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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 732, 734, 736, 744, and 748

[Docket No. 251106-0169]

RIN 0694-AK34

One Year Suspension of Expansion of End-User Controls for Affiliates of Certain Listed Entities

AGENCY: Bureau of Industry and Security, Department of Commerce.

ACTION: Final rule; stay.

SUMMARY: In this final rule, the Bureau of Industry and Security (BIS) imposes a one-year suspension of the interim final rule, “Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities.” The suspension is set to end November 9, 2026, absent a future extension.

DATES: Effective November 10, 2025, the amendments to 15 CFR parts 732, 734, 736, 744, and 748 in the interim final rule published at 90 FR 47201, on September 30, 2025, are stayed until November 9, 2026.

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

SUPPLEMENTARY INFORMATION:

I. Background

A. Publication of Affiliates Rule

On September 30, 2025, the Bureau of Industry and Security (BIS) published the interim final rule, “Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities” (90 FR 47201) (Affiliates Rule). Under the Affiliates Rule, any entity that is at least 50 percent owned directly or indirectly, individually or in the aggregate, by one

or more entities on the Entity List, or by unlisted entities that are subject to license requirements or other restrictions based upon their ownership, is itself automatically subject to Entity List restrictions.

B. One Year Suspension of End-User Controls for Affiliates of Certain Listed Entities

In this final rule, BIS imposes a one-year suspension of the Affiliates Rule. This rule will be implemented in two phases. The first phase, effective on November 10, 2025, and ending November 9, 2026, is a one-year suspension of the Affiliates Rule. BIS is temporarily suspending all changes previously made to the EAR by the Affiliates Rule during this period. In the second phase of this final rule, effective November 10, 2026 and extending indefinitely, the changes included in the Affiliates Rule that are removed in the first stage will be added back into the EAR.

During the first phase of this final rule, BIS will continue to evaluate U.S. national security and foreign policy interests related to these non-listed foreign affiliates of listed entities.

C. Reimposition of End-User Controls for Affiliates of Certain Listed Entities

This final rule adds back into the EAR effective November 10, 2026, the license requirements and related provisions from the Affiliates Rule. These are the same changes that are described as being removed in Sections I.C of this final rule. These changes to the EAR are the same as those described in the Affiliates Rule. See the Affiliates Rule for additional background information on the addition of these changes to the EAR.

The **DATES** section of this final rule identifies the amendatory instructions that, effective November 10, 2026, will reimpose the license requirements and related provisions added to the EAR in the Affiliates Rule. Accordingly, the provisions that this final rule removes from the EAR on November 10, 2025, as described under Section I.B and II.A, will be reimposed on November 10, 2026. The **DATES** section of this final rule specifies that amendatory instructions 3, 6, 9, 12, 14, 16, 18, 20, 22, 24, 27, and 29 are effective November 10, 2026. For ease of reference, each of these amendatory instructions begins with the wording

“Effective November 10, 2026, amend,” which will make it easier to identify these amendatory instructions in the regulatory text in this final rule. All of the other amendatory instructions in this final rule are effective on November 10, 2025.

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 ECRA (codified, as amended, at 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. In particular, and as noted elsewhere, Section 1753 of ECRA (50 U.S.C. 4812) authorizes the regulation of exports, reexports, and transfers (in-country) of items subject to U.S. jurisdiction. Further, Section 1754(a)(1)–(16) of ECRA (50 U.S.C. 4813(a)(1)–(16)) authorizes, *inter alia*, the establishment of a list of controlled items; the prohibition of unauthorized exports, reexports, and transfers (in-country); the requirement of licenses or other authorizations for exports, reexports, and transfers (in-country) of controlled items; apprising the public of changes in policy, regulations, and procedures; and any other action necessary to carry out ECRA that is not otherwise prohibited by law. Pursuant to Section 1762(a) of ECRA (50 U.S.C. 4821(a)), these changes can be imposed in an interim final rule without prior notice and comment.

Rulemaking Requirements

1. BIS has examined the impact of this rule as required by Executive Orders (E.O.) 12866 and 13563, which 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 (*e.g.*, potential economic, environmental, public, health, and safety effects, distributive impacts, and equity). Pursuant to E.O. 12866, as amended, this final rule has not been determined to be a “significant regulatory action.” This final rule is not a regulatory action pursuant to E.O. 14192 because it is not significant under E.O. 12866.

2. Notwithstanding any other provision of law, no person is required to respond to, nor shall any person 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.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This rule involves the following OMB-approved collections of information subject to the PRA:

- 0694–0088, “Simple Network Application Process and Multipurpose Application Form,” which carries a burden hour estimate of 29.7 minutes for a manual or electronic submission;
- 0694–0096 “Five Year Records Retention Period,” which carries a burden hour estimate of less than 1 minute;
- 0607–0152 “Automated Export System (AES) Program,” which carries a burden hour estimate of 3 minutes per electronic submission; and
- 0694–0134 “Procedure for parties on the Entity List or the Unverified List to Request Removal or Modification of their Listing,” which carries a burden hour estimate of 15 hours per electronic submission.

BIS estimates that these changes to suspend the license requirements and related provisions for one year will result in a one-time reduction of 245 license applications submitted during the one year to BIS under OMB Control Number 0694–0088. However, the reduction in burden falls within the existing estimates currently associated with these control numbers and the burden will be returned to the prior burden estimate once these changes are reimposed on November 10, 2026. Additional information regarding these collections of information—including all background materials—can be found at: <https://www.reginfo.gov/public/do/PRAMain> by using the search function to enter either the title of the collection or the OMB Control Number.

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

4. Pursuant to section 1762 of ECRA (50 U.S.C. 4821), this action is exempt from the Administrative Procedure Act (APA) (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date. This final rule did not consider public comments received on the Affiliates Rule. Public comments received on the Affiliates Rule will be considered for future, subsequent rulemakings.

5. Because neither the APA nor any other law requires that notice of proposed rulemaking and an opportunity for public comment be given for this rule, the analytical

requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no Final Regulatory Flexibility Analysis is required, and none has been prepared.

Julia A. Khersonsky,
Deputy Assistant Secretary for Strategic Trade.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 251106–0170]

RIN 0694–AK07

Revisions to the Entity List

AGENCY: Bureau of Industry and Security, Department of Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Industry and Security (BIS) is removing one entity from the Entity List under the destination of China, People’s Republic of (China). BIS is also removing six aliases associated with a different entity on the Entity List under the destination of China. BIS has determined, based on the review of additional information, that the entities do not pose a significant risk of being or becoming involved in activities that are contrary to the national security or foreign policy interests of the United States.

DATES: This rule is effective November 10, 2025.

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

SUPPLEMENTARY INFORMATION:

Background

The Entity List (supplement no. 4 to part 744 of the EAR (15 CFR parts 730–774)) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, 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, pursuant to § 744.11(b) of the EAR. The EAR imposes additional license requirements on, and limits the availability of, most license exceptions for exports, reexports, and transfers (in-country)

when a listed entity is a party to the transaction. 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 that added the entity to the Entity List. 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, War, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and makes all decisions to remove or modify an entry by unanimous vote.

Removals From the Entity List

The ERC determined to remove Arrow China Electronics Trading Co., Ltd. and the six aliases under Arrow Electronics (Hong Kong) Co., Ltd. from the Entity List under China, based on information BIS received pursuant to § 744.16 of the EAR regarding the relationships of the aliases under this separate entry to Arrow China Electronics Trading Co., Ltd., along with commitments to enhance export compliance measures of all of these parties, and the review the ERC conducted in accordance with procedures described in supplement no. 5 to part 744 of the EAR.

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. In particular, Section 1753 of ECRA (50 U.S.C. 4812) authorizes the regulation of exports, reexports, and transfers (in-country) of items subject to U.S. jurisdiction. Further, Section 1754(a)(1)–(16) of ECRA (50 U.S.C. 4813(a)(1)–(16)) authorizes, *inter alia*, establishing and maintaining a list of foreign persons and end uses that are determined to be a threat to the national security and foreign policy of the United States pursuant to the policy set forth in Section 1752(2)(A), and restricting exports, reexports, and in-country transfers of any controlled items to any foreign person or end use so listed;