

Insights

PARTIES ENGAGED IN AIRCRAFT SERVICING ACTIVITIES: BEWARE

Mar 22, 2022

On Friday, March 18, 2022, in response to the continued escalation in Ukraine, the U.S. Commerce Department's Bureau of Industry and Security ("BIS") identified both private and commercial aircraft that have flown to Russia in violation of U.S. export controls administered by BIS. The aircraft identified can be found here. The aircraft include the private aircraft of Russian Oligarch Roman Abramovich, as well as commercial aircraft owned or operated by Aeroflot, AirBridgeCargo, Aviastar-TU, Azur Air, Nordwind, and Utair. The list of aircraft are NOT exhaustive and BIS will continue to update the list.

The aircraft were identified in relation to BIS's expanded export controls on February 24, 2022 that required licenses for exports of aircraft and aircraft parts to Russia, and on March 2, 2022, which instituted the same license requirements for exports of aircraft and aircraft parts to Belarus.

Any aircraft or aircraft parts that are subject to the Export Administration Regulations ("EAR") – that is, they are manufactured in the United States or subject to the EAR due to the 25% *de minimis* rule – require a license from BIS to be exported to Russia and Belarus. Persons exporting aircraft or aircraft parts to Russia and Belarus without BIS authorization risk violating the EAR.

Moreover, any person anywhere must have authorization from BIS to provide services to aircraft flying to or within Russia or Belarus that are identified by BIS, as well as any other aircraft subject to the EAR flying to Russia or Belarus or thereafter within Russian or Belarus without proper authorization. Possible services are broad and include, but are not limited to the following: refueling, maintenance and repair services, and the provision of spare parts or services. Any services that are provided without authorization to aircraft identified by BIS violate General Prohibition Ten.

General Prohibition Ten prohibits proceeding with a transaction if there is knowledge the transaction involves an item subject to the EAR that either has been or is about to be involved in a transaction that violates the EAR. This includes selling, transferring, exporting, reexporting, financing, ordering, buying, removing, concealing, storing, using, loaning, disposing of, transporting, forwarding, or otherwise servicing, in whole or in part, the identified aircraft. BIS published the list of aircraft to notify all persons and companies that service or otherwise transact with these aircraft that continued activities may constitute violations of General Prohibition Ten.

Companies should review all touchpoints to ensure that none of their activities involve servicing or otherwise transacting with the aircraft identified by BIS. This includes activities by both U.S. and non-U.S. persons. For all aircraft that are subject to the EAR flying to or within Russia or Belarus, authorization is required. Moreover, the use of the AVS license exception has additional limitations due to recent EAR changes. BCLP's international trade team can assist with any questions that companies have related to compliance with U.S. export controls measures, including compliance with General Prohibition Ten.

RELATED CAPABILITIES

International Trade

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