



EIB World Trade Headlines

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Notification of Temporary Suspension of ITAR § 120.11(c) with respect to Certain Capacitors Described on the U.S. Munitions List

11/22/22

On November 21, 2022 the Deputy Assistant Secretary of State for Defense Trade Controls temporarily suspended for a period of six (6) months the applicability of § 120.11(c) of the International Traffic in Arms Regulations (ITAR) for certain capacitors described in U.S. Munitions List (USML) Category XI(c)(5).

The Department assessed that it is in the security and foreign policy interests of the United States to facilitate commercial uses of certain capacitors when integrated into any item not described on the USML (for example, certain items used in energy exploration and commercial aviation). Accordingly, pursuant to ITAR § 126.2, and the Department's administration of the Arms Export Control Act (AECA), the Deputy Assistant Secretary of State for Defense Trade Controls ordered the temporary suspension of ITAR § 120.11(c) with respect to capacitors described in USML Category XI(c)(5) that have a voltage rating of one hundred twenty-five volts (125 V) or less and have been integrated into, and included as an integral part of, any item not described on the USML. Such articles are licensed by the Department of Commerce when integrated into, and included as an integral part of, items subject to the EAR.

This temporary suspension is valid for a period of six months, from November 21, 2022 to May 21, 2023, or when terminated by notice, whichever occurs first.

Capacitors described in USML Category XI(c)(5) remain subject to the controls of the ITAR in all other circumstances, including as stand-alone articles. The export, reexport, retransfer, or temporary import of technical data and defense services directly related to all defense articles described in USML Category XI(c)(5) remain subject to the ITAR.

Any violation of the ITAR, including any violation of the terms and conditions of any export license issued by the Department of State prior to the temporary suspension announced herein, remains a violation of the AECA. The Department of State strongly encourages industry to disclose unauthorized exports, reexports, retransfers, or temporary imports of defense articles, including the subject capacitors, that occurred prior to this temporary suspension.

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Imposing Sanctions on Entities and Individuals in Response to Iran's Transfer of Military UAVs to Russia

Press Statement

[Antony J. Blinken, Secretary of State](#)

November 15, 2022

Today we are imposing sanctions in response to Iran's support of Russia's unprovoked war against Ukraine, including Tehran's transfer of unmanned aerial vehicles (UAVs) to Russia, which are being used by Moscow to strike civilian infrastructure and cities.

The Departments of State and the Treasury are designating a total of three Iranian entities, including those manufacturing and delivering the UAVs supplied by Iran to Russia. The **Islamic Revolutionary Guards Corps Aerospace Force**, which likely helped facilitate Iran's supply of military UAVs to Russia, is being designated pursuant to Executive Order (E.O.) 14024 Section 1(a)(ii)(F). **Qods Aviation Industries**, which produces the Mohajer-6, is also being designated pursuant to E.O. 14024 Section 1(a)(ii)(F). **Shahed Aviation Industries Research Center**, which produces the Shahed-series UAV variants, including the Shahed-136 one-way attack UAV that Russian forces used in recent attacks in Kyiv, Odesa, and the Kharkiv region of Ukraine, is being designated pursuant to Section 1(a)(iii) of E.O. 13382. The European Union and the United Kingdom sanctioned Shahed Aviation Industries last month.

In addition, Russian individuals and entities are being targeted. The Department of State is designating **Private Military Company (PMC) Wagner** pursuant to E.O. 14024 Section 1(a)(1)(i) for operating in the defense and related materiel sector of the Russian Federation economy. PMC Wagner was previously designated by Treasury in 2017 pursuant to E.O. 13660 for recruiting and sending soldiers to fight alongside separatists in eastern Ukraine. The European Union, United Kingdom, Australia, and Canada have also sanctioned PMC Wagner. Earlier this year, Wagner sought to purchase Iranian UAVs, almost certainly to support its operations in Ukraine – just one example of Wagner being used as a low cost, low-risk instrument of the Kremlin to advance its goals. Treasury also designated two individuals, **Abbas Djuma** and **Tigran Khristoforovich Srabionov**, pursuant to E.O. 14024 for being involved in Wagner's acquisition of Iranian UAVs to support combat operations in Ukraine.

Finally, today's action also includes the designation of third-party entities involved in the transfer of Iranian UAVs to Russia for use in Ukraine, further demonstrating that the United States is willing to target international actors involved in supporting Russia's war machine. The Department of the Treasury is designating two entities, **UAE-based Success Aviation Services FZC (Success Aviation)** and **i Jet Global DMCC (i Jet)**, pursuant to E.O. 14024. Both Success Aviation and i Jet collaborated with U.S.-sanctioned Iranian firm Safiran Airport Services even after it was designated to coordinate flights between Iran and Russia, including flights for the Russian Airforce as well as those associated with transporting Iranian UAVs, personnel, and related equipment from Iran to Russia. The actions against the UAE-based targets are being taken in cooperation with the UAE government.

The Iranian government's military support to Russia fuels the conflict in Ukraine, and its transfer of these UAVs is in clear violation of UN Security Council resolution 2231. The United States will continue to work to disrupt and delay these transfers and impose costs on actors engaged in this activity. For more information on today's action, please see the Department of the Treasury's [press release](#).

Treasury Targets Actors Involved in Production and Transfer of Iranian Unmanned Aerial Vehicles to Russia for Use in Ukraine

November 15, 2022

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is sanctioning firms involved in the production or ongoing transfer to Russia of Iranian unmanned aerial vehicles (UAVs), which Russia has used in devastating attacks against civilian infrastructure in Ukraine. OFAC is designating **Shahed Aviation Industries Research Center**, the firm responsible for the design and production of Shahed-series UAVs being used by Russian forces in Ukraine. OFAC is also targeting **Success Aviation Services FZC** and **i Jet Global DMCC** for facilitating the transfer of Iranian UAVs to Russia. The U.S. Department of State is concurrently designating Russian Private Military Company "Wagner" (PMC Wagner) and Iran's Islamic Revolutionary Guard Corps Aerospace Force (IRGC ASF) and Qods Aviation Industries pursuant to Executive Order (E.O.) 14024. To supplement the U.S. Department of State's designation of PMC Wagner, OFAC is also designating two individuals for facilitating PMC Wagner's acquisition of UAVs from Iran, **Abbas Djuma** and **Tigran Khristoforovich Srabionov**.

"As we have demonstrated repeatedly, the United States is determined to sanction people and companies, no matter where they are located, that support Russia's unjustified invasion of Ukraine. Today's action exposes and holds accountable companies and individuals that have enabled Russia's use of Iranian-built UAVs to brutalize Ukrainian civilians," said Secretary of the Treasury Janet L. Yellen. "This is part of our larger effort to disrupt Russia's war effort and deny the equipment it needs through sanctions and export controls."

Today's action is being taken pursuant to E.O. 13382 and E.O. 14024 and follows OFAC's September 8, 2022 designation of an Iranian air transportation service provider involved in the shipment of Iranian UAVs to Russia, as well as three companies and one individual involved in the research, development, production, and procurement of Iranian UAVs and UAV components for Iran's IRGC and its Aerospace Force (IRGC ASF) and Navy. This also follows the October 20, 2022 decision by the European Union to impose sanctions on three Iranian military leaders and **Shahed Aviation Industries Research Center** for their role in the development and delivery of UAVs used by Russia in its war against Ukraine.

Today's actions implement commitments to target international actors involved in supporting Russia's war machine, as highlighted by OFAC Frequently Asked Questions 1091 and 1092 and reinforced by an October 14, 2022 meeting of senior officials in Washington representing ministries of finance and other government agencies from 33 countries, in which the participants acknowledged the significance of sanctions actions taken so far and discussed additional steps to further impair Russia's military-industrial complex and critical defense supply chains. The Departments of the Treasury, Commerce, and State released an alert on that same day detailing the impact of international sanctions and export controls to date. [Read the joint alert](#) here.

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Iranian UAV Producer

Shahed Aviation Industries Research Center (SAIRC), subordinate to the IRGC ASF, has designed and manufactured several Shahed-series UAV variants, including the Shahed-136 one-way attack UAV that Russian forces have used in recent attacks targeting civilian infrastructure in Kyiv, Odesa, and the Kharkiv region of Ukraine. SAIRC also developed the Shahed-129 medium-altitude reconnaissance and strike UAV for the IRGC ASF, and it is the lead contractor for the IRGC ASF's Shahed-171 project.

SAIRC is being designated pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, the IRGC ASF. The IRGC ASF, also known as the IRGC Air Force, was designated pursuant to E.O. 13382 on June 16, 2010 as a key element in the operational deployment of Iran's ballistic missile capability.

Shipment of Iranian UAVs to Russia

UAE-based air transportation firms **Success Aviation Services FZC (Success Aviation)** and **iJet Global DMCC (iJet)** collaborated with U.S.-sanctioned Iranian firm Safiran Airport Services (Safiran) to coordinate flights between Iran and Russia, including those associated with transporting Iranian UAVs, personnel, and related equipment from Iran to Russia. The actions against the UAE-based targets are being taken in cooperation with the UAE government.

Success Aviation continues to cooperate with Safiran even after the latter's designation, including to facilitate travel between Russia and Iran. iJet also continues to work with Safiran to coordinate Russian Air Force flights between Iran and Russia despite Safiran's designation and exposure.

Safiran was designated pursuant to E.O. 14024 on September 8, 2022 for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, the Government of the Russian Federation (GoR).

iJet has also worked with U.S.-sanctioned, Syria-based Cham Wings Airlines (Cham Wings). iJet has allegedly used its branch in Syria, known as Trade Med Middle East, to assist Cham Wings in facilitating the transport of Syrian fighters to Russia. Cham Wings was designated pursuant to E.O. 13582 on December 23, 2016 for having materially assisted, sponsored, or provided financial, material or technological support for, or goods or services in support of, the Government of Syria and Syrian Arab Airlines, a U.S.-designated airline that Iran's IRGC-Qods Force has used to transfer illicit cargo to Syria.

Success Aviation and iJet are being designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the GoR.

PMC Wagner Facilitators

PMC Wagner is a Russian private military company with ties to the Russian government that has been used to engage in conflicts on the Russian government's behalf around the world. PMC Wagner was previously designated pursuant to E.O. 13660 in 2017 for being responsible for or complicit in, or having engaged in, directly or indirectly, actions or policies that threaten the peace, security, stability, sovereignty, or territorial integrity of Ukraine. The European Union, the United Kingdom, Canada, Australia, and Japan have also sanctioned PMC Wagner.

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The State Department today is concurrently designating PMC Wagner pursuant to E.O. 14024 for operating or having operated in the defense and related materiel sector of the Russian Federation economy. In coordination with the State Department's redesignation of PMC Wagner, OFAC is taking action against individuals facilitating the movement of Iranian UAVs to Russia. **Abbas Djuma (Djuma)** and **Tigran Khristoforovich Srabionov (Srabionov)** were involved in PMC Wagner's acquisition of Iranian UAVs to support combat operations in Ukraine.

Djuma is being designated pursuant to E.O. 14024 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods and services to or in support of, PMC Wagner. Srabionov is being designated pursuant to E.O. 14024 for having acted or purported to act for or on behalf of, directly or indirectly, PMC Wagner.

Sanctions Implications

As a result of today's action, all property and interests in property of the individuals and entities that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC sanctions generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

In addition, persons that engage in certain transactions with the individuals or entities designated today may themselves be exposed to sanctions. Furthermore, any foreign financial institution that knowingly facilitates a significant transaction or provides significant financial services for any of the individuals or entities designated today pursuant to E.O. 13382 could be subject to U.S. sanctions.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List) but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [FAQ 897](#).

G-20 leaders end meeting condemning war but note divisions

By ADAM SCHRECK The Associated Press
US President Joe Biden, left, and British Prime Minister Rishi Sunak attend an emergency meeting of leaders at the G20 summit after a missile landed in Poland near the Ukrainian border, on Nov. 16, in Nusa Dua, Indonesia. Leon Neal/Associated Press

NUSA DUA, Indonesia (AP) — Members of the Group of 20 leading economies ended their summit Wednesday with a declaration of firm condemnation of the war in Ukraine and a warning that the conflict is making an already delicate world economy worse.

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The summit's closing statement was noteworthy because world leaders managed to highlight a denunciation of the war despite the divisions among the group, which includes not only Russia but also countries such as China and India that have significant trade ties with Moscow and have stopped short of outright criticism of the war. "Most members strongly condemned the war in Ukraine and stressed it is causing immense human suffering and exacerbating existing fragilities in the global economy," the statement said.

The use of the words "most members" was a telling sign of the divisions, as was an acknowledgement that "there were other views and different assessments" and that the G-20 is "not the forum to resolve security issues."

Even so, the statement's use of language from a March U.N. resolution that deplored "in the strongest terms the aggression by the Russian Federation against Ukraine" and demanded "its complete and unconditional withdrawal" from Ukrainian territory was a "big breakthrough," according to John Kirton, director of the G20 Research Group.

"Here the G-20 left no doubt about who it knew had started the war and how it should end," he said in an interview. He noted an "active shift" by China and India, which joined the "democratic side of the great immediate geopolitical divide."

The conflict in Ukraine loomed large over the two-day summit held on the tropical island of Bali in Indonesia.

News early Wednesday of an explosion that rocked eastern Poland prompted U.S. President Joe Biden to hastily arrange an emergency meeting with G-7 and NATO members gathered at the summit.

Poland said the blast near the Ukrainian border was caused by a Russian-made missile and that it was investigating what happened. The NATO member stopped short of blaming Russia for the incident, which killed two people. Russia denied involvement.

Biden said it was "unlikely" that the missile was fired from Russia, and he pledged support for Poland's investigation.

"There is preliminary information that contests that," Biden told reporters when asked if the missile had been fired from Russia. "It is unlikely in the lines of the trajectory that it was fired from Russia, but we'll see."

Biden was joined at the G-20 by leaders including Chinese President Xi Jinping, Indian Prime Minister Narendra Modi and new British Prime Minister Rishi Sunak. Russian President Vladimir Putin did not attend.

On Tuesday, Russia pounded Ukrainian cities with dozens of missile strikes in its biggest barrage yet on the country's energy facilities, which have been repeatedly struck as winter approaches.

Sunak, speaking to reporters at the close of the meeting, called the attacks "the cruel and unrelenting reality of Putin's war."

"While all world leaders were working together to tackle the greatest challenges our people face, Putin was launching indiscriminate attacks on civilians in Ukraine," Sunak said.

The war, he added, will "continue to devastate the global economy." The careful wording of the final G-20 statement reflected tensions at the gathering and the challenge faced by the United States and its allies as they try to isolate Putin's government. Several G-20 members, including host Indonesia, are wary of becoming entangled in disputes between bigger powers.

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Indonesian President Joko Widodo told reporters that the portion of the declaration dealing with the war was the most contentious part of the negotiations and that discussions were "very, very tough."

The final product was seen by some as a strong rebuke of a war that has killed thousands, heightened global security tensions and disrupted the world economy.

Russian Foreign Minister Sergey Lavrov, who led the Russian delegation in place of Putin, denounced the Biden administration push to condemn Moscow.

China's support for a public statement critical of Russia surprised some.

Beijing likely did so because Chinese President Xi Jinping "doesn't want to back a loser" after Russia's defeat in the Ukrainian city of Kherson, said Kirton, the analyst. "He knows he needs G-20 cooperation to address the many growing vulnerabilities that China now confronts," from climate change to the pandemic to the nation's "financial fragility of its over-leveraged housing and property markets."

The G-20 was founded in 1999 originally as a forum to address economic challenges. It includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union. Spain holds a permanent guest seat.

The 16-page statement also expressed deep concern on a range of issues, including food and energy crises made worse by the war in Ukraine.

The leaders said that amid food shortages and rising prices they'd take "urgent actions to save lives, prevent hunger and malnutrition, particularly to address the vulnerabilities of developing countries."

Turkish President Recep Tayyip Erdogan expressed hope that a vital deal brokered by Turkey and the U.N. to export Ukrainian grain would be extended before it expires Sunday.

The July deal allowed major grain producer Ukraine to resume exports from ports that had been largely blocked because of the war. "As of now, I am of the opinion that the (grain agreement) will continue," Erdogan said. "As soon as we return, we will continue our talks, especially with Mr. Putin. Because the way to peace is through dialogue."

The emergency meeting Wednesday included the leaders of the G-7, which includes Canada, France, Germany, Italy, Japan, the United Kingdom and the European Union, along with the president of the European Council and the prime ministers of NATO allies Spain and the Netherlands.

Biden held a separate meeting later with Sunak, in their first extended conversation since he took office last month.

"We're going to continue to support Ukraine as long as Russia continues their aggression," Biden said alongside Sunak, adding that he was "glad we're on the same page" in backing Ukraine. Biden said the leaders condemned the latest Russian attacks, which have caused widespread blackouts.

"The moment when the world came together at the G-20 to urge de-escalation, Russia continues to escalate in Ukraine, while we're meeting," Biden said.

PAKISTAN

Pakistan has a nuclear program and a missile program that are subject to end-use and end-user restrictions pursuant to Part 744 of the Export Administration Regulations (EAR) (15 C.F.R. Parts 730-774). Accordingly, this guidance highlights:

- I. The supplemental licensing requirements applicable to exports, reexports, and transfers (in-country) of items subject to the EAR that may be destined to nuclear or missile activities;
- II. Restrictions on specific activities of U.S. persons; and
- III. Best practices for screening customers in Pakistan to prevent diversion of items subject to the EAR to unauthorized end uses and end users.

EAR Overview

Persons (both U.S. and non-U.S. persons, including individuals, entities, corporations) engaged in exports, reexports, and transfers (in-country) subject to the EAR, must determine whether a license is required prior to proceeding with such transactions. In addition to Commerce Control List (CCL)-based licensing requirements determined by the export control classification number (ECCN) of your product(s) and their destination(s), you should review license requirements in Part 744 (Control Policy: End-User and End-Use Based) and Part 746 (Embargoes and Other Special Controls) of the EAR.

The supplemental licensing requirements found in Part 744 of the EAR, including several provisions relevant for trade with Pakistan, may apply to items designated “EAR99” (i.e., subject to the EAR but not listed on the CCL), as well as to CCL items not otherwise subject to a license requirement based on the country of destination. You must also follow the “Know Your Customer” Guidance in Supplement No. 3 to Part 732 of the EAR, which will help you to understand your duty of care when red flags arise in the course of your business. To facilitate your compliance with Part 744 and Supplement No. 3 to Part 732 of the EAR, the Bureau of Industry and Security (BIS) is publishing this additional guidance specific to Pakistan.

Restrictions on Exports and Reexports to Certain Nuclear- and Missile-Related Activities

In 1992, BIS imposed end-use restrictions on items not specifically listed on the CCL when destined for certain missile-related activities in certain destinations, including Pakistan.[1] In 1998, Pakistan detonated a nuclear explosive device. In response, BIS imposed supplemental licensing requirements on certain entities in Pakistan determined to have been involved in nuclear or missile activities and added such entities to the Entity List (Supplement No. 4 to Part 744 of the EAR).[2] The Entity List imposes supplemental licensing requirements on foreign entities involved in activities contrary to U.S. national security and foreign policy. Recently, BIS has added additional entities in Pakistan to the Entity List such as:

- Jiuding Refrigeration & Air-conditioning Equipment Co (Pvt) Ltd and K-SOFT Enterprises based on their contributions to Pakistan’s unsafeguarded nuclear activities.[3]
- Broad Engineering for its contributions to Pakistan’s ballistic missile program.[4]

BIS has also added entities located in other countries to the Entity List due to their involvement with Pakistan trade, such as:

- Poly Asia Pacific Ltd. (PAPL) and Peaktek Company Ltd., both located in China, based on contributions to Pakistan’s unsafeguarded nuclear activities.[5]

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- Pegasus General Trading FZC, under the destination of the U.A.E., as this entity has made multiple attempts to acquire U.S.-origin commodities ultimately destined for Pakistan’s unsafeguarded nuclear program, has provided false and misleading information to BIS during an end-use check, and has falsified official documents to obfuscate the true end-users of items subject to the EAR.[6]

Furthermore, BIS Office of Export Enforcement (OEE) investigations have revealed schemes to export items subject to the EAR to nuclear- and missile-related entities in Pakistan listed on the Entity List without the required licenses.[7]

In addition to the restrictions set forth in Section 744.11 of the EAR that apply to entities listed on the Entity List, any item subject to the EAR, whether or not subject to a CCL-based licensing requirement, may require a license if destined to certain nuclear- or missile-related activities in Pakistan. These end-use-based licensing requirements apply to items designated EAR99, as well as items listed on the CCL:

- Pursuant to Section 744.2 of the EAR, a license is required to export, reexport, or transfer (in-country) to or within Pakistan or certain other countries, any item subject to the EAR if you know at the time of the contemplated transaction that the item will be used, directly or indirectly, in a nuclear explosive activity, unsafeguarded nuclear activity, or certain safeguarded or unsafeguarded nuclear fuel cycle activities.
- Pursuant to Section 744.3 of the EAR, a license is required to export, reexport, or transfer (in-country) to or within Pakistan or certain other countries any item subject to the EAR if you know that the item will be used: in the design, development, production, operation, installation, maintenance, repair, overhaul, or refurbishing of rocket systems (including missiles and launch vehicles) or unmanned aerial vehicles (UAVs) for the delivery of chemical, biological, or nuclear weapons; or in the design, development, production, or use of a rocket system or UAV capable of a range of at least 300 kilometers. In addition, a license is required even if you cannot determine characteristics of the rocket system or UAV (e.g., the range capabilities) or whether they will be used for the delivery of chemical, biological, or nuclear weapons.
- In addition, even if you yourself do not have actual knowledge of a restricted end-use, BIS may inform persons that a license is required for a contemplated export, reexport, or transfer (in-country) due to an unacceptable risk of use in, or diversion to, the activities described above. BIS may provide specific (individual) notice or amend the EAR to provide general notice to the public of such licensing requirements.

Restrictions on Specific Activities of U.S. Persons

The EAR had long restricted certain U.S. person activity with regard to missiles or chemical and biological weapons activity, even when the activity did not involve items subject to the jurisdiction of the United States. However, these controls had not been updated in many years, until March 2021, when license requirements were expanded for U.S. person activity pursuant to new authority in the Export Control Reform Act of 2018 (ECRA).[8]

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- Section 1753(a)(2) of ECRA (50 U.S.C. 4812(a)(2)), provides authority to regulate the activities of U.S. persons, wherever located, related to nuclear explosive devices, missiles, chemical or biological weapons, whole plants for chemical weapons precursors, foreign maritime nuclear projects, and foreign military intelligence services.
- Section 744.6 of the EAR now requires a license for U.S. persons to engage in an expanded scope of support activities, including support for design, development, production, operation, installation, maintenance, repair, overhaul, or refurbishing of nuclear explosive devices or missiles in Pakistan or certain other countries.
- Section 744.6 of the EAR now provides a more comprehensive definition of the activities covered by this section, including in a new description of support activities that may require a license (e.g., shipping or transmitting from one foreign country to another foreign country any item not subject to the EAR you know will be used in or by any of the covered end uses or end users).

To avoid overlapping license requirements across U.S. government agencies, BIS has clarified that § 744.6 of the EAR does not regulate U.S. person activities that require a license from or are prohibited by another federal department or agency, including the Departments of Energy, State, or the Treasury. The issuance of a BIS license also does not authorize U.S. persons to engage in any conduct that is otherwise prohibited by U.S. law, including any criminal statute.

Due Diligence/Best Practices

To ensure compliance with these provisions of the EAR, in addition to screening customers against the U.S. Government’s Consolidated Screening List (CSL)[9], which includes BIS’s Entity List, exporters, reexporters, and transferors (in-country) of items subject to the EAR are also advised to conduct additional due diligence to identify and resolve red flags associated with transactions potentially destined to nuclear- or missile-related activities, in accordance with the “Know Your Customer” Guidance set forth in Supplement No. 3 to Part 732 of the EAR. In addition, exporters, reexporters, and transferors (in-country) are encouraged to do the following:

Thoroughly research any new or unfamiliar customers: Exporters should exercise increased due diligence when vetting new customers. Exporters are advised that the following fact patterns should prompt additional scrutiny:

- A new customer places an unexpected and/or high-value order for sophisticated equipment.
- The customer is a reseller or distributor. In such cases, you should always inquire who the end user is.
- The customer has no website or social media and is not listed in online business directories.
- The customer’s website or social media lists clients that are on the Entity List.
- The customer’s address is similar to an entity listed on the CSL, or the address indicates the customer is located close to end users of concern, including co-located with an entity listed on the Entity List.

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- Your customer places an order works and makes all shipping arrangements through a freight forwarding service. In such cases, request that the freight forwarder provide you a copy of the Electronic Export Information (EEI) filing to ensure the information is accurate.

Thoroughly assess the potential applications of your products. Whenever you identify red flags indicating a potential concern about your customer, or if you are unable to confirm the bona fides (i.e. legitimacy and reliability) of your customer, you should consider potential dual-use applications of your products. For example, if your products are commonly used in the power generation industry and some of your customers are affiliated with nuclear power plants, you should consider whether your items might be destined for a nuclear power plant in Pakistan, which may be subject to Entity List-based licensing requirements, as noted below.

BIS has identified a number of EAR99 items and CCL items controlled only for Anti-terrorism reasons (e.g., not generally requiring a license to Pakistan as a country), which have been sought by nuclear- or missile (including UAV)-related entities, including certain: § Connectors designated EAR99

- Electromechanical relays designated EAR99
- Gas measurement equipment designated EAR99
- Global positioning satellite (GPS) systems described in ECCN 7A994
- Power supplies designated EAR99
- Reflectometers designated EAR99
- Vacuum pumps not described in ECCN 2B231
- Charged-coupled device (CCD) Cameras designated EAR99
- Electrochemistry equipment designated EAR99
- Spectrophotometers designated 3A999.f

As indicated above, these items would require a license when destined to restricted missile end-uses in Pakistan, restricted nuclear end-uses in Pakistan, or when entities in Pakistan such as the Pakistan Atomic Energy Commission (PAEC) or Advanced Engineering Research Organization (AERO) that have been put on the BIS Entity List are a party to the transaction.

Additionally, in January 2020 the U.S. Department of Justice announced the unsealing of an indictment against five men for operating an international procurement network to acquire U.S.-origin goods for AERO and PAEC without export licenses in violation of federal laws.[10]. According to the unsealed indictment, from 2014 to 2019 the network caused the unlicensed exports of the following products from the United States:

- Helium Leak Detector
- Coaxial/electronic connectors
- Aircraft parts
- FPGAs
- Industrial equipment brake parts
- Pulsar/receiver
- Engine parts
- Capacitors
- Power Sensor
- Development Boards
- Power Supply
- Force sensor

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- Ignition and Firing module
- Cartridge Heaters
- Rack mount monitors
- Digital/Analog converters
- Connectors and Thermostats
- Electronic Components
- Phase shifter
- Semiconductors
- Encoders
- Industrial Safety Equipment
- Satellite Communications Equipment
- QRM Switching System
- Emulators

Determine the full scope of entity listings. Exporters are reminded to thoroughly screen all exports to Pakistan against the Entity List, one of the lists included in the CSL. It has come to BIS's attention that in some cases, automated screening may not be sufficient to identify entities listed on the Entity List and manual review may be necessary. For example, the Entity List entry for PAEC extends to all nuclear reactors, including power plants. Although they are not specifically identified on the Entity List, PAEC operates two nuclear power plants that are subject to Entity List licensing requirements.

Karachi Nuclear Power Plant (KANUPP), a.k.a., Karachi Nuclear Power Complex, located at Paradise Point, Karachi, Pakistan.

Chashma Nuclear Power Plant (CHASNUPP), a.k.a., Chashma Nuclear Power Complex, located near Chashma Colony, Kundian Town, Mianwali District, Pakistan.

File true, accurate, and complete export control information. True, accurate, and complete EEI must be filed in accordance with Sections 758.1 and 758.2 of the EAR, as well as the Foreign Trade Regulations (15 C.F.R. Part 30). In the case of exports made under the terms of a letter of credit (LoC), BIS has noticed that the parties to an export transaction may be inadvertently misrepresented on EEI filings due to differences between commercial document requirements and EEI requirements.

Although the terms of a LoC may require transportation documents, such as air waybills and bills of lading, to list the issuing financial institution in the "ship to" or "consign to" field, the financial institution should not be listed as the ultimate consignee on an EEI filing unless it is located abroad and actually receives the export.

The party located abroad that actually receives the goods, often listed as the "notify party" under the terms of a LoC, should be reported as the ultimate consignee pursuant to 15 C.F.R. Sections 30.1(c) and 30.6(a)(3).

If you are unable to resolve any red flags identified in a prospective export, reexport, or transfer (in-country), you should either refrain from participating in the transaction, submit a license application, or submit an advisory opinion request to BIS. License applications can be filed via SNAP-R (<https://snapr.bis.doc.gov>) and advisory opinions can be requested by using the online form on the BIS Website (<https://www.bis.doc.gov/index.php/component/rsform/form/22-contact-the-regulatory-policy-division>). To report suspicious purchase inquiries to BIS, contact your local OEE Field Office (<https://www.bis.doc.gov/index.php/enforcement/oee/investigation>), or contact the BIS Enforcement Hotline at 1-800-424-2980 or by using the form on the BIS Website (<https://www.bis.doc.gov/index.php/component/rsform/form/14-reporting-violations-form>).

(*Continued On The Following Column)

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[3] Addition of Entities and Revision of Entries on the Entity List; and Addition of Entity to the Military End-User (MEU) List, 86 Fed. Reg.67317 (Nov. 26, 2021) [4] Addition of Entities to the Entity List, Revision of Entry on the Entity List, and Removal of Entities From the Entity List, 85 Fed. Reg.83416 (Dec. 18, 2020)

[5] 86 Fed. Reg.67317 (Nov. 26, 2021)

[6] 86 Fed. Reg.67317 (Nov. 26, 2021)

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[9] <https://www.trade.gov/data-visualization/csl-search> (accessed Sep. 9, 2022)

[10] <https://www.justice.gov/opa/pr/five-men-indicted-operating-international-procurement-network-export-us-origin-goods-pakistan> (accessed Sep. 9, 2022)

A rising star in the Biden administration faces a \$100 billion test

By Ana Swanson New York Times, Updated November 26, 2022, 1:08 p.m.

WEST LAFAYETTE, Ind. — Commerce Secretary Gina Raimondo was meeting with students at Purdue University in September when she spotted a familiar face. Raimondo beamed as she greeted the CEO of SkyWater Technology, a chip company that had announced plans to build a \$1.8 billion manufacturing facility next to the Purdue campus.

"We're super excited about the Indiana announcement," she said. "Call me if you need anything."

These days, Raimondo, a former Rhode Island governor, is the most important phone call in Washington that many CEOs can make. As the United States embarks on its biggest foray into industrial policy since World War II, Raimondo has the responsibility of doling out a stunning amount of money to states, research institutions and companies such as SkyWater.

She is also at the epicenter of a growing Cold War with China as the Biden administration uses her agency's expansive powers to try to make America's semiconductor industry more competitive. At the same time, the administration is choking off Beijing's access to advanced chips and other technology critical to China's military and economic ambitions.

China has responded angrily, with its leader, Xi Jinping, criticizing what he called "politicizing and weaponizing economic and trade ties" during a meeting with President Joe Biden this month, according to the official Chinese summary of his comments.

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The Commerce Department, under Raimondo's leadership, is now poised to begin distributing nearly \$100 billion — roughly 10 times the department's annual budget — to build up the U.S. chip industry and expand broadband access throughout the country.

How Raimondo handles that task will have big implications for the U.S. economy going forward. Many view the effort as the best — and only — bet for the United States to position itself in industries of the future, such as artificial intelligence and supercomputing, and ensure that the country has a secure supply of the chips necessary for national security.

But the risks are similarly huge. Critics of the Biden administration's plans have noted that the federal government may not be the best judge of which technologies to back. They have warned that if the administration gets it wrong, the United States may surrender its leadership in key technologies for good.

"The essence of industrial policy is you're gambling," said William Reinsch, a trade expert at the Center for Strategic and International Studies, a think tank. "She's going to be in a tough spot because there probably will be failures or disappointments along the way," he said.

The outcome could also have ramifications for Raimondo's political ambitions. In less than two years in Washington, Raimondo, 51, has emerged as one of Biden's most trusted Cabinet officials. Company executives describe her as a skillful and charismatic politician who is both engaged and accessible in an administration often known for its skepticism of big business.

Raimondo's work has earned her praise from Republicans and Democrats, along with labor unions and corporations. Her supporters say she could ascend to another Cabinet position, run for the Senate or perhaps mount a presidential bid.

But she is under close watch by Sen. Elizabeth Warren of Massachusetts and some other left-wing Democrats, who have criticized her as being too solicitous of corporate interests. Some progressive groups have accused Raimondo of being under the influence of big tech firms and not thoroughly disclosing those ties.

"Secretary Raimondo's job is to help grow an economy that works for everyone, not to be the chief lobbyist for the Chamber of Commerce," Warren said in a statement to The New York Times. "I have real concerns about the department's approach, whether it's approving assault weapon sales, negotiating trade deals or supporting big tech companies."

Those criticisms have been fanned by rumors in recent months that the White House is considering Raimondo to serve as the next Treasury secretary if Janet Yellen, the current occupant of that post, eventually steps down.

Caitlin Legacki, a spokesperson for the Commerce Department, dismissed speculation about Raimondo's next moves as "wheel spinning."

"As has been previously reported, Janet Yellen is staying at Treasury and Gina Raimondo is staying at Commerce," Legacki wrote in an email. **(*Continued On The Following Column)**

Raimondo says she is eager to lead the Commerce Department through its next chapter as it tries to build up America's manufacturing sector. While the scale of the task is daunting, it so far has not fazed her. Colleagues and a family member describe her as having little aversion to conflict and say she is drawn to messy policy problems by an impulse to fix them.

Raimondo grew up in Rhode Island in a close-knit Roman Catholic family, raised partly by a brother 13 years her senior who recalled wrestling with her and throwing her in the water at the beach.

She was "afraid of pretty much nothing," said her brother, Dr. Thomas J. Raimondo, a pulmonologist in Warwick, Rhode Island. "I think because we brought her up tough, but No. 2, she'll enter a conflict figuring out, 'How am I going to fix this?'"

In sixth grade, she was also deeply influenced by watching her father lose his job at the Bulova watch factory as American manufacturers began sending jobs overseas. The job was a source of her father's pride and allowed him to provide for his family, and the loss sent him into a funk for years, Raimondo said in an interview. Her mother had shone in a job in human relations at U.S. Rubber, Raimondo said, but she was dismissed when she became pregnant, a common policy at the time.

As Raimondo grew up, manufacturers such as Timex and U.S. Rubber shut their doors, and she saw Rhode Island's schools and infrastructure begin to fray. The significance of these closures would resonate when Raimondo studied economics as an undergraduate at Harvard, where her professors fed her a "steady diet" of how trickle-down Reaganomics had hollowed out the U.S. economy, she said.

It was also this decaying system — specifically, Rhode Island's decision to slash public bus routes and library hours when budgets fell short — that ultimately drove Raimondo to leave a lucrative job in venture capital and run for state treasurer in 2010. There, she made changes to shore up the state's pension system, clashing with unions and progressive Democrats in the process.

She was elected as the state's first female governor in 2014. In that job, she introduced free community college and all-day kindergarten, repeatedly raised the minimum wage and cut business taxes. She also courted controversy by proposing a toll on commercial trucks to rebuild the state's roads and bridges. In 2016, 18-wheel trucks circled Rhode Island's State House for months, blasting their horns in protest and rattling the nerves of Raimondo's staff.

Biden, then vice president, came to her defense. He traveled to Providence to applaud her efforts and inspect a local bridge that he said was being held up by "Lincoln Logs."

"Let the horns blow," Biden said. "Fix the bridges and the roads."

Raimondo was also gaining political support elsewhere in the Democratic Party. She grew close with Mike Donilon, a top adviser to Biden, and his brother, Thomas E. Donilon, who served as national security adviser to President Barack Obama. In 2020, she served as a national co-chair of Michael Bloomberg's presidential campaign and was floated as a potential running mate.

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Biden and his team vetted Raimondo as a potential vice president. After Biden won, they considered her to lead the Department of Health and Human Services before settling on the Commerce Department, a sprawling agency that oversees trade, weather monitoring, the Census Bureau and technology regulation.

At Commerce, Raimondo has taken an active role in trade negotiations, at times overshadowing the Office of the U.S. Trade Representative, which traditionally crafts the country's trade deals. She played an outsized role in some of the administration's major legislative victories, including reaching out to executives to win their support for the infrastructure bill and leaning on her relationships with lawmakers and executives to get funding for the semiconductor industry put into law.

Raimondo has also presided over the most aggressive use of the Commerce Department's regulatory powers in a generation. While the department is well known for its role in promoting business, it has an increasingly important role in regulating it by policing the kind of advanced technology that U.S. firms can share with China, Russia and other geopolitical rivals.

In February, her department moved swiftly with allies to clamp down on technology shipments to Russia following its invasion of Ukraine. And in October, the department issued sweeping restrictions on advanced semiconductor exports to China in an attempt to curtail the country's access to critical technology that can be used in war.

But Raimondo has also received some criticism on that front. Republican lawmakers and others say she has not moved forcefully enough to stop U.S. companies from enriching themselves by selling sensitive technology to China. In particular, critics say that the Commerce Department has issued too many special licenses that offer companies exemptions to the restrictions on selling to China.

In an interview, Raimondo said that the claim was "just not true" and that exemptions were based on technical specifications, not political considerations.

The restrictions that the Biden administration issued on China's semiconductor industry last month are "the boldest, most coherent strategic set of policies that the Commerce Department has ever rolled out with respect to export controls," Raimondo said.

When it comes to overseeing industry, Raimondo has said she sees reasonable regulation of business as a necessity, saying corporations left to their own devices will "get greedy." And she has been outspoken about improving living conditions for the poor, often decrying an economic system where many women and people of color can work 60-hour weeks but still live in poverty.

But unlike some progressive Democrats, Raimondo clearly does not see an issue with being labeled "pro-business."

"I come from a place in my politics that, fundamentally, Americans are pro-job, pro-business, pro-wealth," she said. "Americans want to make money and feel like they can make money."

She added: "American entrepreneurship is the envy of the world. We cannot snuff that out."

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While she came from humble beginnings, Raimondo and her husband, Andy Moffit, a former executive at McKinsey & Co. who is now chief people officer at a health care technology platform, have amassed a net worth of between \$4 million and \$12.5 million, according to government disclosure forms.

As her department turns to funding semiconductor projects, Raimondo has promised to use tough standards to evaluate company applications, including prohibiting money from being used for stock buybacks or to make investments in advanced technology in China. The department is expected to lead the work of reviewing and approving grants, but any awards to companies of more than \$3 billion will be approved by Biden.

At an event held by the Atlantic Council in September, Raimondo acknowledged that people were watching closely and that the administration's credibility was on the line.

"Did you get it right? Did you meet the mission? Was it impactful?" she asked. "And if the answer is yes, I think we will be able to convince Congress and others to do more."

Taiwan president resigns as party leader after election loss

TAIPEI, Taiwan — Taiwan President Tsai Ing-wen resigned as head of the ruling Democratic Progressive Party following local election losses on Saturday in which voters chose the opposition Nationalist party in several major races across the self-ruled island.

Concerns about threats from rival China, which claims Taiwan as its territory, took a backseat to more local issues in the elections.

Tsai had spoken out many times about "opposing China and defending Taiwan" in the course of campaigning for her party. But the party's candidate Chen Shih-chung, who lost his battle for mayor of Taipei, only raised the issue of the Chinese Communist Party's threat a few times before he quickly switched back to local issues as there was little interest.

Tsai offered her resignation on Saturday evening, a tradition after a major loss, in a short speech in which she also thanked supporters.

"I must shoulder all the responsibility," she said. "Faced with a result like this, there are many areas that we must deeply review."

While international observers and the ruling party have attempted to link the elections to the long-term existential threat that is Taiwan's neighbor, many local experts do not think China had a large role to play this time around.

"The international community has raised the stakes too high. They've raised a local election to this international level, and Taiwan's survival," said Yeh-lih Wang, a political science professor at National Taiwan University.

During campaigning, there were few mentions of the large-scale military exercises targeting Taiwan that China held in August in reaction to U.S. House Speaker Nancy Pelosi's visit.

"So I think if you can't even raise this issue in Taipei, you don't even need to consider it in cities in the south," Wang said.

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Candidates from the Nationalist party won the mayoral seat in Taipei, Taiwan's capital, as well as in Taoyuan, Taichung and New Taipei city.

Taiwanese were picking mayors, city council members and other local leaders in all 13 counties and in nine cities. There was also a referendum to lower the voting age from 20 to 18, which was defeated, according to local media.

Chiang Wan-an, the new Taipei mayor, declared victory Saturday night in a large rally. "I will let the world see Taipei's greatness," he said.

Not all votes had been formally counted by the time of his speech, but Chiang and the other candidates' numerical lead allowed them to declare victory.

Kao Hung-an, a candidate in the relatively new Taiwan People's Party, won the mayoral seat in Hsinchu, home to many of Taiwan's semiconductor companies.

Campaigns had resolutely focused on the local: air pollution in the central city of Taichung, traffic snarls in Taipei's tech hub Nangang, and the island's COVID-19 vaccine purchasing strategies, which had left the island in short supply during an outbreak last year.

The defeat for the ruling DPP may be partly due to how it handled the pandemic.

"The public has some dissatisfaction with the DPP on this, even though Taiwan has done well relatively speaking in pandemic prevention," said Weihao Huang, a political science professor at National Sun Yat-sen University.

At an elementary school in New Taipei City, the city that surrounds Taipei, voters young and old came early despite the rain.

Yu Mei-zhu, 60, said she came to cast her ballot for the incumbent Mayor Hou You-yi. "I think he has done well, so I want to continue to support him. I believe in him, and that he can improve our environment in New Taipei City and our transportation infrastructure."

Tsai came out early Saturday morning to cast her ballot, catching many voters by surprise as her security and entourage swept through the school.

"If the DPP loses many county seats, then their ability to rule will face a very strong challenge," said You Ying-lung, chair at the Taiwanese Public Opinion Foundation that regularly conducts public surveys on political issues.

The election results will in some ways also reflect the public's attitude toward the ruling party's performance in the last two years, You said.

Some felt apathetic to the local race. "It feels as if everyone is almost the same, from the policy standpoint," said 26-year-old Sean Tai, an employee at a hardware store.

Tai declined to say who he voted for, but wants someone who will raise Taipei's profile and bring better economic prospects while keeping the status quo with China. "We don't want to be completely sealed off. I really hope that Taiwan can be seen internationally," he said.

FCC BAN

List of Equipment and Services Covered By Section 2 of The Secure Networks Act

Section 1.50002 of the Commission's rules directs the Public Safety and Homeland Security Bureau to publish a list of communications equipment and services (Covered List) that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons, based exclusively on any of four sources for such a determination and that such equipment or services possess certain capabilities as enumerated in section 2(a) of the Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601-1609). Pursuant to the Commission's rules, the Public Safety and Homeland Security Bureau will maintain this list on the Commission's website, and will monitor the status of any determinations in order to update the Covered List. More information on how the Covered List is compiled and updated can be found in the Commission's rules at 47 C.F.R. § 1.50000 *et seq.*

(Updated September 20, 2022)*+

Covered Equipment or Services* and Date of Inclusion on Covered List

March 12, 2021

Telecommunications equipment produced by Huawei Technologies Company, including telecommunications or video surveillance services provided by such entity or using such equipment.

March 12, 2021

Telecommunications equipment produced by ZTE Corporation, including telecommunications or video surveillance services provided by such entity or using such equipment.

March 12, 2021

Video surveillance and telecommunications equipment produced by **Hangzhou Hikvision Digital Technology Company**, to the extent it is used for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, including telecommunications or video surveillance services provided by such entity or using such equipment.

March 12, 2021

Video surveillance and telecommunications equipment produced by **Dahua Technology Company**, to the extent it is used for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, including telecommunications or video surveillance services provided by such entity or using such equipment.

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March 25, 2022

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March 25, 2022

International telecommunications services provided by **China Mobile International USA Inc.** subject to section 214 of the Communications Act of 1934.

March 25, 2022

Telecommunications services provided by **China Telecom (Americas) Corp.** subject to section 214 of the Communications Act of 1934.

September 20, 2022

International telecommunications services provided by **Pacific Network Corp** and its wholly-owned subsidiary **ComNet (USA) LLC** subject to section 214 of the Communications Act of 1934.

September 20, 2022

International telecommunications services provided by **China Unicom (Americas) Operations Limited** subject to section 214 of the Communications Act of 1934.

*The inclusion of producers or providers of equipment or services identified on this list should be read to include the subsidiaries and affiliates of such entities.

†Where equipment or services on the list are identified by category, such category should be construed to include only equipment or services capable of the functions outlined in sections 2(b)(2)(A), (B), or (C) of the Secure and Trusted Communications Networks Act of 2019, 47 U.S.C. § 1601(b)(2)(A)-(C).

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