



FOR IMMEDIATE RELEASE

September 25, 2023

<https://bis.doc.gov>

BUREAU OF INDUSTRY AND SECURITY

Office of Congressional and Public Affairs

Media Contact: OCPA@bis.doc.gov

COMMERCE ADDS 28 ENTITIES TO ENTITY LIST FOR CONSPIRACY TO VIOLATE U.S. EXPORT CONTROLS AND OTHER ACTIVITIES CONTRARY TO U.S. NATIONAL SECURITY INTERESTS

WASHINGTON, D.C. – Today, the Commerce Department’s Bureau of Industry and Security (BIS) released a rule adding 28 entities to the Entity List, 11 of which are based in the People’s Republic of China (China), 5 in Russia, 5 in Pakistan, along with others located in Finland, Oman, Germany, and the United Arab Emirates (UAE). The entities listed in today’s action were added to the Entity List for having been involved, being involved, or posing a significant risk of being or becoming involved in activities contrary to the national security or foreign policy of the United States.

Among those entities listed today, nine entities under the destinations of China, Finland, Germany, and Russia have been implicated in a conspiracy to violate U.S. export controls, including a scheme to supply the Special Technology Center, an entity on the BIS Entity List, with components to make unmanned aerial vehicles (UAVs) for Russia’s Main Intelligence Directorate of the General Staff (GRU).

“Our actions send a clear message to those trying to evade our export controls that there will be consequences for behavior that seeks to undermine U.S. national security interests,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.** “We will not hesitate to take swift and meaningful action against those who continue seeking to supply and support Putin’s illegal and immoral war in Ukraine.”

“We have been clear that we will not hesitate to take action when national security is at stake,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “We continue to impose export restrictions on entities supporting weapons of mass destruction or military activities of concern in China, Iran, and Russia.”

“When companies in foreign countries enable the production of drones used to kill Ukrainian soldiers and civilians, we take action,” **said Assistant Secretary for Export Enforcement Matthew S. Axelrod.** “As today’s listings demonstrate, we will continue to be relentless in imposing consequences on those that evade our Russia controls or otherwise threaten our national interests.”

The text of the rule released today, which includes the list of entities, is available on the Federal Register’s website [here](#). This rule is effective upon publication in the Federal Register.

Additional Background on Today's Action

Critical Risk of Diversion of U.S. Defense Technologies: One entity based in Russia is being added for representing a critical risk of diversion of U.S. defense technologies. Additionally, this Russian-based entity is directly involved in producing and manufacturing titanium and metal products for the Russian military and security services.

Supporting Iran's Weapons of Mass Destruction and Unmanned Aerial Vehicle Programs: Two entities based in China are being added for having procured and/or attempted to procure U.S.-origin items that would ultimately support Iran's weapons of mass destruction (WMD) and UAV programs.

Conspiring to Violate U.S. Export Controls: One entity based in China, three entities based in Finland, one entity based in Germany, and four entities based in Russia are being added for being implicated in a conspiracy to violate U.S. export controls, including a scheme to supply the Special Technology Center, an entity on the BIS Entity List, with components to make UAVs for Russia's GRU.

Providing Support to Houthi Forces: Two entities based in Oman are being added for actions contrary to the national security and foreign policy interests of the United States. Specifically, these entities have provided support to Yemen-based Houthi forces.

Procuring Items in Likely Furtherance of Chinese Military Research: One entity based in China is being added for procuring U.S.-origin items in likely furtherance of Chinese military research.

Contributions to Pakistan's Unsafeguarded Nuclear Activities: One entity based in China, five entities based in Pakistan, and one entity based in the UAE are being added for contributions to Pakistan's unsafeguarded nuclear activities.

Procuring Aerospace Components to Support Iran's Unmanned Aerial Vehicle Program: Six entities based in China are being added for working as a network to procure aerospace components, including dual-use components for UAV applications, for the Iran Aircraft Manufacturing Company (HESA). These components are used to develop and produce Shahed-series UAVs, which have been used by Iran to attack oil tankers in the Middle East and by Russia in Ukraine. These entities are additionally being designation as Russian or Belarusian 'military end users'. This designation applies some of the Department's most severe export restrictions to these entities, effectively cutting them off from legally accessing items subject to U.S. jurisdiction.

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, the 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.

Russian military end-users are placed on the Entity List when the ERC determines that a specific entity is a ‘military end user’ and therefore any exports, reexports, or transfers (in-country) to that entity represent an unacceptable risk of use in or diversion to a ‘military end use’ in the Russian Federation, or for a Russian ‘military end user,’ wherever located.

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.

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.
###