

NOVEMBER

2024

DEFENSE & LAW ENFORCEMENT INDUSTRIES

NEWSLETTER



<u>Legal insights</u>

Additional Controls on Pakistan (EAR) -Final rule 26.11.24 - EN

<u>Context</u>: With respect to Pakistan, BIS maintains a combination of CCL-based, end-use, and end-user controls. The **end-use controls** include a license requirement for the export, reexport, or transfer (in-country) of items subject to the EAR to or within Pakistan when there is knowledge that the items will be used in certain **nuclear** end uses or in certain **rocket system or unmanned aerial vehicle** (e.g., missile) end uses.

? New licensing requirements on exports, reexports, and transfers (in-country) to and within Pakistan of certain items identified on the CCL (ECCNs 1B999, 2A992, 2B999 (other than 2B999.h.2), 3A992, 3A999, and 6A996) that are not currently subject to a license requirement when destined for Pakistan.

This rule addresses BIS's concern that certain CCL items controlled only for antiterrorism reasons have been sought by entities listed on the Entity List under the destination of Pakistan, as well as front companies acting on behalf of such entities

Additional Export Controls against Russia and Belarus (EAR) - Final rule 01.11.24 - EN

Impose controls on 9 key precursors for riot control agents and a chemical weapon;

Make adjustments to exclusions, exceptions and licensing policy to certain components of the governments of Country Group A:5 and A:6 destinations (e.g. diplomatic or consular missions) that are operating in Russia and Belarus;

? Clarify that the Russia/Belarus-Military End User and Procurement Foreign-Direct Product (FDP) rule and the EAR's other Entity List FDP rules' license requirements extend to or within any destination or to any end user or party that otherwise meets the relevant criteria of 15 CFR \$734.9.

Extension of existing temporary modification of Category VIII of USML (ITAR) - Final rule 26.11.24 - EN

<u>Context</u>: Since 04.2013, **USML Category VIII(h)(1)** covers parts, components, accessories, attachments, and equipment specially designed for certain advanced U.S.-origin aircraft. Other parts, components, accessories, and attachments specially designed for a military aircraft and related articles became subject to the new "600 series" controls in Category 9 of the CCL. On 10.2013, a Note was added to clarify that parts, components, accessories, and attachments that are **common to aircrafts** enumerated in paragraph (a) but not identified in paragraph (h)(1), and aircrafts identified in paragraph (h) (1), are not specially designed.

? While it is in the national security and foreign policy interests of the United States to allow manufacturers to apply for export authorizations to participate in development of the <u>KF-21 aircraft</u> (South Korea fighter aircraft), the related parts and components for the KF-21 aircraft **remain under the USML** in view of the KF-21 sensitivity even if the KF-21 is not identified in paragraph (h)(1).

As of November 26, 2024, the end of the effective period for this temporary modification is <u>extended from December 1, 2024, to</u> <u>December 1, 2026</u>, or when terminated by the Department of State, whichever occurs first.

Dual-use Regulation 2021/821 - Update - Annex I

Entry into force: 08.11.24 - EN

Update of Annex I to this Regulation

- New types of plants and equipment in the nuclear field in entry OB004;
- Additional toxins and chemical precursors;
- Equipment related to noise reduction;
- Modification of the control parameters of signal analysers and converters and update of the technical definitions and descriptions (e.g. of vibration test and telemetry equipment).

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OFAC - U.S.

21.11.24: Russia-related FAQs and General Licenses

<u>EU</u>

22.11.24: Russia and Belarus-related FAQs

UK

Update of the Guidance on the Sanctions regarding :

- <u>Libya</u>
- Central African Republic
- Democratic People's Republic of Korea
- <u>Belarus</u>
- Iran

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NEWSLETTER



Expansion

- 07.11.24 UK Spectra Group Launch of an Australian office <u>EN</u>
- 15.11.24 Belgium FN Browning Group and French Sofisport Group entered into exclusive negotiations for the acquisition of Sofisport Group <u>FR</u>
- 💄 🔹 15.11.24 UK BAE Systems New artillery development and production facility in Sheffield (M777 howitzer) EN
- 19.11.24 U.S AeroVironment Inc. Acquisition of U.S BlueHalo LLC <u>EN</u>
- 🔋 🔹 22.11.24 French MBDA and its subsidiary Matra Electronique New 4.0 factory in northern France <u>EN</u>
- 28.11.24 Israel Aerospace Industries & HELA Systems subsidiary New cutting-edge facility in India <u>EN</u>
- 29.11.24 Germany Rheinmetall New production plant for 155mm artillery ammunition in Lithuania <u>EN</u>
 - 29.11.24 Contractual closing of the acquisition of Swiss RUAG International's Lithorgraphy Division by German ZEISS SMT <u>EN</u>

Cooperation

- 05.11.24 Initial Consortium Agreement for the 2nd phase of the European Defence Fund's Modular and Multirole Patrol Corvette with Spanish Navantia, Italian Financiteri, French Naval Group and Naviris (joint-venture of Fincantieri and Naval Group) - <u>EN</u>
- 08.11.24 U.S SIG SAUER and India's Nive Defence and Aerospace Ltd announced a **joint-venture** to advance small arms and ammunition manufacturing operations in India <u>EN</u>
 - 08.11.24 UK BAE Systems signed a **MoU** with Germany ESG Elektroniksystem & Logistik GmBH regarding training, autonomous platforms and mission systems for multi domain operations <u>EN</u>
 - 20.11.24 Australia Advanced Navigation and French MBDA signed a MoU to co-develop a resilient navigation system - <u>EN</u>



29.11.24 - UK Babcock signed two agreements : a Strategic Cooperation Agreement with South Korea Hanwha
Ocean and a MoU with Korea Aerospace Industrie Ltd. to develop opportunities, respectively, in the global naval market and in military flying training, air base support and engineering - <u>EN</u>

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