

BIS Adds 120 Russian & Belarusian Parties to the Entity List

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On Friday, the Commerce Department's Bureau of Industry and Security (BIS) added 120 parties operating in the Russian and Belarusian aerospace, maritime, and defense sectors to the Entity List. BIS designated the parties for attempting to procure items subject to the Export Administration Regulations (EAR) for the Russian and Belarusian militaries and for their military modernization efforts in Russia. The addition of the parties to the Entity List means that no goods, software, or technology (technical knowhow) subject to the EAR may be exported, reexported, or transferred to the designated entities without a license from BIS, which is very unlikely to be granted. The restrictions apply to all items on the EAR's Commerce Control List (CCL), as well as less sensitive EAR99 items.

BIS designated 95 of the parties as "military end users" under Footnote 3 of the Entity List, subjecting the entities to the expansive Russian/Belarusian Military End User foreign-direct product rules (MEU FDPRs). The MEU FDPRs extend the jurisdictional reach of the EAR to control items that are the direct product of any software or technology subject to the EAR that is on the CCL or that are produced by certain plants or major components of plants that are themselves the direct product of any U.S.-origin software or technology on the CCL. Exports, reexports, and transfers of such items are prohibited without a license if an entity with a footnote 3 designation is a party to the transaction, or if there is knowledge that the item will be incorporated into or used in the production or development of any part, component, or equipment produced, purchased, or ordered by a footnote 3 entity.

The designations are effective Friday, April 1, 2022, with expected publication of the Final Rule on April 7, 2022.