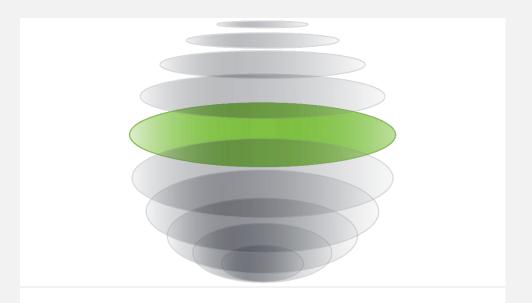
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Global Trade Advisory | 29 January 2021



Global Trade Advisory Alert

US issues interim final rule on licensing imports of information and communications technology products

On 19 January 2019, the US Department of Commerce ("Commerce") published an interim final rule and provisional regulations to enact the requirements of Executive Order 13873, "Executive Order on Securing the Information and Communications Technology and Services ("ICTS") Supply Chain," dated 15 May 2019.

The interim final rule will regulate certain ICTS transactions, as follows:

- Broadly regulates transactions or activities "by any person, or with respect to any property, subject to the jurisdiction of the US," concerning information and communicationsbased items, technology, hardware, software, and services with foreign adversaries;
- Broadly defines "foreign adversaries" as covering "any foreign government" or "foreign non-government person" determined by the Secretary of Commerce to be engaged in activities contrary to the "national security of the United States or security and safety of United States persons";

- Identifies China, Cuba, Iran, North Korea, Russia, and Nicolas Maduro of Venezuela as foreign adversaries; and
- Covered transactions will be subject to approval by Commerce.

Although the interim final rule is scheduled to go into effect on 22 March 2021, and Commerce is accepting comments until 22 March 2021, it is also covered by President Biden's 60-day regulatory freeze requiring the new Secretary of Commerce to complete a further review of the interim final rule. This may lead to a delay, modification, or rescission.

How we can help

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance to companies in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- Helping companies understand the potential impact of the new licensing requirements;
- Leveraging subject matter specialists and internally developed trade analytics tools to evaluate the business impact of increased compliance needs;
- Providing training and insights into relevant changes to leadership and employees; and
- Supporting modifications to trade processes and automation that require updates resulting from regulatory changes.

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