

BIS Clarifies Notification and Licensing Requirements for Updated Semiconductor, Advanced Computing Export Controls

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On December 29, 2023, the Commerce Department's Bureau of Industry and Security (BIS) issued [Frequently Asked Questions](#) (FAQs) concerning the agency's [recently updated semiconductor and advanced computing export controls](#). In addition to technical commentary, the FAQs offer important guidance on understanding and navigating BIS's new notification and licensing requirements.

Notably, these FAQs curb any assumption that transactions eligible for the Notified Advanced Computing (NAC) license exception will enjoy routine authorization at the end of the 25-day review period. BIS intends to review notified transactions for national security concerns, and, where such concerns arise, will still require a specific license even if the advanced computing item under review satisfies the parameters set out under NAC eligibility requirements. BIS's national security assessment may be based on a number of factors "including the type of item, quantity, and the end user/end use." Thus, BIS also does not have any current plans to publish a list of advanced computing chips that are eligible for the exception. Parties seeking to avail themselves of the NACs license exception should plan accordingly.

The FAQs feature several other important clarifications, including the following:

- License Exception NAC also applies to Export Control Classification Number (ECCN) 4A090 items not enumerated under 4A090.a., notwithstanding the fact that 4A090.b is currently being reserved (BIS will revise 4A090.b to reflect this);
- A list of information required for NAC submissions submitted via SNAP-R;
- Technical guidance on calculating/measuring performance parameters;
- The requirement that items with an ECCN falling under the new paragraph ".z" submit an Electronic Export Information filing through the Automated Export System includes transactions below \$2,500;
- A "z." paragraph item authorized under License Exception NAC may still need to meet other requirements of the Export Administration Regulations, *e.g.*, License Exception ENC; and
- BIS's exclusion from certain chip-related export controls on the activities of "U.S. Persons" is limited to *natural* U.S. persons (*i.e.*, not entities) employed or working on behalf of a U.S. (or

other allied) entity.

Please [contact](#) our export controls and sanctions team if you need assistance navigating these latest developments.