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## **Commerce Imposes Additional Export Restrictions in Response to Russia’s Brutal War on Ukraine**

*Restrictions Announced Today Coordinated Closely with International Partners and Demonstrate Steadfast Commitment to Ukraine*

**WASHINGTON, D.C.** – Today, the Commerce Department’s Bureau of Industry and Security (BIS) released four rules developed in concert with international allies and partners in response to Russia’s unjust, illegal war on Ukraine. The rules released today, on the one-year mark of Russia’s further invasion, demonstrate the Biden Administration’s steadfast commitment to supporting the Ukrainian people by continuing efforts to cut off the Russian defense industrial base and military from even low-technology consumer goods Russia seeks to obtain to sustain the war effort. Today’s actions also demonstrate our determination to continue to target third countries supporting Russia’s war, including those in Iran and China, among others.

"Thanks to President Biden's leadership and the collective efforts of the Global Export Control Coalition, we have further degraded Russia's military capabilities by denying access to many components used for aircraft and tanks, as well as semiconductors and other items needed for advanced military applications," **said U.S. Deputy Secretary of Commerce Don Graves.** " All year, Russian leaders from Putin down have expressed concerns about the impact of our efforts on their war. But our efforts in support of Ukraine are far from done. As this illegal and unjustified war drags into a second year, Russia is desperately seeking support from wherever it can get it, including pariah states like North Korea and Iran. We must remain resolute in our support for Ukraine, coordinated with our partners, and vigilant in identifying and stopping Russia's efforts to evade our controls."

“As our export controls continue to bite, Putin and his cronies will become more desperate in seeking the means to sustain this illegal war,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.** “Today’s package of rules shows that our commitment—and that of our allies—is not wavering, and that we will meet whatever Russia, Belarus, Iran, private firms, such as those from China, or anyone globally who seeks to support them can muster with strong, coordinated action.”

“It has been a year of horror, but the resolve of the Ukrainian people has been an inspiration to everyone who believes in freedom, democratic principles, and the rule of law,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “In addition to building and sustaining our Global Export Control Coalition (GECC) to deny the Russian military the materials to continue its brutal war, the Bureau of Industry and Security has also worked overtime to help facilitate the generosity of the American people to support Ukraine’s defense by expediting approvals of over \$1 billion worth of items.”

“Putin’s illegal, brutal war on Ukraine is also an assault on the ideals that should be the bedrock of our international system: territorial sovereignty, adherence to the rule of law, and dialogue to resolve differences,” **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** “The past year has painfully demonstrated that we need to remain constantly vigilant in protecting those ideals and defending our values. In the coming year, Export Enforcement will continue to work with our allies and partners, both internationally and domestically, to enforce our export control laws and bring violators to justice.”

## **RULE SUMMARIES AND TEXT**

The brief summaries and links to the text of the rules released on the Federal Register’s website are below. The effective date for all of today’s rules is February 24, 2023.

### **“Implementation of Additional Sanctions Against Russia and Belarus Under the Export Administration Regulations (EAR) and Refinements to Existing Controls”**

#### **Rule Summary:**

This rule revises the EAR to enhance the existing sanctions against Russia and Belarus by expanding the scope of the Russian and Belarusian industry sector restrictions (oil and gas production; commercial and industrial items; chemical and biological precursors) and the ‘luxury goods’ sanctions to better align them with the controls that have been implemented by U.S. allies and partners imposing substantially similar controls on Russia and Belarus.

This rule also refines other existing controls on Russia and Belarus that were imposed in response to the February 2022 invasion.

This rule will enhance the effectiveness of the multilateral sanctions on Russia by further limiting access to items that enable Russia’s military capabilities and sources of revenue that could support those capabilities.

Rule Text Available [here](#).

## **“Export Control Measures on Iran Under the Export Administration Regulations (EAR) to Address Iranian Unmanned Aerial Vehicles (UAV) and Their Use by Russia Against Ukraine”**

### **Rule Summary:**

Recent investigations indicate that pieces of Iranian UAVs have been found on the battlefield in Ukraine, in some cases with U.S.-branded “parts” and “components.” Today’s rule imposes new export control measures on Iran in order to address the use of Iranian UAVs by Russia in its ongoing war against Ukraine by:

- Imposing license requirements for a subset of generally low-technology (“EAR99”) items, including semiconductors that are destined for Iran, regardless of whether a U.S. person is involved in the transaction.
- Establishes a new list (Supplement No. 7 to part 746) identifying these EAR99 items by HTS-6 Code to allow BIS and other U.S. government agencies to track and quantify these exports.
- Creates a new “Iran Foreign Direct Product (FDP) Rule” specific to Iran for items in certain categories of the Commerce Control List and EAR99 items identified in the new supplement.
- Revises the existing Russia/Belarus FDP rule to cover EAR99 items that have been found in UAVs contain parts and components branded U.S. or U.S.-origin (although they may not actually be U.S. branded or U.S.-origin) which will help to ensure that U.S. products are not available for shipment to Iran for use in the manufacture of UAVs being used by Russia in Ukraine.

These controls are in addition to BIS’s action on January 31, 2023, which added seven Iranian entities involved in the manufacture of UAVs to the Entity List as Russian ‘Military End Users,’ thereby subjecting them to some of the most comprehensive export restrictions under the EAR, including on foreign-produced items under the Russia/Belarus Military End User FDP rule.

Rule Text Available [here](#).

### **Entity List Additions**

Through two separate actions, the Department of Commerce is adding 86 entities under 89 entries (due to some entities operating in multiple countries) to the Entity List for a variety of reasons related to their activities in support of Russia’s defense-industrial sector and war effort. Seventy-nine of the entities are added under the country heading of Russia, five are listed under the country heading of China, two are based in Canada, and France, Luxembourg, and the Netherlands each have one entry. Several of the entities in these countries are subsidiaries of entities based in China and Russia. This rule also revises four existing entities under the destination of Russia.

BIS notes that these rules are meant to serve as a response to Russian aggression against Ukraine. BIS is adding entities in several allied and partnered countries, but this is not an action against the countries in which the entities are located or registered or the governments of those countries. The restrictions imposed in today's rule serves as an action against those entities listed, which have assisted the Russian military, contrary to U.S. foreign and national security policy interests.

Seventy-six of the entities (under seventy-nine entries) added in today's rules are also being designated as "Russian/Belarusian Military End Users," which imposes some of the Department's most severe export restrictions on these entities, effectively cutting them off from obtaining items subject to the EAR, including certain foreign-produced items.

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, the Treasury. The ERC makes decisions regarding additions to, removals from, or other modifications to the Entity List.

Rule text available [here](#) and [here](#).

#### **Additional Background:**

In the past year, BIS has taken numerous regulatory and enforcement actions in coordination with our international allies and partners, as well as our interagency colleagues, to apply stringent export controls intended to degrade Russia's defense industrial base and ability to sustain its war machine, as well as to facilitate additional support for Ukraine's resistance. Additional information on these actions is available on BIS's Russia-Belarus Resources page at: <https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/russia-belarus>.

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 (ECRA) and the Export Administration Regulations (EAR). Additional resources on export controls implemented by BIS in response to Russia's further invasion of Ukraine are available at: <https://bis.doc.gov/index.php/policy-guidance/country-guidance/Russia-belarus>.

For more information, visit [www.bis.doc.gov](http://www.bis.doc.gov).

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