



EIB World Trade Headlines

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September 1, 2023 - Volume 18, Issue 18



OFAC to retire PIP, DEL, and SDALL.ZIP file formats of the sanctions list on or about the week of September 18, 2023

Release Date: 07/06/2023
Recent Actions Body

Update: OFAC is extending this retirement date from August 15, 2023 to on or about the week of September 18, 2023. The dates in this notice have been updated.

OFAC will retire the PIP, DEL, and SDALL.ZIP sanctions list file formats on or about, the week of September 18, 2023. OFAC will continue to offer for public download, the XML, CSV, and FF file formats, the ZIP files SDN_XML and SDN_Advanced, and PDF versions for OFAC's sanctions list(s).

OFAC's Sanctions List Search tool will not be affected by these changes, and users of the search tool will not experience any loss of service.

Members of the public can contact us at O_F_A_C@treasury.gov for questions or to provide feedback on the impact related to the removal of these file formats.

The full list of files to be retired are as follows:

- SDALL.ZIP
- SDN.DEL
- ADD.DEL
- ALT.DEL
- SDN_COMMENTS.DEL
- SDN.PIP
- ADD.PIP
- ALT.PIP
- SDN_COMMENTS.PIP
- CONS_PRIM.DEL
- CONS_ADD.DEL
- CONS_ALT.DEL
- CONS_COMMENTS.DEL
- CONS_PRIM.PIP
- CONS_ADD.PIP
- CONS_ALT.PIP
- CONS_COMMENTS.PIP

Users may continue to access OFAC's sanctions list data formats - via the URLs provided below. However, on or about the week of September 18, 2023, the PIP, DEL, and SDALL.ZIP files listed above will be removed from these pages and will no longer be available for download. <https://ofac.treasury.gov/recent-actions/20230706>

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Designating Individuals Involved in the Poisoning of Aleksey Navalny

08/17/2023 10:47 AM EDT

Matthew Miller, Department Spokesperson

Today, the United States is designating four Russian Federal Security Service (FSB) operatives, Alexey Alexandrovich Alexandrov, Konstantin Kudryavtsev, Ivan Vladimirovich Osipov, and Vladimir Alexandrovich Panyaev, pursuant to the Sergei Magnitsky Rule of Law Accountability Act of 2012 for their involvement in the poisoning of Russian opposition leader Aleksey Navalny three years ago this August. We are also imposing visa restrictions on Alexandrov, Kudryavtsev, Osipov, and Panyaev for their involvement in a gross violation of human rights, pursuant to Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023.

Today's actions are a reminder that there are consequences for violating internationally recognized human rights. The United States will continue to use the authorities at our disposal to promote accountability for such egregious acts.

We condemn the latest injustice against Navalny and renew our call for his immediate release.

The Department of the Treasury designated Alexandrov, Kudryavtsev, Osipov, and Panyaev, pursuant to the Russia Magnitsky Act for having acted as agents of or on behalf of a person in a matter relating to extrajudicial killings, torture, or other gross violations of internationally recognized human rights committed against individuals seeking to expose illegal activity carried out by officials of the Government of the Russian Federation. Alexandrov, Kudryavtsev, Osipov, and Panyaev were previously designated pursuant to Executive Order 13382, which targets weapons of mass destruction proliferators and their supporters, for acting for or on behalf of, directly or indirectly, the FSB. For more information on today's designations, please see Treasury's [press release](#).

FOR IMMEDIATE RELEASE BUREAU OF INDUSTRY AND SECURITY

August 21, 2023 Final rule

Commerce to Remove 33 Parties from the Unverified List after Successful Completion of End-Use Checks

SUMMARY:

The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by removing a total of 35 persons from the Unverified List (UVL), including 27 under the destination of China, one under the destination of Indonesia, two under the destination of Pakistan, one under the destination of Singapore, one under the destination of Turkey, and one under the destination of the United Arab Emirates because BIS was able to verify their *bona fides*; two persons, under the destination of Russia, are also removed from the UVL after they were added to the Entity List.

DATES:

This rule is effective August 22, 2023.

FOR FURTHER INFORMATION CONTACT:

For questions on the Unverified List revisions, contact Linda Minsker, Director, Office of Enforcement Analysis, Phone: (202) 482-4255, Email: UVLRequest@bis.doc.gov.

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SUPPLEMENTARY INFORMATION:

Background
Unverified List Changes

The UVL, found in supplement no. 6 to part 744 of the EAR ([15 CFR parts 730-774](#)), contains the names and addresses of foreign persons who are or have been parties to a transaction, as described in § 748.5 of the EAR, involving the export, reexport, or transfer (in-country) of items subject to the EAR. These foreign persons are added to the UVL because BIS or federal officials acting on BIS's behalf were unable to verify their *bona fides* (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) through the completion of an end-use check. Sometimes these checks, such as a pre-license check (PLC) or a post-shipment verification (PSV), cannot be completed satisfactorily for reasons outside the U.S. Government's control.

There are any number of reasons why these checks cannot be completed to the satisfaction of the U.S. Government. The reasons include, but are not limited to: (1) reasons unrelated to the cooperation of the foreign party subject to the end-use check (for example, BIS sometimes initiates end-use checks but is unable to complete them because the foreign party cannot be found at the address indicated on the associated export documents and BIS cannot contact the party by telephone or email); (2) reasons related to a lack of cooperation by the host government that fails to schedule and facilitate the completion of an end-use check, for example by host government agencies' lack of responses to requests to conduct end-use checks, actions preventing the scheduling of such checks, or refusals to schedule checks in a timely manner; or (3) when, during the end-use check, a recipient of items subject to the EAR is unable to produce the items that are the subject of the end-use check for visual inspection or provide sufficient documentation or other evidence to confirm the disposition of the items.

BIS's inability to confirm the *bona fides* of foreign persons subject to end-use checks for the reasons described above raises concerns about the suitability of such persons as participants in future exports, reexports, or transfers (in-country) of items subject to the EAR; this also indicates a risk that such items may be diverted to prohibited end uses and/or end users. Under such circumstances, there may not be sufficient information to add the foreign person at issue to the Entity List under § 744.11 of the EAR. Therefore, BIS may add the foreign person to the UVL.

As provided in § 740.2(a)(17) of the EAR, the use of license exceptions for exports, reexports, and transfers (in-country) involving a party or parties to the transaction who are listed on the UVL is suspended. Additionally, under § 744.15(b) of the EAR, there is a requirement for exporters, re-exporters, and transferors to obtain (and maintain a record of) a UVL statement from a party or parties to the transaction who are listed on the UVL before proceeding with exports, reexports, and transfers (in-country) to such persons, when the exports, reexports, and transfers (in-country) are not subject to a license requirement. Finally, pursuant to § 758.1(b)(8), Electronic Export Information (EEI) must be filed in the Automated Export System (AES) for all exports of tangible items subject to the EAR where any party to the transaction, as described in § 748.5(d) through (f), is listed on the UVL.

Requests for the removal of a UVL entry must be made in accordance with § 744.15(d) of the EAR. Decisions regarding the removal or modification of UVL entry will be made by the Deputy Assistant Secretary for Export Enforcement, based on a demonstration by the listed person of their *bona fides*.

(*On The Following Continued Page)

Removals From the UVL

This final rule removes 33 persons from the UVL after BIS was able to verify their *bona fides*. This rule removes the following 27 persons under the destination of China: “Beijing PowerMac Company;” “Beijing SWT Science;” “Beijing Zhonghehangxun Technology;” “Chongqing Xinyuhang Technology Co., Ltd.,” “Dandong Center for Food Control;” “DK Laser Company Ltd.,” “Guangdong Guanghua Sci-Tech Co.,” “Guangzhou GRG Metrology & Test (Beijing) Co., Ltd.,” “Gucheng Xian Fengxin Titanium Alloy;” “Hunan University;” “Jialin Precision Optics (Shanghai) Co., Ltd.,” “Jinan Bodor CNC Machine Co., Ltd.,” “Lishui Zhengyang Electric Power Construction;” “Luoyang Weimi Optics;” “Nanchang University;” “Nanjing Gova Technology Co. Ltd.,” “Qingdao Sci-Tech Innovation Quality Testing Co. Ltd.,” “Shuang Xiang (Fujian) Electronics;” “Sino Superconductor Technology;” “Suzhou Chaowei Jingna Optoelectric Co.,” “Suzhou Sen-Chuan Machinery Technology Co., Ltd.,” “Tianjin Optical Valley Technology Co., Ltd.,” “TRI Microsystems;” “Wuxi Hengling Technology Co., Ltd.,” “Yunnan FS Optics Co., Ltd.,” “Yunnan Tianhe Optoelectronic Co., Ltd.,” and “Zhuzhou CRRC Special Equipment Technology Co.” This rule also removes “PT Smart Cakrawala Aviation” under the destination of Indonesia, “Seven Star Company” and “T.M.A. International” under the destination of Pakistan, “Smart Cakrawala Aviation” under the destination of Singapore, “Odak Kimya” under the destination of Turkey, and “Recaz Star General Trading LLC” under the destination of the United Arab Emirates. BIS is removing these 33 persons pursuant to § 744.15(c)(2) of the EAR.

On June 6, 2022, in the final rule “Additions of Entities to the Entity List” (87 FR 34154), BIS added “OAO Radiofizika” and “Voentelecom JSC” under the destination of Russia to the Entity List. Therefore, as a conforming change, this final rule also removes “Radiofizika OAO” and “JSC Voentelecom”, under the destination of Russia, from the Unverified List.

Hong Kong Authorities’ Ongoing Harassment Campaign

08/25/2023 10:04 PM EDT

Matthew Miller, Department Spokesperson

The United States strongly condemns the Hong Kong authorities’ ongoing harassment of family members in Hong Kong of democracy advocates living overseas, who are being targeted simply for their association with their loved ones. In particular, we are concerned about the recent cases of Anna Kwok, Elmer Yuen, Dennis Kwok, Christopher Mung, Nathan Law, and Joshua Wong, whose family members and acquaintances, were detained and questioned by Hong Kong police. This deliberate campaign to intimidate and silence individuals for exercising their human rights and fundamental freedoms is a further step in the erosion of freedoms in Hong Kong. This is also a form of transnational repression to intimidate and silence individuals abroad and to coerce their return.

We call on the Hong Kong authorities to cease all harassment of the democracy activists’ family members. We also call on the PRC government to respect the rights and freedoms of people in Hong Kong, as guaranteed by the Basic Law and the Sino-British Joint Declaration.

Sikorsky Secures \$2.7 Billion Navy Contract to Build 35 King Stallion Helicopters

by [Hugh McQuaid](#) August 25, 2023, 11:38 am

Connecticut officials applauded a Thursday announcement by Stratford-based Sikorsky Aircraft which has been awarded a \$2.7 billion U.S. Navy contract to build 35 additional CH-53K King Stallion helicopters for the U.S. and Israeli military.

The agreement commits the Lockheed Martin company to build and deliver a total of 27 helicopters from two separate lots for the U.S. Marine Corps as well as eight special ops aircraft for the Israeli Air Force. The manufacturer will begin delivering the helicopters in 2026, according to a press release.

“This contract award for 35 CH-53K helicopters stabilizes Sikorsky’s nationwide supply base, creates additional production efficiencies, and provides the U.S. Marine Corps with transformative 21st century technologies,” Paul Lemmo, president of Sikorsky, said. “Our long-standing partnership led to this best value contract award providing the capability and readiness the Marines need.”

CH-53K are multi-mission, heavy-lift aircraft capable of carrying an external load of 27,000 pounds more than 110 nautical miles, according to the manufacturer.

The contract announced Thursday represents the largest agreement yet for the King Stallion aircraft, which has already exceeded 1,000 operational flight hours by the U.S. Marine Corps, the Sikorsky press release said.

The King Stallion contract was welcome news both for Sikorsky, which last year [lost a bid to replace its long-serving H-60 Black Hawk](#) helicopter to Texas-based Bell Textron, and to elected officials representing Connecticut and Stratford.

“Today’s announcement is a testament to the highly skilled Sikorsky workforce and supply chain companies who build the world’s best helicopters,” U.S. Sen. Richard Blumenthal said Thursday. “These 35 aircraft represent a boon both to our national defense and to our state’s economy. I will keep fighting for these contracts to go to Connecticut’s top-notch defense manufacturers.”

In a statement Friday, U.S. Sen. Chris Murphy said the CH-53K program supported almost 8,000 Connecticut Sikorsky workers. “The men and women at Sikorsky build the best helicopters in the world and this award is a well-earned endorsement of their hard work. This contract is a win for our national security and for our state, ensuring our Navy has the very best equipment while supporting thousands of good-paying jobs in Connecticut,” Murphy said.

State Sen. Kevin Kelly, a Stratford Republican who serves as senate minority leader, called the award “unprecedented” and the result of cooperation between the manufacturer, the state of Connecticut, and the Teamsters labor union.

“Connecticut has a rich history as a world leader in flight,” Kelly said. “The best helicopters in the world are made right here, by the most talented workforce. This award is a testament to our local workers and the continued innovation that enables the production of the best goods and services to keep our nation and those who serve it safe. This helicopter will help our Marines save refugees and provide humanitarian aid all around the world.”

(*Continued On The Following Page)

Thursday's CH-53K contract comes on the heels of a Tuesday agreement between Sikorsky and an Indonesian aerospace firm, PT Dirgantara Indonesia, known as PTDI, which will seek to buy up 24 S-70M Black Hawk helicopters.

"This agreement demonstrates our mutual interest with PTDI to provide S-70M Black Hawk helicopters to serve Indonesia's security needs," Sikorsky Vice President Jeff White said. "The Black Hawk is designed and built to the toughest military standards, and it can quickly and reliably deliver personnel and supplies to geographically-dispersed populations across a large archipelagic area such as Indonesia."

According to a Sikorsky press release, officials finalized the agreement when Indonesian Defense Minister Prabowo Subianto visited the U.S. to discuss efforts to modernize the nation's military.

"We are confident that this strategic cooperation between PTDI and Lockheed Martin will result in added values gained for PTDI's capability in integration, customization, modification and system upgrade for the helicopter's completion," Gita Amperawan, president director at PTDI, said. In a press release.

Honeywell Anthem completed its first flight on our Pilatus PC-12 test aircraft.

The milestone proved the system's safety and maturity and is a big step forward on the certification path.

<https://aerospace.honeywell.com/us/en/products-and-services/product/hardware-and-systems/cockpit-systems-and-displays/honeywell-anthem>

Four astronauts from four countries are rocketing toward the International Space Station

By MARCIA DUNN The Associated Press, Updated August 26, 2023, 7:59 a.m.

CAPE CANAVERAL, Fla. (AP) — CAPE CANAVERAL, Fla. (AP) — Four astronauts from four countries rocketed toward the International Space Station on Saturday.

They should reach the orbiting lab in their SpaceX capsule Sunday, replacing four astronauts living up there since March.

A NASA astronaut was joined on the predawn liftoff from Kennedy Space Center by fliers from Denmark, Japan and Russia. They clasped one another's gloved hands upon reaching orbit.

It was the first U.S. launch where every spacecraft seat was occupied by a different country — until now, NASA had always included two or three of its own on its SpaceX taxi flights. A fluke in timing led to the assignments, officials said.

"We're a united team with a common mission," NASA's Jasmin Moghbeli radioed from orbit. Added NASA's Ken Bowersox, space operations mission chief: "Boy, what a beautiful launch ... and with four international crew members, really an exciting thing to see."

He fled China's repression. But China's long arm got him in another country.

By Tiffany May New York Times, Updated August 26, 2023, 1:54 p.m.

As a lawyer in China, Lu Siwei belonged to a rare and increasingly besieged group willing to take on sensitive cases to defend rights activists and political pariahs. To stop him, authorities put him under surveillance and barred him from practice, depriving him of his livelihood.

Lu's wife and young daughter fled first, moving to the United States. Nearly two years later, it was Lu's turn. He left China last month, crossing over into Laos. A few days later, as he was preparing to board a train to Thailand, he was arrested by local authorities. Accused of using fraudulent travel documents, he was in Laotian custody as of late August and facing the threat of deportation.

Under Xi Jinping, China's most iron-fisted leader in decades, Chinese authorities have aggressively expanded their net outside the country. They have opened police outposts in foreign countries, offered bounties for critics who have fled overseas, pressured members of the Chinese diaspora to become informants, and secured the detention or deportation of exiles abroad.

China previously had not been too concerned with dissidents overseas, confident that they would sink into relative oblivion, said Eva Pils, a law professor at King's College London who studies human rights in China. That approach changed, she said, as some exiles emerged as high-profile critics of Beijing's rights record, with several testifying repeatedly in front of a U.S. congressional committee.

"What is really threatening is that China has increased its reach into neighboring states, and also well beyond that. Nowhere is safe," Pils said. "That poses many threats to the individuals concerned. It undermines the ability of other governments to keep people within their jurisdiction safe."

Given China's stature as a key trading partner that makes large investments in the infrastructure of Southeast Asian countries, the governments of Cambodia, Thailand, Vietnam and Laos have detained or extradited Chinese dissidents, presumably at Beijing's request. In 2009, Cambodia deported 20 Uyghur asylum-seekers to China. More recently, China critics like Dong Guangping and Gui Minhai disappeared from Vietnam and Thailand, only to resurface in Chinese prisons.

Experts have described Beijing's campaign as "China's long arm" or "transnational repression." Combined with authoritarian tactics at home, this strategy has severely restricted space for defending rights in China, according to Li Fangping, a prominent Chinese human rights lawyer who moved to the United States. With pressure building on their families, more and more lawyers are trying to leave China, he said. But authorities have also imposed travel restrictions on them.

"They make conditions impossible for you, but they also don't let you leave," he said.

For a while, it seemed that Lu, whose clients included anti-Beijing protesters from Hong Kong, had escaped the dragnet. He was last seen in public trying to board a train from Laos to Thailand. In his last message to his wife, he said that he had been arrested by three officers and was at risk of being deported.

In a statement urging Laos not to deport Lu, United Nations experts said: "It is outrageous that human rights defenders working peacefully to promote, defend or protect the rights of others are being persecuted even while fleeing."

The Laotian government did not respond to requests for comment. But earlier this month, its embassy in London confirmed, in an email to 29 Principles, a British advocacy group, that Lu had been arrested on suspicion of using doctored papers and was awaiting investigation and criminal proceedings.

Bob Fu, the founder of ChinaAid, a group that assisted in Lu's attempt to travel from Laos to the United States, said that Lu had a valid passport and visa for Laos.

Lu, 50, had been prohibited in the past from leaving China. He began his career as a commercial lawyer in Chengdu but started taking human rights cases after a mass arrest of activists and human rights lawyers in 2015 that came to be known as "709." A few years later, Lu and another lawyer, Ren Quanniu, were hired by the families of two Hong Kong activists. But Lu and Ren were barred from visiting their clients or representing them at trial, and soon they lost their licenses to practice law.

Authorities accused Lu of making statements on social media that "endangered national security" and "seriously harmed the image of the legal profession." He lost his job and was often obstructed in his attempts to find new work. A security camera inside his home monitored his movements, and he was followed on the streets. Many friends and colleagues stopped communicating with him. This exacted a psychological toll that was "like a social death," his wife, Zhang Chunxiao, said from California.

Zhang had long assumed that Lu would not be able to leave China, and when she left for the U.S. with their daughter, she was unsure if they would ever reunite. So it was a joyful surprise when she heard that he had made his way out of China and was headed their way. The next day, she bought a coffee mug and house slippers for her husband. That evening, she received the news that he had been arrested.

"Whenever I think of him being in prison, I feel my heart being twisted by a knife," Zhang said, adding that Lu has psoriasis and needs daily medication. "I've left China for almost two years, but the fear has not left me."

FOR IMMEDIATE RELEASE

August 28, 2023

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BUREAU OF INDUSTRY AND SECURITY
Office of Congressional and Public Affairs
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Bureau of Industry and Security Continues to Update Section 232 Exclusions Process

New proposed rule makes additional improvements and requests further public input

WASHINGTON, DC—Today, the U.S. Commerce Department's Bureau of Industry and Security (BIS) published a proposed rule that continues the Department's efforts to improve the exclusion process for steel and aluminum tariffs and obtain public feedback.

*(*Continued On The Following Column)*

The proposed rule published today responds to public comments received since BIS's February 2022 notice, proposes four additional changes to the Section 232 exclusions process, and requests additional public comment on a series of issues. This proposed rule (and subsequent final rule(s) that will follow) will build on the existing five interim final rules (IFRs) issued since 2018, and which remain in effect.

BIS has administered the Section 232 exclusions process since the imposition of duties on imports of aluminum and steel in 2018 following investigations into the national security impacts of imports of aluminum and steel to the United States. Since 2018, BIS has published five IFRs that established and made various revisions to the Section 232 exclusions process.

The rule published today proposes four primary changes intended to create a more transparent, fair, and efficient exclusions process:

1. Proposes a more efficient General Approved Exclusions (GAE) process by changing the criteria generally used for determining GAEs by focusing on the substance of objections submitted rather than whether any objection has been submitted or not.
2. Introducing a "General Denied Exclusions" (GDE) process to limit further exclusions on products which have consistently been found to be manufactured in the United States. Similar to General Approved Exclusions, GDEs would be identified on the volume and substance of Objections submitted to such products in the 232 Exclusions Process.
3. Modifying the existing certification language and introducing new certification requirements for exclusion requests, including by making changes to the Exclusion Request Form so that requestors can demonstrate that they made reasonable efforts to source their product from the United States or from countries which the United States has arrived at a satisfactory alternative means to address U.S. national security concerns, which currently are: Argentina, Australia, Brazil, Canada, the European Union, Japan, Mexico, South Korea, and the United Kingdom.
4. Proposing similar certification language on the objection form to further ensure objectors can supply comparable quality and quantity steel or aluminum and make it "immediately available" to requestors in line with the standards described in the previous Section 232 IFRs.

Additional information on these proposals, as well as information related to BIS's responses to the more than 100 comments received pursuant to the February 2022 request for public comment, are outlined in the text of the rule, which is available online at: <https://www.federalregister.gov/public-inspection/2023-18328/steel-and-aluminum-tariff-exclusions-process>. The public may submit comments, identified by docket number BIS-2023- 0021 or RIN 0694-AJ27, through the Federal eRulemaking website: <http://www.regulations.gov>. The 45-day comment period will end on October 12, 2023.

Additional information on the Department's Section 232 Exclusions process, including past regulations and related materials, are available online at: <https://www.commerce.gov/page/section-232-investigations>.

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China Welcomes New US Commerce Effort

The top Chinese official in charge of economic relations with Washington told Commerce Secretary Gina Raimondo on Tuesday he was ready to “make new positive efforts” to improve cooperation following an agreement to reduce trade tension by launching groups to discuss export controls and other commercial disputes.

The agreement Monday was the most substantial result to date out of a string of visits by American officials to Beijing over the last three months to revive relations that are at their lowest level in decades. They express optimism about better communication, but neither side has given a sign it is ready to compromise on disputes about technology, security, human rights and other irritants.

Vice Premier He Lifeng sounded an optimistic note, referring to “in-depth exchanges” in July with his American counterpart, Treasury Secretary Janet Yellen.

“I’m ready to work based on that with you, to make new positive efforts to deepen our consensus and extend our cooperation,” He told Raimondo during a meeting at the Great Hall of the People in central Beijing.

Readout of Secretary Raimondo's Meeting with Minister of Commerce of the People's Republic of China Wang Wentao

FOR IMMEDIATE RELEASE
Monday, August 28, 2023

U.S. Secretary of Commerce Gina Raimondo today met with Minister of Commerce of the People’s Republic of China Wang Wentao to advance U.S. commercial and strategic interests. The meeting was part of ongoing efforts to deliver on President Biden’s directive following his meeting with President Xi in November 2022 to deepen bilateral discussions.

Secretary Raimondo emphasized the importance of ensuring open lines of communication between the United States and China and took concrete steps to deliver on that goal. Secretary Raimondo and Minister Wang agreed to:

- Establish a new commercial issues working group, a consultation mechanism involving U.S. and PRC government officials and private sector representatives to seek solutions on trade and investment issues and to advance U.S. commercial interests in China. They agreed that the working group will meet twice annually at the Vice Minister level, with the U.S. hosting the first meeting in early 2024.
- Launch the export control enforcement information exchange, which will serve as a platform to reduce misunderstanding of U.S. national security policies. The first in-person meeting will occur at the Assistant Secretary level at the Ministry of Commerce in Beijing on Tuesday, August 29.
- Convene subject matter experts from both sides to hold technical discussions regarding strengthening the protection of trade secrets and confidential business information during administrative licensing proceedings.
- Communicate regularly at the Secretary and Minister level about commercial and economic issues and to meet in-person at least once annually.

(*Continued On The Following Column)

Secretary Raimondo discussed opportunities to promote economic exchange where it aligns with U.S. interests and values. She underscored the importance of leveling the playing field for U.S. workers and businesses and ensuring the fair and transparent treatment of U.S. companies in China. Finally, Secretary Raimondo reinforced the Administration’s commitment to taking actions necessary to protect U.S. national security and reiterated the Administration’s “small yard, high fence” approach, underscoring that export controls are narrowly targeted at technologies that have clear national security or human rights impacts and are not about containing China’s economic growth.

FOR IMMEDIATE RELEASE

August 31, 2023

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Office of Congressional and Public Affairs

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BIS ISSUES TEMPORARY DENIAL ORDER IN SUPPORT OF STRIKE FORCE CASE AGAINST RUSSIAN NATIONAL FOR ILLEGALLY EXPORTING SENSITIVE U.S.- SOURCED MICRO-ELECTRONICS WITH MILITARY APPLICATIONS TO RUSSIA

WASHINGTON, D.C. – Today, the U.S. Commerce Department’s Bureau of Industry and Security (BIS) issued a Temporary Denial Order (TDO) suspending the export privileges of three individuals - Arthur Petrov, Zhanna Soldatenkova, and Ruslan Almetov - and four companies - Astraferos Technokosmos LTD, Ultra Trade Service LLC, Juzhoi Electronic LLC, and LLC Electrocom VPK - all of which are part of a Russia-based illicit procurement network that supplies the Russian military. Today’s actions, coordinated through the Disruptive Technology Strike Force co-led by the U.S. Departments of Justice and Commerce, also involve the unsealing of a criminal complaint in the Southern District of New York against Petrov. Petrov was arrested on August 26, 2023 and remains in custody. Today’s actions build on the criminal complaint by denying his company, Astraferos Technokosmos LTD, as well as Electrocom VPK, Ultra Trade Service LLC, and Juzhoi Electronic LLC, access to U.S. exports. The TDO is available online [here](#).

“Those who evade our export control restrictions to support Putin’s brutal war machine will be held accountable,” **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod**. “In conjunction with today’s criminal action, we have issued a Temporary Denial Order to shutter this alleged illicit procurement network’s access to the type of U.S. micro-electronics embedded in Russian missiles and drones that have been used in its unprovoked war against the Ukrainian people.”

TDOs are some of the most significant civil sanctions BIS can issue, cutting off not only the right to export items subject to the Export Administration Regulations (EAR) from the United States, but also to receive or participate in exports from the United States or reexports of items subject to the EAR. The TDO denies all of the export privileges described in part 764 of the EAR, which include (but are not limited to) applying for, obtaining, or using any license, license exception, or export control document, or engaging in or benefitting from such transactions, in order to prevent imminent violations of the EAR. The order was issued for a renewable 180-day period.

(*Continued On The Following Page)

Case Background

Following Russia's 2022 invasion of Ukraine, Arthur Petrov, Zhanna Soldatenkova, and Ruslan Almetov fraudulently procured large quantities of U.S.-manufactured microelectronics subject to U.S. export controls on behalf of Electrocom VPK, a Russia-based supplier of critical electronics components to the Russian military. To carry out the scheme, the individuals used shell companies and other deceptive means to conceal that the electronics components were destined for Russia. The technologies that the defendants have procured in violation of U.S. export controls during the course of the conspiracy have significant military applications and include various types of electronics components that have been recovered in Russian military hardware on the battlefield in Ukraine, such as Russian guided missiles, drones, and electronic warfare and communications devices.

The investigation by BIS's Office of Export Enforcement (OEE) and the Federal Bureau of Investigation (FBI) has revealed that the procurement network extends to multiple co-conspirators, like Arthur Petrov, Zhanna Soldatenkova, and Ruslan Almetov.

- Arthur Petrov is an operator of Astraferos Technokosmos LTD, a shell company registered in Cyprus to procure U.S.-manufactured micro-electronics for transshipment to Russia; and also works for Electrocom VPK, located in Russia and which is a critical supplier for the Russian military.
- Zhanna Soldatenkova is a Russian national residing in Russia, who works for Electrocom VPK and transships U.S. electronics to Electrocom VPK in Russia through Ultra Trade Service, a Latvian third-party distributor.
- Ruslan Almetov is a Russian national residing in Russia, who is the co-founder and General Director of Electrocom VPK. Ruslan Almetov also operates Juzhoi Electronic, a shell company registered and based in Tajikistan, to transship U.S.-sourced electronics procured by Arthur Petrov and Astraferos in Cyprus to Electrocom VPK.

To perpetrate the scheme, Arthur Petrov acquired controlled microelectronics from U.S.-based electronics exporters using Astraferos. Petrov falsely represented to the U.S. exporters that Astraferos was purchasing the items for fire security systems and that the ultimate end users and destinations of the electronics were companies in Cyprus, Latvia, or Tajikistan when in fact the components were destined for Electrocom VPK in Russia, which supplies the Russian military. These microelectronics included, among other things, microcontrollers and integrated circuits that are on BIS's Commerce Control List and cannot lawfully be exported or reexported to Russia without a license. These types of microcontrollers and integrated circuits have significant military applications and have been recovered in Russian missiles, drones, and other military hardware in Ukraine.

To evade U.S. export controls, Arthur Petrov, Zhanna Soldatenkova, and Ruslan Almetov worked together to transship the controlled items using pass-through entities in third countries. In particular, after fraudulently procuring the electronics components from the U.S. distributors, Arthur Petrov shipped the controlled items to Ultra Trade Service or to Juzhoi. Zhanna Soldatenkova and Ruslan Almetov then caused the items to be shipped, sometimes through yet another third country such as Lithuania, to Electrocom VPK in Saint Petersburg, Russia. At all times, the defendants concealed from the U.S. distributors that they were procuring the controlled electronic components on behalf of Electrocom VPK - a key supplier for the Russian military and that the items were destined not for Cyprus, Latvia, or Tajikistan, but rather for Russia.

(*Continued On The Following Page)

Over the course of the conspiracy, Arthur Petrov, Zhanna Soldatenkova, and Ruslan Almetov have procured and shipped to Russia more than \$225,000 worth of controlled U.S.-manufactured electronic components with military applications. None of the individuals, nor the entities used to perpetrate the scheme, has ever applied for an export license from BIS.

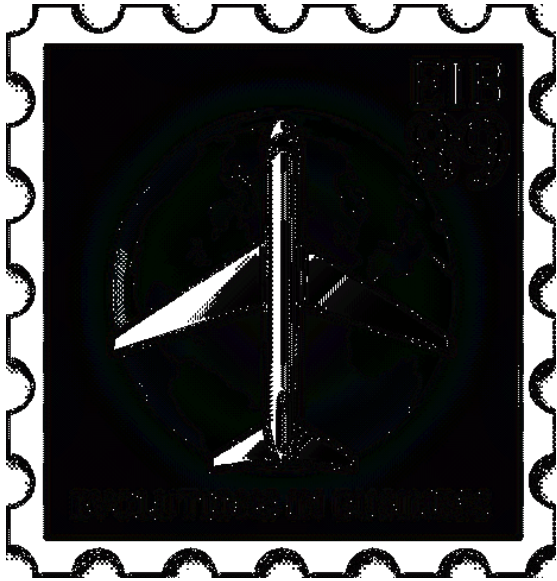
In a related action, on August 11, 2023, the U.S. Department of Justice issued a criminal complaint in the Southern District of New York charging Arthur Petrov with export control violations, smuggling, wire fraud, and money laundering offenses. Arthur Petrov was arrested in the Republic of Cyprus on August 26, 2023, and currently remains in custody pending the resolution of extradition proceedings.

This case is a joint investigation between OEE's New York Field Office and the FBI's New York Field Office and today's actions were coordinated through the Disruptive Technology Strike Force. The Strike Force is an interagency law enforcement effort co-led by the Departments of Justice and Commerce to target illicit actors, protect supply chains, and prevent critical technology from being acquired by authoritarian regimes and hostile nation-states. Under the leadership of the Assistant Attorney General for National Security and the Assistant Secretary of Commerce for Export Enforcement, the Strike Force leverages tools and authorities across the U.S. Government to enhance the criminal and administrative enforcement of export control laws.

Authorities and Export Enforcement Contact:

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the EAR.

BIS controls exports, reexports, and in-country transfers of dual-use commodities, technology and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non- proliferation, crime control and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. For more information, please visit: <https://www.bis.doc.gov/index.php/enforcement>.



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MISSION STATEMENT:

Given the geopolitical state of affairs with China, Russia, and Crimea, the Occupied territories of UKRAINE, Donetsk and Luhansk Oblast, embargoed countries and other specific threatening end users and entities, located in the United States and around the globe;

Evolutions in Business and the companies we serve, armed with robust compliance to the Export Administration Regulations, will adhere to best practices to protect our revenue and yours, and ensure the national security interests of the United States.

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