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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 170105022-7022-01]

RIN 0694-AH29

Revisions to the Unverified List (UVL)

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by adding six (6) persons to the Unverified List (the “Unverified List” or UVL); revising two addresses and adding an alternate name, or a.k.a., for one (1) person currently listed on the UVL; and revising three addresses, adding three additional addresses, and adding an alternate name, or a.k.a, for one (1) person currently listed on the UVL. The six persons are being added to the UVL on the basis that BIS could not verify their *bona fides* because an end-use check could not be completed satisfactorily for reasons outside the U.S. Government’s control. Two addresses are revised for one person currently listed on the UVL to add the official Hong Kong district name. In addition, this rule adds an alternate name for this person. This rule also revises three addresses for an additional

person currently listed on the UVL to add the official Hong Kong district names and correct a previous error. Finally, this rule adds three additional addresses and an alternate name for this person, as BIS has determined this person is receiving U.S. exports at additional addresses and using an additional name.

DATES: *Effective date:* This rule is effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Kevin Kurland, Director, Office of Enforcement Analysis, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-4255 or by email at UVLRequest@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Unverified List, found in Supplement No. 6 to Part 744 to the EAR, contains the names and addresses of foreign persons who are or have been parties to a transaction, as that term is described in § 748.5 of the EAR, involving the export, reexport, or transfer (in-country) of items subject to the EAR, and whose *bona fides* BIS has been unable to verify through an end-use check. BIS may add persons to the UVL when BIS or federal officials acting on BIS's behalf have been unable to verify a foreign person's *bona fides* (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) because an end-use check, such as a pre-license check (PLC) or a post-shipment verification (PSV), cannot be completed satisfactorily for such purposes for reasons outside the U.S. Government's control.

End-use checks cannot be completed for a number of reasons, including reasons unrelated to the cooperation of the foreign party subject to the end-use check. For example, BIS sometimes initiates end-use checks and cannot find a foreign party at the address indicated on export documents, and cannot locate the party by telephone or email. Additionally, BIS sometimes is unable to conduct end-use checks when host government agencies do not respond to requests to conduct end-use checks, are prevented from scheduling such checks by a party to the transaction other than the foreign party that is the proposed subject of the end-use check or refuse to schedule them in a timely manner. Under these circumstances, although BIS has an interest in informing the public of its inability to verify the foreign party's *bona fides*, there may not be sufficient information to add the foreign persons at issue to the Entity List under §744.11 of the EAR (Criteria for revising the Entity List). In such circumstances, BIS may add the foreign persons to the UVL.

Furthermore, BIS sometimes conducts end-use checks but cannot verify the *bona fides* of a foreign party. For example, BIS may be unable to verify *bona fides* if during the conduct of an end-use check a recipient of items subject to the EAR is unable to produce those items for visual inspection or provide sufficient documentation or other evidence to confirm the disposition of those items. The inability of foreign persons subject to end-use checks to demonstrate their *bona fides* raises concerns about the suitability of such persons as participants in future exports, reexports, or transfers (in-country) of items subject to the EAR and indicates a risk that such items may be diverted to prohibited end uses and/or end users. However, BIS may not have sufficient information to establish that such persons are involved in activities described in part 744 of the EAR, preventing the placement of the persons on the Entity List. In such circumstances, the foreign persons may be added to the Unverified List.

As provided in §740.2(a)(17) of the EAR, the use of license exceptions for exports, reexports, and transfers (in-country) involving a party or parties to the transaction who are listed on the UVL is suspended. Additionally, under §744.15(b) of the EAR, there is a requirement for exporters, reexporters, and transferors to obtain (and keep a record of) a UVL statement from a party or parties to the transaction who are listed on the UVL before proceeding with exports, reexports, and transfers (in-country) to such persons, when the exports, reexports and transfers (in-country) are not subject to a license requirement.

Requests for removal of a UVL entry must be made in accordance with § 744.15(d) of the EAR. Decisions regarding the removal or modification of UVL listings will be made by the Deputy Assistant Secretary for Export Enforcement, based on a demonstration by the listed person of its *bona fides*.

Changes to the EAR

Supplement No. 6 to Part 744 (“the Unverified List” or “UVL”)

This rule adds six (6) persons to the UVL by amending Supplement No. 6 to Part 744 of the EAR to include their names and addresses. BIS adds these persons in accordance with the criteria for revising the UVL set forth in § 744.15(c) of the EAR. The new entries consist of three persons located in China and one person located in each of the following countries or territories: Azerbaijan, Lebanon, and the United Arab Emirates. Each listing is grouped within the UVL by country with each party’s name(s) listed in alphabetical order under the country; each entry includes available alias(es) and address(es), as well as the *Federal Register* citation and the date the person was added to the UVL. The UVL is included in the Consolidated Screening List, available at www.export.gov.

This rule also revises two addresses for one person currently listed on the UVL, Brilliance Technology Ltd., to add the official Hong Kong district name. In addition, BIS is adding an alternate name for Brilliance Technology Ltd., as BIS has determined this person is doing business as Brilliance Technology Group. Additionally, this rule revises two addresses for Ling Ao Electronic Technology Co., Ltd., which is currently listed on the UVL, to add the official Hong Kong district name. BIS is revising a third address for this person to correct a previous error in the street name and to add the name of the building in which this person is located. BIS is also adding three additional addresses for Ling Ao Electronic Technology Co., Ltd., as BIS has determined this person is receiving U.S. exports at these addresses. Finally, BIS is adding Xuan Qi Technology Co., Ltd. as an alternate name for Ling Ao Electronic Technology Co., Ltd.

Savings Clause

Shipments (1) removed from license exception eligibility or that are now subject to requirements in § 744.15 of the EAR as a result of this regulatory action; (2) eligible for export, reexport, or transfer (in-country) without a license before this regulatory action; and (3) on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export, on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], pursuant to actual orders, may proceed to that UVL listed person under the previous license exception eligibility or without a license so long as the items have been exported from the United States, reexported or transferred (in-country) before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Any such items not actually exported, reexported or transferred (in-country) before midnight on [INSERT DATE

30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] are subject to the requirements in § 744.15 of the EAR in accordance with this regulation.

Export Administration Act

Since August 21, 2001, the Export Administration Act of 1979, as amended, has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013), and as extended by the Notice of August 4, 2016, 81 FR 52587 (August 8, 2016) has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*). BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222 as amended by Executive Order 13637.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has not been designated a “significant regulatory action,” under section 3(f) of Executive Order 12866.

2. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment and a delay in effective

date are inapplicable to this rule, which is adding 6 persons, revising 2 addresses and adding an alternate name, or a.k.a. for 1 person currently listed on the UVL, and revising 3 addresses, adding 3 new addresses, and adding an alternate name, or a.k.a. for 1 other person currently listed on the UVL, because this regulation involves military or foreign affairs under 5 U.S.C. 553(a)(1). BIS implements this rule to protect U.S. national security or foreign policy interests by requiring a license or, where no license is required, a UVL statement for items being exported, reexported, or transferred (in country) involving a party or parties to the transaction who are listed on the UVL. If this rule were delayed to allow for notice and comment and a delay in effective date, the entities being added to the UVL by this action, the entities now operating under an alternate name, and the entities whose addresses were revised would continue to be able to receive items without additional oversight by BIS and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, publishing a proposed rule would give these parties notice of the U.S. Government's intention to place them on the UVL or amend their current entry on the UVL, and create an incentive for these persons to accelerate receiving items subject to the EAR in furtherance of activities contrary to the national security or foreign policy interests of the United States, and/or take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing once a final rule was published.

Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601

et seq., are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

3. Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under the following control numbers: 0694-0088, 0694-0122, 0694-0134, and 0694-0137.

This rule slightly increases public burden in a collection of information approved by OMB under control number 0694-0088, which authorizes, among other things, export license applications. The removal of license exceptions for listed persons on the Unverified List will result in increased license applications being submitted to BIS by exporters. Total burden hours associated with the Paperwork Reduction Act and OMB control number 0694-0088 are expected to increase minimally, as the suspension of license exceptions will only affect transactions involving persons listed on the Unverified List and not all export transactions. Because license exceptions are restricted from use, this rule decreases public burden in a collection of information approved by OMB under control number 0694-0137 minimally, as this will only affect specific individual listed persons. The increased burden under 0694-0088 is reciprocal to the decrease of burden under 0694-0137, and results in no change of burden to the public. This rule also increases public burden in a collection of information under OMB control number 0694-0122, as a result of the exchange of UVL statements between private parties, and under OMB control number 0694-0134, as a result of appeals from persons listed on the UVL for removal of their listing. The total increase in burden hours associated with

both of these collections is expected to be minimal, as they involve a limited number of persons listed on the UVL.

4. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

List of Subjects in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730 through 774) is amended as follows:

Part 744 - [AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of August 4, 2016, 81 FR 52587 (August 8, 2016); Notice of September 15, 2016, 81 FR 64343 (September 19, 2016); Notice of November 8, 2016, 81 FR 79379 (November 10, 2016); Notice of January 13, 2017, 82 FR 6165 (January 18, 2017).

2. Supplement No. 6 to Part 744 is amended by:
- a. Adding one entry, in alphabetical order, for “Azerbaijan”;
 - b. Adding three entries, in alphabetical order, under “China”;
 - c. Revising the entries for “Brilliance Technology Ltd” and “Ling Ao Electronic Technology Co. Ltd.” under “Hong Kong”;
 - d. Adding one entry, in alphabetical order, for “Lebanon”; and
 - e. Adding one entry, in alphabetical order, under “United Arab Emirates”.

The additions and revisions read as follows:

SUPPLEMENT NO. 6 TO PART 744 – UNVERIFIED LIST

Country	Listed person and address	FEDERAL REGISTER citation and date of publication
AZERBAIJAN	Caspian Oil Montaj, Office 39, Block B, 30 Kaverochkin Street, Baku, Azerbaijan	82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]

CHINA	ARI International, Ltd., Room 1208, Block	82 FR [INSERT

	B, Jiangsu Building, No. 6013 Yitian Road, Futian District, Shenzhen, China	FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]

	Jiangsu HNHB Equipment Co., Ltd., No. 9, Xiangtou West Road, Yixing City, Jiangsu Province, China	82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]
	Shenzhen Winthought Tech, Room 223, Zhong Xing Industrial City, Chuangye Road, Nanshan District, Shenzhen, China	82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]

HONG KONG	*****	

	<p>Brilliance Technology Ltd, a.k.a., Brilliance Technology Group, Flat A, 11/F, Adolfo Mansion, 114 -116 Austin Road, Tsim Sha Tsui, Yau Tsim Mong, Hong Kong; <i>and</i> Rm 1203, 12/F, Hip Kwan Commercial Bldg., 38 Pitt Street, Yau Ma Tei, Yau Tsim Mong, Hong Kong</p>	<p>79 FR 34220, June 16, 2014</p> <p>82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]</p>
<p>*****</p>		
	<p>Ling Ao Electronic Technology Co. Ltd., a.k.a. Voyage Technology (HK) Co. Ltd., a.k.a. Xuan Qi Technology Co., Ltd.</p> <p>Room 17, 7/F, Metro Centre Phase 1, No. 32 Lam Hing St., Kowloon Bay, Kwun Tong, Hong Kong; <i>and</i></p> <p>15B, 15/F, Cheuk Nang Plaza, 250 Hennessy Road, Wanchai, Hong Kong; <i>and</i></p>	<p>80 FR 4779, January 29, 2015</p> <p>80 FR 60529, October 7, 2015</p> <p>82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]</p>

	<p>Flat C, 11/F, Block No. 2, Camelpaint Bldg. 62 Hoi Yuen Street, Kwun Tong, Kowloon, Hong Kong; and</p> <p>Room C1-D, 6/F, Wing Hing Industrial Building 14 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong; and</p> <p>Flat/Rm A30, 9/F Silvercorp International Tower, 707-713 Nathan Road, Mongkok, Kowloon, Hong Kong; and</p> <p>Room, 912A, 9/F. Witty Commercial Building, 1A-1L Tung Choi Street, Mongkok, Kowloon, Hong Kong; and</p> <p>Unit A, 7/F, King Yip Factory Bldg., 59 King Yip Street, Kwun Tong, Kowloon, Hong Kong</p>	

LEBANON	<p>Al Ghayth Trade and Transport, 1st Floor, Bohsali Bldg., Beirut Port Street, Beirut,</p>	<p>82 FR [INSERT FEDERAL REGISTER</p>

	Lebanon	PAGE NUMBER AND DATE OF PUBLICATION]

UNITED ARAB EMIRATES	*****	
	Blue Wing General Trading, Damas Tower #506, Al Maktoum Road, Dubai, UAE	82 FR [INSERT FEDERAL REGISTER PAGE NUMBER AND DATE OF PUBLICATION]

Dated: March 29, 2017.

Matthew S. Borman,
Deputy Assistant Secretary for Export Administration.

[FR Doc. 2017-06857 Filed: 4/5/2017 8:45 am; Publication Date: 4/6/2017]