

Washington Tariff & Trade Letter

Vol. 44, No. 45

wttlonline.com

November 4, 2024

Outbound Investment Rule

Monday the Treasury Department published the final language of the outbound investment regulations, governing US firm's investment in Chinese strategic technology. The Treasury issued a final rule to implement Executive Order 14105 of August 9, 2023, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern" (the Outbound Order). The Final Rule provides the operative regulations and a detailed explanatory discussion regarding their intent and application. [READ MORE](#)

Administration announces \$3 billion port spending

President Biden has announced the allocation of \$3 billion through the Environmental Protection Agency's (EPA) Clean Ports program, part of the Inflation Reduction Act, to 55 projects across 27 states and territories. The Maryland Port Administration will receive \$147 million in funding, aimed at both implementation and planning. "The initiative will modernize port infrastructure, foster cleaner operations, and improve working conditions, while promoting economic growth and environmental justice," according to the White House. [READ MORE](#)

National Defense Industrial Strategy, Plan Update

In January the Defense Department released the National Defense Industrial Strategy, a first-of-its kind roadmap detailing priorities for how the department would strengthen the defense industrial base — the collection of private sector companies of all sizes responsible for building military hardware and weapons systems.

This week, the department released the National Defense Industrial Strategy Implementation Plan, or NDIS-IP. The plan provides the details for how the goals set forth in the NDIS-IP can be achieved and mitigate risks to the department in the near, medium and long term. [READ MORE](#)

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TRADE POLITICS AND POLICY

Warren Knocks TD Bank Settlement

Senator Elizabeth Warren (D-Mass.) has publicly condemned the Department of Justice's (DOJ) recent settlement with TD Bank, alleging that the \$3 billion penalty agreement enables the bank to evade full accountability for its role in money-laundering activities. In a strongly worded letter sent to Attorney General Merrick Garland and Deputy Attorney General Lisa Monaco, Warren criticized the DOJ for structuring the settlement in a way that, she argues, shields both the bank and its executives from the full extent of legal consequences. [READ MORE](#)

US - Taipei Tax Negotiations Advance

The Treasury announced Tuesday that the United States and Taiwan, under the auspices of the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO), will begin negotiations on a comprehensive agreement to address double taxation issues. The first round of negotiations is expected to take place in the coming weeks. [READ MORE](#)

EXIM funds fuel cell sales

Export-Import Bank of the United States (EXIM) recently finalized a transaction under its Project & Structured Finance Program to support Connecticut-based exporter FuelCell Energy Inc. The transaction is a loan guarantee of almost \$10 million that will support the financing of fuel cell modules that will replace existing fuel cell modules at the Hwaseong Baran Industrial Complex in South Korea, the world's largest fuel cell platform. [READ MORE](#)

WTO / GENEVA

Putin winning: FATF fails to blacklist, UN Chief fawns

The Financial Action Task Force (FATF) failed to reach consensus on blacklisting Russia, with the opposition led by China, India, Saudi Arabia, and South Africa, and UN Secretary General Antonio Guterres flew to Kazan to shake hands and bow to Russian leader Vladimir Putin, sending a tacit message to petty tyrants and hedgemonists everywhere. [READ MORE](#)

Overcapacity and Subsidy Clashes

The WTO's Committee on Subsidies and Countervailing Measures (SCM) convened Tuesday under the chairmanship of Dr. Wolfram Spelten of Germany. Central to the discussions were renewed disputes involving China and seven other WTO members concerning overcapacity issues. The United States called for a "reset" in the ongoing debates to enhance productivity, underscoring the urgency of resolving the long-standing disagreements. [READ MORE](#)

ENFORCEMENT

[Global Foundries fined \\$500K for unlicensed exports](#)

Bureau of Industry and Security (BIS) imposed a civil penalty of \$500,000 against GlobalFoundries U.S. Inc., a semiconductor wafer manufacturing company headquartered in Malta, New York, and its subsidiary, GlobalFoundries U.S. 2 LLC (collectively, "GlobalFoundries"). The penalty relates to GlobalFoundries' shipments of semiconductor wafers valued at approximately \$17.1 million to SJ Semiconductor (SJS), a company on the BIS Entity List, without the requisite license or other authorization from BIS. [READ MORE](#)

[Mahan Air TDO Renewed](#)

Citing a "blatant disregard of U.S. export controls and the TDO," the Bureau of Industry and Security has renewed the temporary denial order dating to 2008 on Iran's largest airline. "The de facto airline of Iran's Islamic Revolutionary Guard Corps (IRGC)," according to industry observers, Mahan operates a modern fleet of western aircraft supported by a network of subsidiary airlines and service companies in African and Asian countries such as Burkina Faso, Gambia, Indonesia, and Mali. [READ MORE](#)

[Fashion Brand Money Laundering & Customs Fraud](#)

A wholesale clothing importer located in the Fashion District of downtown Los Angeles and two of its executives have been found guilty by a jury of avoiding the payment of more than \$8 million in customs duties on imported clothing, and of running a scheme in which the company laundered money and failed to report on tax returns more than \$17 million derived from cash transactions, the Justice Department announced October 30th.. [READ MORE](#)

[Guilty plea in Russia tech supply scheme](#)

A New Jersey man pleaded guilty to conspiracy to violate the Export Control Reform Act, conspiracy to commit bank fraud, and conspiracy to defraud the United States for his role in a transnational procurement and money laundering network that sought to acquire sensitive dual-use electronics for Russian military and intelligence services. [READ MORE](#)

[Trade Secret Theft via VPN](#)

A federal grand jury in Boston indicted a citizen of the People's Republic of China for allegedly stealing trade secrets from his employer, a global investment management firm, while working in Massachusetts in 2021. Xiao Zhang, 33, of Shanghai, China, was indicted on one count of theft of trade secrets. Zhang currently remains at large overseas. [READ MORE](#)

SANCTIONS & EXPORT CONTROLS

[More Sanctions Target Russia's Supply Chains](#)

The State Department, Commerce and the Treasury announced sweeping sanctions on nearly 400 individuals and entities across 17 jurisdictions involved in providing advanced technology, equipment, and financial support to Russia's military-industrial complex. [READ MORE](#)

[Russian Entity List Adds and Poison Gas Precursors](#)

The Commerce Department's Bureau of Industry and Security (BIS) is adding 40 foreign entities, as well as 4 addresses, to the Entity List and tightening restrictions on 49 foreign entities that were already on the Entity List to address their procurement of high-priority U.S.-branded microelectronics and other items on behalf of Russia.

BIS is also imposing additional restrictions on the export of 9 chemical precursors used to produce riot control agents (RCAs) and chemical weapons used on the battlefield against Ukraine in violation of treaty commitments. [READ MORE](#)

[Swiss Lawyers Sanctioned](#)

Included in Wednesday's sanctions package, OFAC designated two Swiss lawyers for creating companies and trusts to help Russian clients evade sanctions. Andres Baumgartner and Fabio Libero Delco facilitated the illicit flow of funds while avoiding oversight due to a loophole in Swiss law that allows lawyers to serve as non-financial intermediaries under the guise of their profession without due diligence or reporting requirements. [READ MORE](#)

[OFAC Maritime Sanctions Compliance Guide](#)

OFAC is issuing an OFAC Compliance Communiqué: Sanctions Compliance Guidance for the Maritime Shipping Industry. This scenario-based guidance is to aid maritime sector stakeholders in identifying certain new or common fact patterns that may be indicative of sanctions evasion, addressing common counterparty due diligence issues, and implementing best practices to promote sanctions compliance [READ MORE](#)

[Allies expand Burma sanctions](#)

Ottawa the UK and the EU Tuesday announced sanctions against 3 individuals and 4 entities for supplying weapons and military equipment to the Myanmar military. The sanctions announced respond to the ongoing and increasing aerial attacks by the Myanmar military regime. Over the last six months, military airstrikes killed almost 400 civilians, including more than 60 children, and injured more than 750 people. [READ MORE](#)

[Space-Related Export Controls Briefing Nov 6th](#)

On Wednesday, November 6, the Department of Commerce (DOC) will host a public meeting to discuss the four space export control rulemakings released by DOC and the State Department on October 17, 2024. The meeting will feature speakers from the State Department's Directorate of Defense Trade Controls (DDTC), and DOC's Bureau of Industry and Security (BIS). ... [READ MORE](#)

[Commerce: Export Compliance Roadshows](#)

The US Commercial service will be conducting a series of Export Compliance workshops in the coming months, visiting Tampa, Charlotte, Connecticut, Phoenix and Salt Lake City. [READ MORE](#)

SUPPLY CHAIN

[US Combat Drones Grounded by Chinese Batteries](#)

California dronemaker Skydio reports that Chinese sanctions are impacting its supply of lithium-ion batteries. The firm and its leadership were among those sanctioned by the Beijing government October 10, for sales to Taipei. "This is an attempt to eliminate the leading American drone company and deepen the world's dependence on Chinese drone suppliers," Skydio CEO Adam Bry said in an October 30 statement. [READ MORE](#)

[UFLPA: Textile Firms Added](#)

The US has named four Chinese textile firms to the Uyghur blacklist for involvement in the forced labor regimes in China's western Uyghur region. The added firms are affiliates of the Esquel Group, a Hong Kong-based textile and apparel manufacturer. Esquel is the world's largest woven shirt maker, producing about 100 million shirts annually. [READ MORE](#)

[In-Transit Shipments and Other FTR Provisions](#)

The U.S. Census Bureau has issued a proposed rule to amend regulations governing export reporting requirements, with an emphasis on clarifying procedures for in-transit shipments, the role of the U.S. Principal Party in Interest (USPPI), and the responsibilities of customs brokers. [READ MORE](#)