



FedEx Regulatory Alerts & Updates

Regulatory Alert: U.S. Department of Commerce Country List Changes for Mexico, Cyprus and Ukraine

January 11, 2021

Background

The Export Administration Regulations (EAR) designates countries in Country Groups (A, B, D and E) (Supplement No. 1 to Part 740) which reflect each country's export control policy, multilateral regime membership, system, and practice.

The Country Groups generally serve as a basis for the availability of exceptions from license requirements described in part 740 (License Exceptions) of the EAR when the applicable conditions in part 740 are met.

The EAR also sets forth license requirements in the Commerce Country Chart (Supplement No. 1 to Part 738).

What has changed?

The Bureau of Industry and Security (BIS) amended the Export Administration Regulations (EAR) to revise the Country Group designations for Ukraine (UA), Mexico (MX) and Cyprus (CY) on December 28, 2020.

The BIS added Mexico and Cyprus in Country Group A:6. Adding Mexico and Cyprus to Country Group A:6 makes License Exception STA available for exports, re-exports and transfer (in-country) of lesser sensitivity items controlled for NS reasons only as set forth in § 740.20(c)(2).

The BIS moved Ukraine from Country Group D to Country Group B. Placing Ukraine in Country Group B and removing it completely from Country Group D, combined with Ukraine's existing Country Groups A:2, A:3, and A:4 status, makes certain license exceptions available for Ukraine, when applicable conditions are met, and the restrictions in § 740.2 do not apply.

Q & A

Q1: What is the function of the Commerce Country Chart at BIS?

A1: The Commerce Country Chart contains licensing requirements based on the destination to which items listed on the Commerce Control List (CCL) (Supplement No. 1 to Part 774) will be exported or reexported and their corresponding "Reason for Control," which is found in the CCL entry.

Q2: Is there a list of the various Commerce License Exceptions?

A2: Yes, they can be found at the link provided in the References section below.

References:

Dec. 28 Department of Commerce Final Rule for Country Group Changes for MX, UA, and CY

<https://www.federalregister.gov/documents/2020/12/28/2020-26552/amendment-to-country-groups-for-ukraine-mexico-and-cyprus-under-the-export-administration>

The EAR Commerce Country Chart

<https://www.bis.doc.gov/index.php/documents/regulations-docs/federal-register-notices/federal-register-2014/1033-738-suppl-1/file>

The BIS Commerce License Exceptions

<https://www.bis.doc.gov/index.php/documents/regulations-docs/2341-740-2/file>

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