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Commerce Department Extends Huawei Reprieve, Adds 46 Affiliates

August 21, 2019

On August 21, the Commerce Department's Bureau of Industry and Security (BIS) published an extension to the Huawei temporary general license from May, extending it through November 18 and adding 46 non-US affiliates of Huawei to the Entity List. See the updated temporary general license and new designations.

All items subject to the US Export Administration Regulations (EAR) will still require a license from BIS for export to the designated Huawei entities, including the newly designated entities. The new designations impact Huawei affiliates in 25 different locations: Argentina, Australia, Bahrain, Belarus, Belgium, Brazil, People's Republic of China, Costa Rica, Cuba, Denmark, France, India, Indonesia, Italy, Kazakhstan, Mexico, New Zealand, Panama, Portugal, Romania, Russia, South Africa, Sweden, Thailand and the United Kingdom. Note that the temporary general license does not authorize any activities or transactions with Country Group E countries or nationals (i.e., Cuba, Iran, North Korea, Sudan and Syria). Further, applications for licenses continue to be subject to a "presumption of denial." All entities are included in the Federal Register notices. Below is a table of the newly added entities for ease of reference.

The extended temporary general license also includes textual changes to clarify the scope of the license, which include the following:

- Clarifying the scope for authorized transactions by defining certain terms in the temporary general license (e.g., "third party" and
 "fully operational network") and replacing other more general terminology with more specific language (e.g., replacing "handsets"
 with "personal consumer electronic devices")
- Authorizing certain software for bug fixes, patches or other updates of software necessary to provide service and support to
 existing software versions and equipment, provided that the software does not enhance the functional capabilities of the original
 software or equipment
- Removes the "Engagement as Necessary for the Development of 5G Standards as a Duly Recognized Standards Body"
 (paragraph (c)(4) from the May 2019 general license), determining that existing EAR provisions suffice to address Entity List-based license requirements
- Adding requirements related to certification statements, including:
 - Changing which party is required to create the certification statement, now requiring that the exporter, re-exporter or transferor obtain a certification statement and any additional support documentation from the listed Huawei entity prior to exporting, reexporting or transferring any item under the temporary general license
 - Adding a recordkeeping requirement for both the exporter, re-exporter or transferor and the listed Huawei entity that each must retain the certification statement and any additional support documentation
 - Enumerating general requirements for the certification statement, required information in the statement, and logs to be retained

BIS states in its notice that it will post new FAQs to clarify the scope of the temporary general license. The bureau also posted an <u>advisory opinion related to standards development activities</u> to address common questions, including examples of prohibited activities.

We continue to monitor developments regarding the temporary general license and will keep you updated. In the interim, please let us know if you would like to schedule a call to discuss the potential impact of the temporary general license and additional entity list designations on your business.

Newly designated non-US affiliates of Huawei added to the BIS entity list	
27 new entries to the entity list (by country)	
Argentina	Huawei Tech Investment Co., Ltd. Argentina
Australia	Huawei Technologies (Australia) Pty Ltd.
Bahrain	Huawei Technologies Bahrain
Belarus	Bel Huawei Technologies LLC, including one alias (BellHuawei Technologies LLC)
China	Hui Tong Business Ltd. Shanghai HiSilicon Technologies Co., Ltd. Shenzhen HiSilicon Technologies Co., Electrical Research Center
Costa Rica	Huawei Technologies Costa Rica SA, including one alias (Huawei Technologies Costa Rica Sociedad Anonima)
Cuba	Huawei Cuba
Denmark	Huawei Denmark
France	Huawei France, including one alias (Huawei Technologies France SASU)
India	Huawei Technologies India Private Limited, including one alias (Huawei Technologies India Pvt., Ltd.)
Indonesia	Huawei Tech Investment, PT

27 new entries to the entity list (by country)	
Italy	Huawei Italia; and Huawei Milan Research Institute
Kazakhstan	Huawei Technologies LLC Kazakhstan
Mexico	Huawei Technologies De Mexico S.A.
New Zealand	Huawei Technologies (New Zealand) Company Limited
Panama	Huawei Technologies Cr Panama S.A.
Portugal	Huawei Technology Portugal
Romania	Huawei Technologies Romania Co., Ltd.
Russia	Huawei Russia
South Africa	Huawei Technologies South Africa Pty Ltd.
Sweden	Huawei Sweden
Thailand	Huawei Technologies (Thailand) Co.
United Kingdom	Centre for Integrated Photonics Ltd.; and Huawe Technologies (UK) Co., Ltd., including one alias (Huawei Software Technologies Co., Ltd.)

19 additional entities adding to the existing entry for Huawei Technologies Co., Ltd. (Huawei)

Newly designated non-US affiliates of Huawei added to the BIS entity list

27 new entries to the entity list (by country)

Beijing Huawei Longshine Information Technology Co., Ltd.

Hangzhou New Longshine Information Technology Co., Ltd.

Hangzhou Huawei Communication Technology Co., Ltd.

Hangzhou Huawei Enterprises

Huawei Marine Networks Co., Ltd.

Huawei Mobile Technology Ltd.

Huawei Tech. Investment Co.

Huawei Technology Co., Ltd. Chengdu Research Institute

Huawei Technology Co., Ltd. Hangzhou Research Institute

Huawei Technologies Co., Ltd. Beijing Research Institute

Huawei Technologies Co., Ltd. Material Characterization Lab

Huawei Technologies Co., Ltd. Xi'an Research Institute

Huawei Terminal (Shenzhen) Co., Ltd.

Nanchang Huawei Communication Technology

Ningbo Huawei Computer & Net Co., Ltd.

Shenzhen Huawei Anjiexin Electricity Co., Ltd.

Shenzhen Huawei New Technology Co., Ltd.

Shenzhen Huawei Technology Service

Shenzhen Huawei Technologies Software

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Key Contacts

Kevin King	kking@cooley.com
Washington, DC	+1 202 842 7823
Shannon MacMichael	smacmichael@cooley.com
Washington, DC	+1 202 728 7069
Rebecca Ross	rross@cooley.com
Washington, DC	+1 202 728 7150

Karen Tsai Washington, DC ktsai@cooley.com +1 202 842 7857

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