in the imposition of additional severe restrictions on the Wagner Group’s ability to acquire items globally to support the Russian government’s unprovoked war in Ukraine and ensuring that the license requirements apply to Wagner Group wherever located worldwide.

“The Wagner Group is one of the most notorious mercenary organizations in the world and is actively committing atrocities and human rights abuses across Ukraine,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.** “Today we are sending a clear message to non-state actors seeking to pick up the baton of brutality from Putin’s faltering military that the Department of Commerce will not hesitate to act against them.”

“BIS designates Russian and Belarusian military end users to make crystal clear which entities are a threat to Ukraine and need to be denied access to our technologies,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “The ongoing brutality and lawlessness of the Wagner Group in support of Russia’s unconscionable assault on Ukraine warrants the imposition of these severe restrictions.”

The text of the rule released today is available on the Federal Register’s website here ([link](#)). The effective date for the rule is December 21, 2022.

Additional Background on Today’s Action

The Wagner Group has been subject to U.S. government sanctions since 2017 for its involvement in Russia’s initial invasion of Ukraine ([link](#)). This Kremlin-backed mercenary group was added to the Department of Commerce’s Entity List in 2017 ([link](#)) for violating international law and fueling the conflict in eastern Ukraine. It is also subject to sanctions imposed by the European Union, the United Kingdom, Canada, Australia, and Japan.

Today’s rule modifies the current Entity List listing for the Wagner Group by adding one address, two additional aliases (for a total of five), as well as designating it as a Russian or Belarusian ‘military end user.’

This designation goes further than the restrictions already in place on Wagner Group by applying two significant new restrictions; the Russia/Belarus ‘Military End User’ Foreign Direct Product (FDP) Rule and imposing these restrictions on the Wagner Group wherever located worldwide.

Application of the Russia/Belarus ‘Military End User’ FDP rule restricts Wagner Group’s access to certain foreign-produced items. These restrictions require exporters to seek a license from the Bureau of Industry and Security for any transaction where the entity is a party, or that the exporter has knowledge may ultimately be acquired by Wagner Group. If a license is sought, it will be reviewed under a policy of denial, with case-by-case consideration only provided for certain food and medicine.

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 Export Administration Regulations (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 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. Today’s modification was decided by the agencies that represented on the ERC. 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.

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