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Commerce Responds to Russia's Attempts to Annex Parts of Ukraine

WASHINGTON, D.C. – Today, the Commerce Department's Bureau of Industry and Security (BIS) took swift and severe action in coordination with U.S. government partners to hold Russia accountable for its unlawful attempt to annex sovereign Ukrainian territory. Today, Commerce issued a rule that adds 57 entities located in Russia and the Crimea region of Ukraine to the Entity List for supporting the Russian military's brutal assault on Ukraine. In the wake of Russia's violation of international law, Commerce is also publishing [new guidance](#) which sends a clear warning that the United States' export controls on Russia can be applied to entities in third countries that seek to provide material support for Russia's and Belarus's military and industrial sectors, including to replenish ("backfill") technologies and other items prohibited by the United States and the 37 allies and partners that have implemented substantially similar controls.

"Russia's attempts to illegally annex Ukrainian territory are a grotesque violation of Ukraine's sovereignty and a blatant effort to manufacture a false reality. This phony act to legitimize the invasion cannot stand," **said Under Secretary of Commerce for Industry and Security Alan Estevez.** "We are also further clamping down on entities that are seeking to support Russia's military effort—inside and outside of Russia—and will continue to coordinate with our allies and partners to continue to cut Russia off further from the technologies and other items it needs to sustain its war effort."

"Russia's sham referendums and attempts at illegally annexing Ukrainian territory demonstrate the lengths that Putin will go to try to find ways to justify his illegal war," **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** "The United States and our partners and allies remain resolute in opposing this brutal, unjustified assault and BIS will continue to take action to deny Putin's regime and those that support it access to global commerce."

The full list of entities is included in the text of the rule released today and is available on the Federal Register's website [here](#). The rule becomes effective upon publication in the Federal Register, which is September 30, 2022.

Today's actions bring the number of entities added to the Entity List for activities related to Russia's invasion of Ukraine to 392 and will continue BIS's powerful, coordinated efforts to cut Russia's military off from global commerce and thereby severely limit its ability to sustain its aggression and project power.

The 57 entities being added today are being added for a variety of activities contrary to U.S. national security and foreign policy interests, including acquiring or attempting to acquire U.S.-origin items in support of Russia's military. Some are also being added for their involvement in the development of quantum computing technologies, which would further enable Russia's malicious cyber activities or are otherwise important to Russia in developing advanced production and development capabilities.

Fifty of the fifty-seven entities will also be subject to the Russia/Belarus Military End User Foreign Direct Product (FDP) Rule which impose severe restrictions on these entities' access to certain foreign-produced items.

Additional Background

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

The Entity List ([supplement no. 4 to part 744 of the EAR](#)) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities—including businesses, research institutions, government and private organizations, individuals, and other types of legal persons—that have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy of the United States. Parties on the Entity List are subject to individual licensing requirements and policies supplemental to those found elsewhere in the EAR.

Entity List additions are determined by the interagency ERC, comprised of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, Treasury, based on specific and articulable facts that the entities have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States.

The ERC makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entity to the Entity List by majority vote and makes all decisions to remove or modify an entity by unanimous vote.

Additional information on the Entity List is available on BIS's website at: <https://bis.doc.gov/index.php/policy-guidance/faqs>

For more information, visit www.bis.doc.gov.

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