

BIS Removes ZTE from Entity List

March 30, 2017

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) has removed ZTE Corporation and ZTE Kangxun Telecommunications Ltd. (collectively, ZTE) from BIS's Entity List, which imposes stringent export licensing requirements on listed entities and persons believed to be involved in activities contrary to the national security or foreign policy interests of the United States.

ZTE was first added to the Entity List on March 8, 2016, though BIS suspended the restrictions associated with ZTE's listing by issuing a temporary general license on March 24, 2016 after ZTE agreed to cooperate with a broad U.S. government investigation into ZTE's alleged violations of U.S. sanctions and export control laws. Earlier this month, ZTE entered into a record-breaking settlement with BIS, the U.S. Department of Justice (DOJ), and the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) in which ZTE agreed to plead guilty and pay a combined penalty of up to \$1.19 billion to settle civil and criminal allegations that ZTE violated U.S. sanctions and export control laws by illegally shipping U.S.-origin products to Iran and North Korea. BIS agreed to recommend that ZTE be removed from the Entity List as part of that settlement.

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