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BIS50: Case Studies

In late September, the Department of Commerce Bureau of Industry and Security (BIS) announced a much-anticipated new interim final rule (the "Affiliates rule") that expands Entity List restrictions and licensing requirements to automatically apply to majority-owned subsidiaries of companies on that list.[1] "Significant minority ownership" by listed parties now also triggers additional due diligence requirements for exporters.

In practice, the Affiliates rule expands the Entity List to tens of thousands of unlisted entities and requires exporters to map beneficial ownership of current and prospective customers rather than screening against the Entity List alone.

This rule impacts sprawling corporate networks of subsidiaries owned by listed companies in export control hotspots like China but also extends the geographic reach of the Entity List to jurisdictions which traditionally have not presented significant export control risk. Sayari helps users map beneficial ownership of customers and other third parties to confidently clear entities not subject to the Affiliates rule and identify this hidden export control risk where it exists.

Case Study: Harxon Corporation Becomes Subject to Entity List Restrictions

Harxon Corporation (深圳市华信天线技术有限公司, "Harxon") illustrates how this rule will expand Entity List restrictions to subsidiary networks of listed companies that previously would have been considered high risk, but not officially or explicitly subject to those restrictions. Harxon is a satellite communications company that exported over 60 shipments of Common High Priority Items List (CHPL) tier 2 items to Russian buyers since the start of Russia's full invasion of Ukraine in 2022. It is also one of over a dozen Chinese companies majority owned by Beijing BDStar Navigation Co., Ltd. (北京北斗星通导航技术股份有限公司, "Beijing BDStar").[2]

BIS added Beijing BDStar to the Entity List in May 2024 citing the company's role in the High Altitude Balloon which flew over the United States in early 2023.[3] The company self-reports that it develops military navigation and communications technology as well as semiconductors and other potentially dual use goods.

Harxon previously may have been considered risky due to its ownership, but it would not have been officially subject to Entity List restrictions. **Under the new rule, Harxon now presents formal export control risk and carries the same restrictions as Beijing BDStar.**

1 "Expansion of End-User Controls To Cover Affiliates of Certain Listed Entities," 90 FR 47201, (September 30, 2025), https://www.federalregister.gov/documents/2025/09/30/2025-19001/expansion-of-end-user-controls-to-cover-affiliates-of-certain-listed-entities.

2 Corporate and trade data accessed via Sayari Graph.

3 "Additions of Entities to the Entity List," 89 FR 41886, (May 14, 2024), https://www.federalregister.gov/documents/2024/05/14/2024-10485/additions-of-entities-to-the-entity-list.

Case Study: Export Control Risk Expands Globally

The majority of the Entity List expansion likely mirrors the geographic distribution of the previously listed entities themselves with concentrations in countries historically targeted by export controls such as China. But it will also extend the reach to jurisdictions with few or no listed entities that previously didn't present significant export control risk.

Latamfiberhome Cable C. Ltda ("Latamfiberhome") is an Ecuadorian fiber optic cable company which lacks any surface-level indications of foreign ownership. Its name doesn't contain references to an overseas parent company, and the English version of its website doesn't indicate foreign ownership or control.[4]

Ecuadorian corporate records indicate that the company is 49 percent owned by Telconet S.A., itself beneficially owned by an Ecuadorian national, and 51 percent owned by China-based Fiberhome Telecommunication Technologies (烽火网络有限公司, "Fiberhome").[5] BIS added Fiberhome to the Entity List in 2020 citing the company's involvement in China's human rights abuses and high-tech surveillance apparatus in Xinjiang.[6]

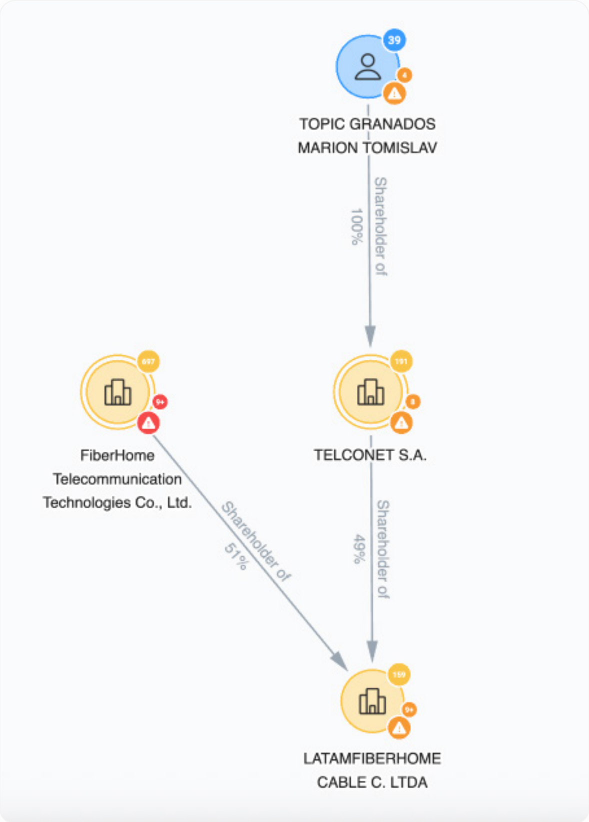

***Fig. 1:** Latamfiberhome Cable Ltda Ownership Structure*

4 LatamFiberHome, "About Us," accessed October 02, 2025, https://www.latamfiberhome.com/en/about-us.html.

5 Corporate data accessed via Sayari Graph.

6 "Addition of Certain Entities to the Entity List; Revision of Existing Entries on the Entity List" 85 FR 34503, May 5, 2020), https://www.federalregister.gov/documents/2020/06/05/2020-10868/addition-of-certain-entities-to-the-entity-list-revision-of-existing-entries-on-the-entity-list.

Despite not outwardly presenting obvious export control risk, Latamfiberhome now carries the same restrictions and licensing requirements as its parent company Fiberhome. **It also demonstrates how the Affiliates rule will extend export control risk globally beyond jurisdictions frequently targeted by entity listings.**

Sayari is here to help.

Harxon and Latamfiberhome are just two examples of the thousands of entities worldwide that are newly subject to Entity List restrictions while unnamed on any government-published list.

Sayari's BIS50 Signal Screening Solution protects organizations from regulatory risk introduced by the Affiliates rule leveraging extensive global corporate data and proven majority ownership algorithms.

This module builds on existing capabilities to screen entities against U.S., EU, UK, and other sanctions lists, flagging sanctioned entities and related companies. With the BIS50 module, organizations can now screen customers and other third parties against thousands of unlisted entities subject to Entity List restrictions such as Harxon and Latamfiberhome to make sound business decisions backed by authoritative data.

As export control regulations continue to evolve, organizations increasingly require tools that can help them remain agile to the complex implications these changes bring. Sayari empowers organizations to safeguard against compliance challenges through its commitment to providing solutions that stay ahead of regulatory shifts.

ABOUT SAYARI

Sayari is a risk intelligence provider that equips the public and private sectors with immediate visibility into complex commercial relationships by delivering the largest commercially available collection of corporate and trade data from more than 250 jurisdictions worldwide. Sayari's solutions enable risk resilience, mission-critical investigations, and better economic decisions. Headquartered in Washington, D.C., its solutions are trusted by Fortune 500 companies, financial institutions, and government agencies, and are used globally by thousands of users in over 35 countries.

To learn how Sayari powers safer global commerce, please visit sayari.com.