

Alert | **Export Controls & Economic Sanctions**



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United States Continues to Tighten Restrictions on Chinese Tech Companies

The United States recently imposed new restrictions on Chinese entities engaged in the technology space. Effective June 24, 2019, the following Chinese companies have been **added to the Entity List by the U.S. Department of Commerce’s Bureau of Industry and Security (BIS)**:

- Sugon
- Wuxi Jiangnan Institute of Computing Technology
- Higon
- Chengdu Haiguang Integrated Circuit
- Chengdu Haiguang Microelectronics Technology

Sugon and the other Chinese companies have been added to the Entity List because BIS reasonably believes the companies have been involved in “activities contrary to the national security or foreign policy interests of the United States,” including support for the Chinese military. As a result of the designations, any party worldwide is prohibited from exporting, reexporting, or otherwise furnishing the designated entities with commodities (including software and technology) subject to U.S. export jurisdiction under the Export Administration Regulations (EAR) without first receiving a U.S.-government export license. Generally, such licenses will not be granted. Effectively, these designations cut off the designated entities from the U.S. supply chain.

To avoid violations of U.S. law, a company must determine whether the products, software, or technology they provide, if any, to the Chinese companies are subject to U.S. export jurisdiction. If so, these commodities may no longer be provided to the designated entities.

For diligence purposes, it is important to note that the Chinese companies above also operate under several aliases. Any compliance screening should account for the following:

- Chengdu Haiguang Integrated Circuit includes two aliases (Hygon and Chengdu Haiguang Jincheng Dianlu Sheji);
- Chengdu Haiguang Microelectronics Technology includes two aliases (HMC and Chengdu Haiguang Wei Dianzi Jishu);
- Higon includes five aliases (Higon Information Technology, Haiguang Xinxi Jishu Youxian Gongsi, THATIC, Tianjing Haiguang Advanced Technology Investment, and Tianjing Haiguang Xianjin Jishu Touzi Youxian Gongsi);
- Sugon includes nine aliases (Dawning, Dawning Information Industry, Sugon Information Industry, Shuguang, Shuguang Information Industry, Zhongke Dawn, Zhongke Shuguang, Dawning Company, and Tianjin Shuguang Computer Industry); and
- Wuxi Jiangnan Institute of Computing Technology includes two aliases (Jiangnan Institute of Computing Technology and JICT).

The additions to the Entity List come as the U.S. government continues to intensify restrictions on Chinese-made technology and tech companies, such as Huawei. (see GT Alert, [Latest U.S. Trade Restrictions Target Huawei](#)). The Trump administration is also considering a requirement that cellular equipment used in the United States' developing 5G network be made almost entirely outside China. Any such restriction would be proposed as part of a set of rules and regulations expected to be issued in October 2019 under the May 15, 2019, [Executive Order on Securing the Information and Communications Technology and Services Supply Chain](#).

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