

# Washington Tariff & Trade Letter

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## Commerce Acts on Firearms "Pause"

Friday the Department of Commerce released an interim final rule amending the Department's licensing policy for exports of firearms, ammunition, and related components under its jurisdiction.

Coming on the six-month anniversary of a controversial "90 day pause" in firearms export license approval, the new rule proposes significant changes. [READ MORE](#)

## Aid Bill Includes Ten Year Sanctions Lookback

Included among the munitions and TikTok drama, the foreign aid package signed last week has material changes for the sanctions compliance practitioner.

Front and center for sanctions practitioners is the extension of the statute of limitations for sanctions (SOL) violations. [READ MORE](#)

## Raimondo in Kenya Promoting Data Regime

U.S. Secretary of Commerce Gina M. Raimondo and Kenyan Cabinet Secretary of Information, Communication and the Digital Economy Eliud Owalo "affirmed their shared priorities for strengthening the digital economy, promoting innovation, and increasing digital trade and investment between the United States and Kenya," according to a readout from the Commerce Department,

At the Wednesday meeting the principals "reaffirmed their intention to cooperate on establishing interoperable privacy regimes and facilitating trusted cross-border data flows." Later Secretary Raimondo hosted a roundtable discussion with several leading women technology leaders in Kenya to "discuss the Biden-Harris Administration's Digital Transformation with Africa initiative" [READ MORE](#)

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## TRADE POLICY & POLITICS

### [CFIUS Volume Growth Calls for Reforms: GAO Report](#)

The Committee on Foreign Investment in the United States (CFIUS) has seen explosive caseload in recent years, though a performance audit finds the committee organization and management has struggled to keep up, according to a report released by the General Accounting Office (GAO). [READ MORE](#)

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### [DoD Funding of Chinese Research Targeted](#)

Senator Joni Ernst (R-Iowa) is continuing her campaign to keep U.S. defense dollars from being spent in Chinese research laboratories. [READ MORE](#)

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### [Puerto Rico Mission Highlights AML Risks in Commonwealth](#)

Under Secretary for Terrorism and Financial Intelligence (TFI) Brian Nelson will travel to San Juan, Puerto Rico from April 23 – 25 " to discuss "key illicit finance issues," according to a statement.

Treasury has identified increased risks in Puerto Rico due to the existence of Puerto Rican financial entities, or PRFEs – chartered and licensed by territorial authorities, which present money laundering vulnerabilities because of their offshore banking business models. [READ MORE](#)

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### [Individual Self Disclosure Pilot Announced](#)

Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division announced the outlines of a voluntary self-disclosure program in a statement Monday ... [READ MORE](#)

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### [USTR Names Chief Textiles and Apparel Negotiator](#)

The Office of the United States Trade Representative (USTR) today announced that Katherine White will serve as USTR's Chief Textiles and Apparel Negotiator. Ms. White previously served as International Trade Policy Advisor on the House Committee on Ways and Means. [READ MORE](#)

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## [US, Taipei Schedule Trade Talks](#)

The United States and Taiwan, will hold another in-person negotiating round for the U.S.-Taiwan Initiative on 21st Century Trade in Taipei, Taiwan, beginning April 29, 2024. The U.S. ... [READ MORE](#)

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## [US Granted Observer Status in Indigenous Peoples Pact](#)

The Office of the United States Trade Representative (USTR) announced Tuesday that the United States has become an Observer to the Partnership Council of the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA).

The current IPETCA participating economies are Australia, Canada, New Zealand, and Taiwan. [READ MORE](#)

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# GENEVA & BRUSSELS

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## ["Toothless" EU Forced Labor Legislation Passed](#)

The European Parliament has given its final approval to a new regulation enabling the EU to prohibit the sale, import, and export of goods made using forced labour.

Originally proposed in 2021, the rulemaking had been stymied by resistance from industry groups, with the final result lacking much of the efficacy of the US version, the Uyghur Forced Labor Protection Act. [READ MORE](#)

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## [Europe Targets China Medical Device Trade](#)

Today, the European Commission has initiated for the first time an investigation under the International Procurement Instrument (IPI) .

This investigation has been launched in response to ... [READ MORE](#)

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## [EU Money Laundering Rules Update](#)

The European Parliament has adopted a package of laws strengthening the EU's toolkit to fight money-laundering and terrorist financing.

The new laws ensure that people with a legitimate interest, including journalists, media professionals, civil society

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organisations, competent authorities, and supervisory bodies, will have immediate, unfiltered, direct and free access to beneficial ownership information held in national registries and interconnected at EU level. In addition to current information, the registries will also include data going back at least five years. [READ MORE](#)

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## [Turmoil at WTO Over Subsidy Notifications and Environmental Policy Investigations](#)

At Tuesday's meeting of the Committee on Subsidies and Countervailing Measures (SCM), tensions were palpable.

Key issues of contention included compliance failures with subsidy notifications and ... [READ MORE](#)

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## EXPORT CONTROLS & SANCTIONS

### [Treasury Sanctions More Iran UAV Suppliers](#)

Treasury's Office of Foreign Assets Control is sanctioning over one dozen entities, individuals, and vessels that have played a central role in facilitating and financing the clandestine sale of Iranian unmanned aerial vehicles (UAVs) for Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), which itself is involved in supporting Iran's Islamic Revolutionary Guard Corps (IRGC) and Russia's war in Ukraine. ... [READ MORE](#)

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### [OFAC Sanctions: Iran Cyber Actors, Mali Islamists](#)

Tuesday the Treasury Department announced sanctions on Iranian cyber actors and representatives of Islamist extremists responsible for taking hostage U.S. nationals. [READ MORE](#)

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### [Medical Device Exception to Russian Sanctions](#)

Bureau of Industry and Security (BIS) makes changes to the Russia and Belarus sanctions under the Export Administration Regulations (EAR) to add a new license exception for EAR99 medical devices and related parts, components, accessories, and attachments for use in or with medical devices that are destined for both countries and the temporarily occupied Crimea region of Ukraine, or the covered regions of Ukraine.

The purpose of this final rule is to authorize under a license exception certain exports, reexports, and transfers (in-country) of "medical devices" that are being regularly approved and that advance U.S. national security and foreign policy interests. In addition, this final rule makes two corrections to the EAR related to Russia-related rules published in January, and March, 2024 by correcting an end-user control and adding a cross-reference correction. [READ MORE](#)

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## [State Department to Increase DDTC Registration Fees](#)

For the first time in fifteen years, the State Department is proposing to revise and increase the registration fees for those required to register with the Directorate of Defense Trade Controls ... [READ MORE](#)

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## ENFORCEMENT

### [Chinese Nabbed in Chip Equipment Ruse](#)

Two Chinese Nationals were indicted for attempting to conceal the ultimate end user for semiconductor manufacturing equipment purchased from a California manufacturer.

The defendants sought to acquire the machine through an intermediary company, a proxy they fraudulently represented as the purchaser and end user. [READ MORE](#)

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### [Ecuador Official Convicted in Odebrecht Bribery Case](#)

A federal jury in Miami has convicted the former Comptroller General of Ecuador for his role in a multimillion-dollar international bribery and money laundering scheme.

According to court documents and evidence presented at trial, between 2010 to 2015, Carlos Ramon Polit Faggioni, 73, solicited and received over \$10 million in bribe payments from Odebrecht S.A., the Brazil-based construction conglomerate. [READ MORE](#)

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### [Arrest in Executive Jet Fleet Scheme for Venezuelans](#)

The Justice Department today announced the unsealing of an indictment charging 10 defendants in a scheme to illegally procure aircraft parts, including Honeywell Turbofan Engines, from the United States to service PDVSA's aircraft fleet in Venezuela, in violation of U.S. sanctions and export controls. [READ MORE](#)

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## SUPPLY CHAINS

### [USMCA Guacamole Labor Spat Remedied](#)

The United States and Mexico Monday announced a course of remediation to address denials of rights at the RV Fresh Foods facility, which produces guacamole in the state of Michoacán.

This case is the first time the United States has used the mechanism in the food manufacturing sector. It is also

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the first time both the United States and Mexico have identified violations related to the conduct of the petitioning union. [READ MORE](#)

## [Luxury Handbag Maker Sentenced for CITES Violations](#)

Luxury handbag company Gzuniga Ltd., its founder Nancy Teresa Gonzalez de Barberi and Gonzalez's associate Mauricio Giraldo were sentenced to prison today for illegally importing merchandise ... [READ MORE](#)

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## [Solar AD/CVD Case Initiated to Block Solar Workaround](#)

US International Trade Commission announced the institution of investigations and commencement of a preliminary phase antidumping and countervailing duty investigation imports of crystalline silicon photovoltaic cells, whether or not assembled into modules, from Cambodia, Malaysia, Thailand and Vietnam, alleged to be sold in the United States at less than fair value and alleged to be subsidized by the named governments.

Unless the Department of Commerce extends the time for initiation, the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by June 10, 2024. [READ MORE](#)

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## [USTR Releases Special 301 Report on IP Enforcement](#)

The Office of the United States Trade Representative (USTR) today released its 2024 Special 301 Report on the adequacy and effectiveness of U.S. trading partners' protection and enforcement of intellectual property (IP) rights.

"Many of the issues highlighted in the Special 301 Report demand collaborative efforts from our allies and partners," said Ambassador Katherine Tai. [READ MORE](#)