

Foreign Direct Product Rule (FDPR)

In May 2019 the U.S. Department of Commerce, Bureau of Industry and Security (BIS) added Huawei and several of its subsidiaries to the Entity List, thereby blocking the sale of items that are subject to the Export Administration Regulations (EAR). In an effort to further restrict Huawei's ability to source items subject to the EAR the Department of Commerce issued an interim rule in May 2020 which expands the FDPR (Foreign Direct Product Rule) significantly in order to effectively block Huawei from receiving any components that were produced using U.S. technology. This rule came into effect August 17th with a savings clause which expired September 14th. As a result Future Electronics will not be able to support any direct or indirect business with Huawei and its listed subsidiaries whereby goods are subject to the FDPR unless authorized to do so under a U.S. export license. Should you be engaged in any such business and require additional information or guidance please contact the Future Electronics Trade Compliance team at tradecompliance@future.ca