DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 210707–0145]

RIN 0694–A153

Addition of Entities and Revision of Entry on the Entity List

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: In this rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) by adding six entities to the Entity List. These six entities, all of which are being added under the destination of Russia, have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States and are being added consistent with Executive Order 14024, Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation, issued on April 15, 2021. This rule also corrects one existing entry on the Entity List under the destination of Russia.

DATES: This rule is effective July 19, 2021.

FOR FURTHER INFORMATION CONTACT: Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482–5991, Fax: (202) 482–3911, Email: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

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 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 EAR (15 CFR parts 730–774) impose additional license requirements on, and limit the availability of most license exceptions for, exports, reexports, and transfers (in-country) to listed entities. The license review policy for each listed entity is identified in the “License Review Policy” column on the Entity List, and the impact on the availability of license exceptions is described in the relevant Federal Register document. BIS places entities on the Entity List pursuant to part 744 (Control Policy: End-User and End-Use Based) and part 746 (Embargoes and Other Special Controls) of the EAR. The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List and the MEU List. The ERC makes all decisions to add an entry to the Entity List and MEU List by majority vote and all decisions to remove or modify an entry by unanimous vote. The Departments represented on the ERC approved these changes to the Entity List.

Entity List Decisions

A. Entity Additions Consistent With Executive Order 14024

In this final rule, six entities are added to the Entity List on the basis of activities that are described in Executive Order (E.O.) 14024 (86 FR 20249, April 19, 2021), Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation, issued on April 15, 2021. In E.O. 14024, the President found that specified harmful foreign activities of the Russian government constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. In issuing E.O. 14024, the President declared a national emergency to deal with this threat.

E.O. 14024 elevates the U.S. government’s capacity to deploy strategic and economically impactful sanctions to deter and respond to Russia’s destabilizing behavior and to counter Russia’s harmful foreign activities that threaten the national security and foreign policy of the United States, including: Undermining the conduct of free and fair elections and democratic institutions in the United States and its allies and partners; engaging in and facilitating malicious cyber activities against the United States and its allies and partners that threaten the free flow of information; fostering and using transnational corruption to influence foreign governments; pursuing extraterritorial activities targeting dissidents or journalists; undermining security in countries and regions important to the United States’ national security; and violating well-established principles of international law, including respect for the territorial integrity of states. To address these threats, E.O. 14024 authorizes sanctions on a wide range of persons, including, among others, those operating in the technology and defense and related materiel sectors of the Russian economy and in any additional sectors of the Russian economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State.

The Department of the Treasury’s Office of Foreign Assets Control (OFAC) has designated the following six entities as being within the scope of E.O. 14024: Aktsionernoe Obshchestvo AST; Aktsionernoe Obshchestvo Pasit; Aktsionernoe Obshchestvo Positiv Tekhnodvizh; Federal State Autonomous Institution Military Innovative Technopolis Era; Federal
State Autonomous Scientific Establishment Scientific Research Institute Specialized Security Computing Devices and Automation; and Obshchestvo S Ogranichennoi Otvetstvennostyu NEOBIT. OFAC’s first use of E.O. 14024 targeted companies operating in the technology sector of the Russian economy that support Russian intelligence services.

In conjunction with OFAC’s designation, BIS is taking concurrent action to ensure the efficacy of existing sanctions on Russia that target aggressive and harmful activities by the Russian government. BIS is adding the six entities designated by OFAC—Aktsionernoe Obschestvo AST; Aktsionernoe Obschestvo Pasit; Aktsionernoe Obschestvo Pozitiv Teknolodzhiz; Federal State Autonomous Institution Military Innovative Technopolis Era; Federal State Autonomous Scientific Establishment Scientific Research Institute Specialized Security Computing Devices and Automation; and Obshchestvo S Ogranichennoi Otvetstvennostyu NEOBIT.

B. Correction to the Entity List

This final rule implements a correction to one existing entry on the Entity List under Russia. The correction is for the entity, Federal Security Service (FSB). This entity was added to the EAR on January 4, 2017 (82 FR 724, January 4, 2017). The License Requirement for this entity applies to all items subject to the EAR, apart from items that are related to transactions that are authorized by OFAC pursuant to their February 2, 2017, General License No. 1 (“Authorizing Certain Transactions with the Federal Security Service”). Effective March 2, 2021, General License No. 1A, dated March 15, 2018, was replaced and superseded in its entirety by General License No. 1B (“Authorizing Certain Transactions with the Federal Security Service”). This final rule corrects the existing entry’s License Requirement column by inserting General License 1B for reference to OFAC’s General License No. 1 and amends the effective date from February 2, 2017, to the current effective date of March 2, 2021.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export, reexport, or transfer (in-country), on July 19, 2021, pursuant to actual orders for export, reexport, or transfer (in-country) to or within a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR).

Export Control Reform Act of 2018

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801–4852). ECRA provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this rule.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule has been designated to be not significant for purposes of E.O. 12866.

2. Notwithstanding any other provision of law, no person is required to respond to or be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under control number 0694–0088, Simplified Network Application Processing System, which includes, among other things, license applications, and carries a burden estimate of 29.6 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control number 0694–0088 are not expected to increase as a result of this rule.

3. This rule does not contain policies with federalism implications as that term is defined in E.O. 13132.

4. Pursuant to section 1762 of ECRA (see 50 U.S.C. 4821), this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date.

5. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

List of Subjects in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:
PART 744—[AMENDED]

1. The authority citation for part 744 continues to read as follows:


2. Supplement No. 4 to part 744 is amended in the table under RUSSIA:

a. By adding in alphabetical order entries for “Aktsionernoe Obshchestvo AST”, “Aktsionernoe Obshchestvo Pasit”, and “Aktsionernoe Obshchestvo Pozitiv Teknolodzhiz”;

b. By revising the entry for “Federal Security Service (FSB)”;


The additions and revision read as follows:

Supplement No. 4 to Part 744—Entity List

<table>
<thead>
<tr>
<th>Country</th>
<th>Entity</th>
<th>License requirement</th>
<th>License review policy</th>
<th>Federal Register citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RUSSIA</td>
<td>Aktsionernoe Obshchestvo AST, a.k.a., the following one alias: Advanced Systems Technology, AO.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ....</td>
<td>86 FR [INSERT FR PAGE NUMBER] July 19, 2021.</td>
</tr>
<tr>
<td></td>
<td>Aktsionernoe Obshchestvo Pasit, a.k.a., the following one alias: Pasit, AO.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ....</td>
<td>86 FR [INSERT FR PAGE NUMBER] July 19, 2021.</td>
</tr>
<tr>
<td></td>
<td>Aktsionernoe Obshchestvo Pozitiv Teknolodzhiz, a.k.a., the following two aliases: JSC Positive Technologies; and Pozitiv Teknolodzhiz. AO.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ....</td>
<td>86 FR [INSERT FR PAGE NUMBER] July 19, 2021.</td>
</tr>
<tr>
<td></td>
<td>Federal Security Service (FSB), a.k.a., the following one alias: Federalnaya Sluzhba Bezopasnosti.</td>
<td>For all items subject to the EAR (see § 744.11 of the EAR), apart from items that are related to transactions that are authorized by the Department of the Treasury’s Office of Foreign Assets Control pursuant to General License No. 1B of March 2, 2021.</td>
<td>Presumption of denial ....</td>
<td>82 FR 724, 1/4/17.</td>
</tr>
<tr>
<td></td>
<td>Federal State Autonomous Institution Military Innovative Technopolis Era, a.k.a., the following two aliases: ERA Military Innovation Technopolis; and FGAU VIT ERA.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ....</td>
<td>86 FR [INSERT FR PAGE NUMBER] July 19, 2021.</td>
</tr>
<tr>
<td></td>
<td>Obshchestvo S Ogranichennoi Otvetstvennostyu NEOBIT, a.k.a., the following one alias: NEOBIT, OOO.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ....</td>
<td>86 FR [INSERT FR PAGE NUMBER] July 19, 2021.</td>
</tr>
</tbody>
</table>
DEPARTMENT OF THE TREASURY
Office of Foreign Assets Control

31 CFR Part 589

Publication of Ukraine-Related Web General License 14 and Subsequent Iterations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury’s Office of Foreign Assets Control (OFAC) is publishing six Ukraine-related web general licenses (GLs) in the Federal Register: GL 14, GL 14A, GL 14B, GL 14C, GL 14D, and GL 14E, each of which is now expired and was previously issued on OFAC’s website.

DATES: GL 14E expired on January 28, 2019. See SUPPLEMENTARY INFORMATION of this rule for additional relevant dates.

ADDRESSES: Electronic availability: This document and additional information concerning OFAC are available on OFAC’s website www.treasury.gov/ofac.


SUPPLEMENTARY INFORMATION:

Background

On March 6, 2014, the President, invoking the authority of, inter alia, the International Emergency Economic Powers Act (50 U.S.C. 1701–1706) (IEEPA), issued Executive Order (E.O.) 13660, “Blocking Property of Certain Persons Contributing to the Situation in Ukraine” (79 FR 13493, March 10, 2014). In E.O. 13660, the President determined that the actions and policies of persons including persons who have asserted governmental authority in the Crimean region without the authorization of the Government of Ukraine that undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and declared a national emergency to deal with that threat.


OFAC, in consultation with the Department of State, issued GL 14 on April 23, 2018, pursuant to the Regulations, to authorize certain transactions and activities ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other agreements involving United Company RUSAL PLC, or any other entity in which United Company RUSAL PLC owns, directly or indirectly, a 50 percent or greater interest, and that were in effect prior to April 6, 2018, through 12:01 a.m. eastern daylight time, October 23, 2018.

Subsequently, OFAC issued five further iterations of GL 14, each of which extended the period the authorizations in GL 14 remained in effect: On September 21, 2018, OFAC issued GL 14A, which replaced and superseded GL 14, and extended the authorizations through 12:01 a.m. eastern standard time, November 12, 2018; on October 12, 2018, OFAC issued GL 14B, which replaced and superseded GL 14A, and extended the authorizations through 12:01 a.m. eastern standard time, December 12, 2018; on November 9, 2018, OFAC issued GL 14C, which replaced and superseded GL 14B, and extended the authorizations through 12:01 a.m. eastern standard time, January 7, 2019; on December 7, 2018, OFAC issued GL 14D, which replaced and superseded GL 14C, and extended the authorizations through 12:01 a.m. eastern standard time, January 21, 2019; and on January 16, 2019, OFAC issued GL 14E, which replaced and superseded GL 14D, and extended the authorizations through 12:01 a.m. eastern standard time, January 28, 2019. Following the delisting of United Company RUSAL PLC on January 27, 2019, OFAC authorization was no longer required to transact with the company or any other entity in which United Company RUSAL PLC owns, directly or indirectly, a 50 percent or greater interest. The texts of GLs 14, 14A, 14B, 14C, 14D, and 14E are provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Ukraine-Related Sanctions Regulations

31 CFR Part 589

General License No. 14

Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts With United Company RUSAL PLC

(a) Except as provided in paragraphs (b) and (c) of this general license, all transactions and activities otherwise prohibited by the Ukraine Related Sanctions Regulations, 31 CFR part 589, that are ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other