

White House Issues 1-Year Suspension for BIS 50% Rule Beginning November 10th

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On November 1, 2025, the White House formally announced in a [fact sheet](#) that the United States will suspend the Bureau of Industry and Security's 50% rule, known as the BIS 50% Affiliates Rule, for one year starting Nov. 10, 2025. The suspension was negotiated during trade talks between U.S. and Chinese officials this past week.

Background & Overview of the Affiliates Rule

On September 29, 2025, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") published a long-awaited [interim final rule](#) (the "Affiliates rule") amending Part 744 of the Export Administration Regulations ("EAR") to expand BIS's existing end user controls to cover affiliates of certain BIS-listed parties owned at least 50 percent or more by entities on the Entity List or the Military End User ("MEU") List.

The Affiliates rule is modeled after the "50 Percent Rule" in use by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). The Affiliates rule was effective September 30, 2025 (but will now be subject to the Nov. 10th suspension).

Prior to the Affiliates rule, BIS utilized a "legally distinct" standard, where subsidiaries, parent companies, and sister companies were legally distinct from Entity/MEU-Listed entities and, therefore, not subject to the same restrictions. For complete analysis of the "Affiliates rule" our September 30th client advisory can be found [here](#).

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