

Commerce Department to Impose Export Ban on Eight Chinese Tech Companies

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As tensions continue to mount between the United States and China, the Commerce Department's Bureau of Industry and Security (BIS) is set to add eight Chinese tech companies in the video surveillance, facial/voice recognition, cybersecurity, and artificial intelligence/machine learning sectors to its Entity List tomorrow, effectively banning these companies from receiving U.S. products and technology without a license.

The soon-to-be listed Chinese companies are as follows:

- Dahua Technology
- Hikvision
- IFLYTEK
- Megvii Technology
- Sense Time
- Xiamen Meiya Pico Information Co. Ltd.
- Yitu Technologies
- Yixin Science and Technology Co. Ltd.

Similar to the restrictions imposed on Huawei and a number of its affiliates starting in May of this year, a license now will be required to export all items subject to the Export Administration Regulations (EAR)—including commercial U.S. hardware, software, and technology—to these companies. Most license applications will be subject to a presumption of denial, except those involving certain biological/radioactive/chemical/explosive detection, monitoring, and protective items, which will be subject to a case-by-case review policy.

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Additionally, the Xinjiang Uighur Autonomous Region (XUAR) People's Government Public Security Bureau, 18 of its subordinate municipal and county public security bureaus, and another subordinate institute will be added to the Entity List for what the BIS notice describes as "human rights violations and abuses in the implementation of China's campaign of repression, mass arbitrary detention, and high-technology surveillance" against minority groups in the XUAR. The same restrictions described above will apply to these government entities.

BIS's latest move comes just ahead of a planned meeting between U.S. and Chinese officials to attempt to resolve the ongoing trade war between the countries. Should you have any questions about the new export restrictions, please do not hesitate to contact one of the attorneys listed on this alert.