

Frequently Asked Questions (FAQ) on the Superseding Settlement Agreement with ZTE

Question: Is ZTE still on the Denied Persons List?

Answer: Yes. BIS and ZTE have reached a [superseding settlement agreement](#). Under the terms of the agreement, once ZTE pays a civil penalty of \$1 billion dollars to the Department of Commerce and places an additional \$400 million into an escrow account in a U.S. bank approved by BIS, BIS will terminate the denial order that BIS issued on April 15, 2018 (“April 15, 2018 Order”) (83 FR 17644) against ZTE. When the denial order is terminated BIS will notify the public that ZTE has been removed from the Denied Persons List. Until then, the company will remain subject to the terms and prohibitions of that listing.

Question: When will the April 15, 2018 Order be lifted?

Answer: The April 15, 2018 Order will not be lifted until ZTE has paid \$1 billion and placed an additional \$400 million in an escrow account in a U.S. bank approved by BIS.

Question: Will BIS make an announcement when the April 15th denial order is lifted?

Answer: Yes.

Question: Can I export, reexport, or transfer (in-country) items subject to the EAR to ZTE?

Answer: No, you may not engage in those activities until the restrictions of the April 15, 2018 Order have been lifted.

Note that the lifting of the April 15, 2018 Order will not relieve persons of obligations under part 744 of the Export Administration Regulations (15 CFR 730 – 774) (EAR) or any other part of the EAR, including for example the Entity List.

Question: If and when the April 15, 2018 Order is lifted, should I do business with ZTE?

Answer: BIS cannot advise you on this issue; every company must make its own business decisions. Note that if and when the restrictions of the April 15, 2018 Order have been lifted, the obligations of the EAR continue to apply.

Question: What do I do with items that were transferred in violation of the April 15, 2018 Order?

Answer: If you suspect a violation of the EAR, you should file a voluntary self-disclosure with the Office of Export Enforcement under §764.5 of the EAR. You may also seek permission from BIS to engage in certain activities under §764.5(f) of the EAR once a disclosure is filed.

Question: I submitted a waiver request under §764.3(a)(2) of the EAR. Is BIS going to issue any waivers?

Answer: BIS continues to review waiver requests submitted specific to the April 15, 2018 Order.

Question: If and when the restrictions of the April 15, 2018 Order are lifted, will I need to do anything to follow up on my §764.3(a)(2) waiver request?

Answer: No, you won't. If and when the restrictions of the April 15, 2018 Order are lifted, that action will render all such requests moot. Please note that while §764.3(a)(2) waiver requests (which pertain to future exports or activities, not past misdeeds) may be rendered moot, any violations of the April 15, 2018 Order while it remains in effect would not be mooted or absolved even if that Order is later lifted.