



On 7 October 2022, as part of efforts to protect US national security and foreign policy interests, the Department of Commerce’s Bureau of Industry and Security (“BIS”) issued a series of updates to its export controls impacting trade with the People’s Republic of China (“China”). Specifically, the BIS added export controls on certain advanced chips, computer commodities that contain such chips, and semiconductor manufacturing equipment to the Commerce Control List. The rule expands the scope of the Export Administration Regulations to cover foreign-produced advanced computing items and foreign-produced items for supercomputer end-uses. The rule also restricts the ability of US persons to support the development or production of certain integrated circuits at semiconductor fabrication facilities located in China. Additionally, the BIS added new license requirements for certain items destined for semiconductor fabrication in China as well as items that develop or produce semiconductor manufacturing equipment.

The items that would be affected by this action include logic chips with non-planar transistor architectures of 16 nanometers (“nm”) or 14 nm, or below; DRAM memory chips of 18 nm half pitch or less; and NAND flash memory chips with 128 layers. Licenses for multinational owned facilities will be determined on a case-by-case basis, whereas China-owned facilities will face a “presumption of denial.”

Finally, the BIS updated the Entity List to add 31 new entities, and remove nine entities, from the Unverified List.

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- Reviewing export compliance management strategies to adapt to the change;
- Helping companies understand the potential impact on their current operations and update trade processes and automation solutions in accordance with the change; and
- Providing targeted end-user and third-party due diligence to help companies maintain compliance with end-user and end-use export controls, sanctions, and other regulatory requirements.

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