Now & Next
Export Controls Alert

November 6, 2026

BIS formally suspends the Affiliates Rule until January 10, 2027

By Alexandra López-Casero

The new date tracks the extended US-China trade truce, leaving companies only limited certainty.



What's the impact?

- The Bureau of Industry and Security (BIS)'s extended suspension of the Affiliates Rule takes effect November 9, 2026, the date the rule is scheduled to be published in the *Federal Register*. This only changes the timing, not the substance of the Affiliates Rule.
- The extension implements the two-month extension of the US-China trade truce announced in late September 2026. Because the suspension is tied to that trade arrangement, its future remains uncertain.
- Companies should use the additional time to finish ownership-based screening and contingency planning rather than pause compliance work.

This newsletter is intended as an information source for the clients and friends of Nixon Peabody LLP. The content should not be construed as legal advice, and readers should not act upon information in the publication without professional counsel. This material may be considered advertising under certain rules of professional conduct. Copyright © 2026 Nixon Peabody LLP. All rights reserved.

The final rule

BIS is extending the suspension of the interim final rule (IFR), "Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities." The suspension was set to end November 9, 2026. This final rule extends the suspension through January 10, 2027.

The rule was filed for public inspection on November 5, 2026, and is scheduled for publication in the *Federal Register* on November 9, 2026 (FR Doc. 2026-22793). The text is available here.

BIS issued the rule under the Export Control Reform Act of 2018 (ECRA). Under Section 1762 of ECRA, the rule is exempt from the Administrative Procedure Act's notice-and-comment and delayed-effective-date requirements. BIS states that it did not consider the public comments received on the Affiliates Rule in this action. Those comments will be considered in future rulemakings. In short, the rule is a pure timing measure. It leaves the 50% ownership threshold and the underlying license requirements unchanged.

Background

In broad terms, the Affiliates Rule would extend the Export Administration Regulations (EAR) restrictions that apply to parties on the Entity List or the Military End User (MEU) List, and to certain Specially Designated Nationals and Blocked Persons (SDNs) sanctioned by the US Department of the Treasury's Office of Foreign Assets Control (OFAC), to any foreign company that such parties own 50% or more, whether directly or indirectly, collectively or individually.

The original one-year suspension was part of the US-China trade arrangement announced by the White House on November 1, 2025. BIS implemented it in a final rule published November 12, 2025, effective November 10, 2025. That rule provided that the Affiliates Rule's provisions would be added back into the EAR on November 10, 2026, absent a further extension.

Timeline

Date	Event
September 29, 2025	Affiliates Rule IFR becomes effective (published September 30, 2025, at 90 FR 47201).
November 1, 2025	White House announces a one-year suspension of the Affiliates Rule as part of the US-China trade deal.

Date	Event
November 10, 2025	One-year suspension takes effect (final rule published November 12, 2025, at 90 FR 50857).
Late September 2026	US and China announce a two-month extension of the trade truce through January 10, 2027.
November 5, 2026	BIS files the extension rule for public inspection.
November 9, 2026	Extension rule is published and takes effect. The prior suspension would otherwise have ended this day.
January 10, 2027	Extended suspension ends, absent further action.

A short reprieve, not a resolution

Until this week, the Affiliates Rule was on track to return on November 10, 2026. When Washington and Beijing agreed in late September to extend their trade truce to January 10, 2027, the market expected the Affiliates Rule pause to follow. BIS, however, did not publish the rule needed to make that happen until November 5. The final rule now closes that gap, days before the Affiliates Rule would have returned.

Because the new end date is tied to the US-China truce, the rule's future depends on how those negotiations go. Whether the suspension is extended again, allowed to lapse, or replaced by a modified rule will likely depend on the next round of US-China talks.

BIS has also signaled that it will consider the public comments on the Affiliates Rule in future rulemakings, which leaves open the possibility of substantive changes. Companies should not assume that any further extension will be announced, or formally implemented, well before January 10, 2027.

What companies should do now

Companies should treat the new date as extra time to prepare, not as relief from preparing. Exporters, reexporters, and transferors of items subject to the EAR should use the additional time to complete ownership diligence on customers, distributors, and other counterparties, with particular attention to direct, indirect, and aggregated ownership by Entity List, MEU List, and relevant SDN parties. Companies should also identify transactions, shipments, and contracts that

could require a license if the Affiliates Rule returns in January 2027, and build that timing into order management and delivery schedules. Where licenses may be needed, companies should assess whether to prepare applications in advance.

Companies should also review contract terms, such as compliance representations, ownership disclosure obligations, and termination or suspension rights, so they can respond quickly if the rule returns. Finally, companies should monitor US-China developments and the *Federal Register* closely as January 10, 2027 approaches.

For more information about this alert or about export controls and sanctions compliance, please contact Alexandra López-Casero, Christopher D. Grigg, or David F. Crosby or your Nixon Peabody attorney.

Alexandra López-Casero
202.213.0171
alopezcasero@nixonpeabody.com