The Bureau of Industry and Security has issued a final rule that, effective May 24, amends the Export Administration Regulations to impose the following restrictions on exports, reexports, and in-country transfers to Venezuela.

**Country Group B**

Venezuela is removed from Country Group B, which renders it ineligible for export license exceptions LVS (shipments of limited value), GBS (shipments to Country Group B countries), and TSR (technology and software under restriction).

**Country Group D:1**

Venezuela is added to Country Group D:1, which imposes a national security licensing policy on exports to Venezuela. Under this policy such shipments will only be approved if BIS determines that the items are for civilian use or otherwise would not make a significant contribution to Venezuela’s military potential that would provide detrimental to U.S. national security.

This change also imposes (a) restrictions on the export, reexport, and transfer (in-country) of certain microprocessors to military end-uses and end-users in Venezuela, (b) restrictions on certain exports to vessels and aircraft in Venezuelan ports or registered in Venezuela, and (c) expanded licensing requirements for reexports of the foreign-produced direct product of U.S.-origin technology and software to Venezuela.

**Country Groups D:2-4**

The addition of Venezuela to Country Group D:2 means that a license will be required for the export to Venezuela of items subject to nuclear nonproliferation column 2 controls (Export Control Classification Numbers 1A290, 1C298, 2A290, 2A291, 2D290, 2E001 (for that portion that applies for 2A290, 2A291, and 2D290), 2E002 (for that portion that applies to 2A290 and 2A291), and 2E290).
Venezuela’s addition to Country Group D:3 means that a license will be required for the export or reexport of items subject to chemical and biological weapons column 3 controls (ECCN 1C991.d).

Finally, Venezuela is being added to Country Group D:4, meaning general prohibitions on certain rocket systems (including ballistic missiles, space launch vehicles, and sounding rockets) and unmanned aerial vehicles (including cruise missiles, target drones, and reconnaissance drones) end-uses will be applicable if the exporter, reexporter, or transferor has knowledge that the transaction involves one of those prohibited end-uses in or by Venezuela.

The addition of Venezuela to these country groups also limits or restricts the use of the following license exceptions for exports to that country: TMP (temporary imports, exports, reexports, and transfers (in-country)), RPL (servicing and replacement of parts and equipment), GFT (gift parcels and humanitarian donations), BAG (baggage), AVS (aircraft and vessels), APR (additional permissive reexports), and ENC (encryption, commodities, software, and technology).

Venezuela is already designated in Country Group D:5 as a U.S. arms embargoed country, meaning that general restrictions on the use of license exceptions and a more restrictive license review policy for national security-controlled items both apply to 9x515 and 600 series items exported to Venezuela.

**Savings Clause**

Shipments of items removed from license exception eligibility or eligibility for export, reexport, or transfer (in-country) without a license (NLR) as a result of this rule that were on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export on May 24 pursuant to actual orders for export, reexport, or transfer to a foreign destination may proceed to that destination under the previous license exception eligibility or NLR so long as they have been exported, reexported, or transferred before June 24. Any such items not actually exported, reexported, or transferred before midnight on June 24 will require a license in accordance with this final rule.

For more information on how this rule may impact your exports, please contact export compliance attorney Kristine Pirnia.

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