Russia & Belarus Export Sanctions
Under the Export Administration Regulations
15 CFR 700-799

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U.S. Response to Russia Invasion of Ukraine

• In response to the Russian Federation’s (Russia’s) invasion of Ukraine, the Bureau of Industry and Security (BIS) has taken swift and severe action to impose stringent export controls on Russia.

• These restrictions have also been applied to Belarus in response to its substantial enabling of Russia’s invasion.

Note: The export control being implemented on Russia and Belarus extend to exports, reexports and transfers (in-country) for the new controls that have been added to the EAR.
Objectives of Export Control Restrictions

• Impair Russia’s military capability
  • Target the defense, aerospace, and maritime sectors
  • Broadly restrict exports in materials, materials processing, electronics, computers, telecommunications, information security, lasers and sensors, navigation and avionics, marine, and aerospace categories

• Impair Russia’s refining capability
  • Specified oil refinery equipment

• Impair oligarch’s purchasing ability
  • Luxury goods
Sweeping Export Restrictions on Russia

- Policy of Denial for all multilaterally controlled items
- Policy of Denial for all Commerce Control List items subject to Antiterrorism controls that require a license
- Foreign-direct product (FDP) rules applies to Russia and military end users
- Added/identified over 200 parties including Russia military end users to Entity List

- Some exclusions for global alliance countries
- Some license exceptions (or portions of) available, e.g., CCD, ENC. TMP, BAG
- Generally, policy of denial, some case-by-case (humanitarian, safety, allies)

- Oil refinery equipment
- Luxury goods
To prevent the diversion of items, including technology and software, in the defense, aerospace, and maritime sectors to Russia through Belarus, and to degrade both nations’ ability to sustain military aggression.

Export restrictions are the same as was applied for Russia.
Policy of Denial Multilaterally Controlled Items

Wassenaar Arrangement
Australia Group
Nuclear Suppliers Group
Missile Technology Control Regime
Policy of Denial Antiterrorism (AT) Controls

- Commerce Control List
  - Category 0: Miscellaneous
  - Category 1: Materials, Chemicals, Microorganisms and Toxins
  - Category 2: Materials Processing
  - Category 3: Electronics
  - Category 4: Computers
  - Category 5 Part One: Telecommunications
  - Category 5 Part Two: Information Security
  - Category 6: Lasers and Sensors
  - Category 7: Navigation and Avionics
  - Category 8: Marine
  - Category 9: Aerospace
Foreign Direct Product Rule

- Covers foreign-made items
  - Based on U.S. software or technology in categories 0-9
  - Produced with U.S. equipment based on categories 0-9
- Direct product must be AT level or other ECCN, except if destined to designated military end user
De Minimis

• Controlled U.S.-origin content to Russia or Belarus includes:
  • Multilaterally controlled items
  • 9A991 and AT controlled items categories 0-9, except Global Coalition Countries.
• Foreign made items with greater than 25% EAR controlled U.S.-origin content to Russia or Belarus are subject to the EAR
• Examples
  • Civil aircraft
  • Electronics items
Prohibit All Exports to Enablers of Aggression

Added over 200 entities to the Entity List mostly in Russia but also in Belize, Estonia, Kazakhstan, Latvia, Malta, Singapore, Slovakia, Spain, and United Kingdom.

These entities have been involved in, contributed to, or otherwise supported the Russian security services, military and defense sectors, and military and/or defense research and development efforts.
• Added license requirements to further limit the Russian oil sector by restricting the export, reexport and transfer (in-country) of additional items needed for oil refining.

• Limiting the export, reexport and transfer (in-country) of critical oil refining equipment will reduce the revenue Russia needs to support its military capabilities
  • Sale of gasoline produced from Russian oil is a major source of revenue for Russia.

• Policy of denial for item in the new list of oil refining items.
Exports of Luxury Goods

- Imposed sanctions on the export, reexport, or in-country transfer of luxury goods for all end users within Russia or Belarus, as well as for the export, reexport, or in-country transfer worldwide for certain Russian and Belarusian oligarchs and malign actors.

- The U.S.-origin luxury goods that are impacted include certain spirits, tobacco products, clothing items, jewelry, vehicles, and antique goods.

- Census Bureau statistics show 2020 U.S. exports to Russia of gem diamonds alone valued at over $40 million.

- The same statistics show 2020 U.S. exports of jewelry valued at $33.5 million and art and antiques valued at $13 million.

- Exports to Russia of U.S. alcoholic beverages in 2020 including bourbon, whiskey, wine and beer totaled $6.5 million.
Multilateral application of export controls is a force-multiplier in cutting off Russia and any additional entities that seek to provide them material support, from the commodities, technologies, and software necessary to support advanced defense, aerospace, and maritime sectors.

Countries **publicly commit** to implementing substantially similar export controls on Russia and Belarus under their domestic laws.

**Receive an exclusion** from the license requirements required under the U.S. Russia/Belarus Sanctions rules, for:

- The foreign direct product (FDP) rules for Russia/Belarus and Russian/Belarusian Military End Users (MEUs), **and**
- Not counting AT-only ECCNs and 9A991 for de minimis.

European Union + Australia, Canada, Iceland, Japan, Liechtenstein, New Zealand, Norway, South Korea, United Kingdom, Switzerland.
(10) General Prohibition Ten - Proceeding with transactions with knowledge that a violation has occurred or is about to occur (Knowledge Violation to Occur). You may not sell, transfer, export, reexport, finance, order, buy, remove, conceal, store, use, loan, dispose of, transport, forward, or otherwise service, in whole or in part, any item subject to the EAR and exported or to be exported with knowledge that a violation of the Export Administration Regulations, the Export Administration Act or any order, license, License Exception, or other authorization issued thereunder has occurred, is about to occur, or is intended to occur in connection with the item. Nor may you rely upon any license or License Exception after notice to you of the suspension or revocation of that license or exception. There are no License Exceptions to this General Prohibition Ten in part 740 of the EAR.
Effect of Sanctions

• These export controls, along with the Treasury Department’s financial sanctions, have already had a swift and severe impact on Russia’s ability to engage in malicious activities.

• Over 300 private companies that have left Russia or halted operations

• The Kremlin has acknowledged the severe impact on the economy, and while they claim that they will be able to “minimize” those impacts, it is clear that is not true.

• The power and effect of our export controls will increase over time as the Russian military uses what items it has and is unable to procure replacements or access cutting-edge technologies, while the country is cut off from the revenues and materials it needs to sustain its military operations.

• The Russian economy is facing serious financial restrictions which are leading to inflation and a collapse of their currency.
February 24, 2022: Sweeping Export Restrictions on Russia in Response to Further Invasion of Ukraine

March 2, 2022: Sweeping Export Restrictions on Belarus for Enabling Russia’s Further Invasion of Ukraine

March 3, 2022: Further Imposition of Sanctions Against Russia with the Addition of Certain Entities to the Entity List

March 3, 2022: Target Russian Strategic Industries and Punish Enablers of Aggression

March 4, 2022: Commerce Announces Republic of Korea Exclusion Rule

March 11, 2022: Commerce Imposes Controls to Restrict Exports of Luxury Goods to Russia and Belarus and to Russian and Belarusian Oligarchs and Malign Actors in Latest Response to Aggression Against Ukraine

April 7, 2022: Further Imposition of Sanctions Against Russia with the Addition of Certain Entities to the Entity List

April 14, 2022: Expansion of Sanctions Against Russia and Belarus
Contact Information

• **Email:** If contacting the Office of Exporter Services via e-mail, please include a telephone number to facilitate BIS’s response to your request. Specific questions can be emailed to:
  - ECDOEXS@bis.doc.gov
  - OEXSsubmissions@bis.doc.gov

• **Telephone:** If you have any questions about export licensing requirements or submitting a license application, you may contact BIS’s Office of Exporter Services at:
  - (202) 482-4811 - Outreach and Educational Services Division (located in Washington, DC – open Monday-Friday, 8:30am-5:00pm ET)
  - (949) 660-0144 - Western Regional Office (located in Irvine, CA – open Monday-Friday, 8:00am-5:00pm PT)
  - (408) 998-8806 - Northern California branch (located in San Jose, CA – open Monday-Friday, 8:00am-5:00pm PT)

• **Formal Advisory Opinions:**