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Export Controls Alert

May 10, 2024

BIS updates Commerce Country Chart and makes conforming changes to the EAR

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The rule conforms Commerce Country Chart destination names, updates license requirements, and clarifies references to Russia and the Russian Federation.



What's the impact?

- BIS has revised the EAR to align with recent developments by amending the Commerce Country Chart and the Country Group Chart.
- Cyprus is now formally removed from Group D:5 and thereby effectively from Country Group D.

On May 8, 2024, the US Department of Commerce's Bureau of Industry and Security (BIS) issued a final rule, [published in the Federal Register on May 10](#), making modest changes to the Export Administration Regulations (EAR), especially the Commerce Country Chart (Supplement No. 1 to Part 738 – CCC) and the Country Groups (Supplement no. 1 to Part 740). The rule conforms destination names in the CCC with recent changes in specific countries' names recognized by the

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US Department of State; removes certain license requirements for exports, reexports, and transfers (in-country) to and within Australia and the United Kingdom (UK); reflects that Cyprus is no longer a Country Group D:5 country; and clarifies references to Russia and the Russian Federation for consistency with the designation of Russia as a US arms-embargoed destination.

The new rule takes effect May 30, 2024.

Updating destination names

Since 2018, the State Department has formally recognized new names for the following countries: the Kingdom of Swaziland (now the Kingdom of Eswatini, formally recognized in 2018), the Former Yugoslav Republic of Macedonia (now North Macedonia, formally recognized in 2019) and Turkey (now Türkiye, formally recognized in 2023).

To align the CCC, BIS has replaced the former names with the new formally recognized names. As a conforming change, the final rule also updates the names in the corresponding entries in Country Groups A and B but leaves the remaining information in each entry intact.

Removing certain license requirements for Australia and the UK

By an interim final rule, effective April 19, 2024, BIS [removed specific license requirements](#), expanded the availability of license exceptions, and reduced the scope of end-use and end-user-based license requirements for (re-)exports to and transfers within Australia and the UK. A subsequent interim final rule, "*Revisions of Firearms License Requirements*," published on April 30, 2024, erroneously included an "X" under the national security column 1 (NS1), regional stability column 1 (RS1), and missile technology column 1 (MT1) reasons for control and the previously applicable footnote 3 designation for these two countries. The new final rule revises the CCC entries for Australia and the UK by removing the license requirement for NS1, RS1, and MT1, as well as the footnote 3 designation for consistency with the April 19 interim final rule.

Cyprus

The new final rule removes Cyprus from Country Group D:5. The State Department's recent amendment to § 126.1 of the International Traffic in Arms Regulations (ITAR) specified that Cyprus's status as a proscribed destination is suspended from October 1, 2023, through September 30, 2024. To conform with this amendment, BIS has removed Cyprus from Country Group D:5. D:5 was the only "X" in the entry for Cyprus under Country Group D.

Russia

A BIS final rule published March 3, 2022 ("*Implementation of Sanctions Against Russia Under the Export Administration Regulations (EAR)*"), updated the Country Group listing for Russia to align it with the State Department's identification of Russia as a country subject to a US arms embargo. To further harmonize arms embargo-related provisions in the EAR with the Directorate of Defense Trade Control's regulation of arms embargoes, in § 126.1 of the ITAR, BIS's new final rule revises § 734.18(a)(5)(iv), the introductory text of § 740.9(a) and its paragraph (b)(5)(ii), and § 758.10, Note 1 to paragraph (b)(1), by removing references to Russia or the Russian Federation when the same sentence also refers to Country Group D:5.

Practical impact

The new final rule aligns the EAR with developments in the past several years but does not change the underlying regulatory landscape. Even so, the updated CCC and Country Groups should be carefully reviewed. Effective May 30, 2024, only the updated versions should be used to identify applicable reasons for control for relevant destinations and under which Country Group such destinations fall.

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