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## Commerce Further Restricts China's Artificial Intelligence and Advanced Computing Capabilities

Adds to Entity List to Strengthen U.S. National Security

**Washington, D.C.** — Today, the Department of Commerce's Bureau of Industry and Security (BIS) added 80 entities to the Entity List from China, the United Arab Emirates (UAE), South Africa, Iran, Taiwan, and others for activities contrary to U.S. national security and foreign policy. As part of these measures, BIS is working toward the following objectives:

- Restrict the Chinese Communist Party's (CCP) ability to acquire and develop highperformance and exascale computing capabilities, as well as quantum technologies, for military applications;
- Impede China's development of its hypersonic weapons program;
- Prevent entities associated with the Test Flying Academy of South Africa (TFASA) from using U.S. items to train Chinese military forces;
- Disrupt Iran's procurement of unmanned aerial vehicles (UAVs) and related defense items; and
- Impair the development of unsafeguarded nuclear activities and ballistic missile program.

"Under the strong leadership of President Donald Trump, the Commerce Department is taking decisive action to protect America. We will not allow adversaries to exploit American technology to bolster their own militaries and threaten American lives," said **U.S. Secretary of Commerce Howard Lutnick**. "We are committed to using every tool at the Department's disposal to ensure our most advanced technologies stay out of the hands of those who seek to harm Americans. At the same time, we will continue to drive American innovation, ensuring that our nation's economic strength remains unparalleled."

"American technology should never be used against the American people. BIS is sending a clear, resounding message that the Trump administration will work tirelessly to safeguard our national security by preventing U.S. technologies and goods from being misused for high performance computing, hypersonic missiles, military aircraft training, and UAVs that threaten our national security," said **Under Secretary of Commerce for Industry and Security Jeffrey I. Kessler**.

"The Entity List is one of many powerful tools at our disposal to identify and cut off foreign adversaries seeking to exploit American technology for malign purposes."

Specifically, these revisions to the Entity List include:

- 12 entities—11 under the destination of China and one under the destination of Taiwan are added for engaging in the development of advanced AI, supercomputers, and highperformance AI chips for China-based end-users with close ties to the country's militaryindustrial complex.
- 13 entities, including under the destinations of China, are added for their contributions to unsafeguarded nuclear activities.
- Seven entities are added for contributions to ballistic missile programs.
- 27 Chinese entities are added for acquiring or attempting to acquire U.S.-origin items in support of China's military modernization. These entities have demonstrable ties to activities of concern, including the development of hypersonic weapons and the design and modeling of vehicles in hypersonic flight.
- Seven entities located in China are added for acquiring or attempting to acquire U.S.origin items in support of advancing the CCP's quantum technology capabilities, presenting serious ramifications for U.S. national security given the military applications of quantum technologies.
- Two Chinese entities are being added for selling products to parties on the Entity List, including Huawei and affiliated entity HiSilicon.
- Two entities in Iran and China are added for attempting to procure U.S.-origin items for Iran's defense industry and unmanned aerial vehicle programs.
- Ten entities under the destinations of China, South Africa, and the UAE are added due to their links to the Test Flying Academy of South Africa (TFASA) —a party added to the Entity List on June 12, 2023—and the training of Chinese military forces using Western and NATO sources.

BIS is also modifying one existing entity, Dart Aviation, under four entries on the Entity List under the destinations of France, Iran, Senegal, and the United Kingdom. This entry is modified by adding two additional aliases and one additional address. Dart Aviation was added to the Entity List in 2019 for transshipping U.S.-origin items to sanctioned destinations.

## **Additional Information**

BIS's actions are taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the Export Administration Regulations (EAR).

Under these authorities, BIS possesses a variety of tools to control the export of U.S.-origin and certain foreign-produced commodities, software, and technology, as well as specific activities of U.S. persons, for national security and foreign policy reasons.

The Entity List (<u>Supplement No. 4 to Part 744 of the EAR</u>) identifies entities and addresses 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—or parties that are operating at an address that present a high diversion risk, 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. Parties on the Entity List are subject to individual licensing requirements and policies supplemental to those found elsewhere in the EAR.

The interagency End-User Review Committee (ERC)—comprised of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, the Treasury—makes decisions regarding additions to, removals from, or 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.

The text of the rule, which includes the list of entities, is available on the Federal Register's website <u>here</u>.

Additional information on the Entity List is available on BIS's website at: <u>https://www.bis.gov/entity-list</u>.

For more information, visit www.bis.gov.

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