

On January 31, 2024, the Department of Defense (DOD) [released an update](#) to the Chinese Military Company (CMC) List in accordance with Section 1260H of the National Defense Authorization Act (NDAA) for Fiscal Year 2021.

DOD added sixteen entities to the 1260H CMC List and removed three previously designated entities that no longer met “some or all of the statutory requirements” for inclusion on the CMC List. In an [accompanying press release](#), DOD emphasized that it would continue identifying and designating contributors to the People’s Republic of China’s (PRC) Military-Civil Fusion strategy that are operating in the United States.

Background

Section 1260H of the NDAA for Fiscal Year 2021 requires the Secretary of Defense to publish (until December 31, 2030) an annual list of Chinese military companies that are operating in the United States. Chinese companies operating directly or indirectly in the United States can be designated by DOD to the 1260H CMC List upon a finding by the DOD that the company is engaged in providing commercial services, manufacturing, producing or exporting, and is either:

- (1) Directly or indirectly owned or controlled by or acting as an agent of the People’s Liberation Army or any other organization subordinate to the Central Military Commission of the Chinese Communist Party, or
- (2) A military-civil fusion contributor to the Chinese defense industrial base. (“Military-civil fusion contributor” is broadly defined in Section 1260H of the NDAA to include “any other entities the Secretary determines is appropriate.”)

The 1260H CMC List was first released in June 2021 with the addition of over 40 Chinese companies. It was then updated in October 2022 with the addition of 13 companies.

Removal From the CMC List

There is currently no formal procedure for listed parties to seek removal from the 1260H CMC List. However, Section 1260H requires the DOD to make ongoing revisions to this list, including by deleting entities from the list “based on the latest information.” In fact, in the changes reported by DOD on January 31, three entities were removed for no longer meeting “some or all of the statutory requirements” of Section 1260H, which indicates that parties can be removed when DOD is presented with “latest information” showing the criteria for listing is no longer satisfied.

CMC Compared to Other “Chinese Military” Lists

The 1260H CMC List is different from the former DOD Communist Chinese Military Companies (“CCMC”) List established under Section 1237 of the NDAA for Fiscal Year 1999, which designated companies that were found to be owned or controlled by the People’s Liberation Army and engaged in commercial services, manufacturing, producing, or exporting. In 2021, pursuant to Executive Order 14032, the CCMC List was replaced by the Department of Treasury’s Non-SDN Chinese Military-Industrial Complex Companies (NS-CMIC) List identifying Chinese companies that operate in the defense or surveillance technology sector of the PRC economy as well as their parent entities and subsidiaries. For additional information on the CCMC List or NS-CMIC List, see our [previous alert](#). A side-by-side comparison of the entities included on one or more lists is appended to this publication.

Impact of Designation on the 1260H CMC List

Designation on the 1260H CMC List does not impose any direct restrictions as a consequence of being listed. In this way, the list does not function like the NS-CMIC List, for example, which prohibits certain U.S. person trading activities with the listed company. However, since the establishment of the 1260H CMC List, members of Congress have referenced the list to enact restrictions against listed companies, and, in some cases, against subsidiaries as well. For example, the NDAA for Fiscal Year 2024 prohibits DOD from entering into, renewing or extending a contract for the procurement of goods, services or technology with, or entering into, renewing or extending a contract for the procurement of goods or services that include goods or services produced or developed by a company on the 1260H CMC List or any entity subject to the control of such a listed entity (See National Defense Authorization Act for Fiscal Year 2024, Pub. L. No. 118-31, §805 (2023)). The latest law funding the federal government contains a similar provision applicable to procurement and other funding and contractual agreements with the Department of Homeland Security (See Consolidated Appropriations Act, Pub. L. No. 117-328, §539, 136 Stat. 4459 (2022)).

Furthermore, inclusion on the 1260H CMC List can result in indirect restrictions, such as the listed entity being viewed by exporters and reexporters of items subject to the US Export Administration Regulations (EAR) as “military end-users,” restricting certain items from being shipped without a license. Although not based on any legal restriction, some companies also have a policy to not do business with listed companies. As such, another significant consequence is that inclusion on the list may indirectly restrict the company’s supply chain as suppliers may seek to avoid perceived risks in dealing with a listed party.

Additions and Removals From CMC List

Pursuant to the January 31, 2024, update, below are the new additions and removals to the 1206H CMC List:

New Additions

- Advanced Micro-Fabrication Equipment Inc.
- Beijing Megvii Technology Co., Ltd. (Megvii)
- Chengdu JOUAV Automation Tech Co., Ltd. (JOUAV)
- Chengdu M&S Electronics Technology Co., Ltd. (M&S Electronics)
- China Construction Technology Co. Ltd. (CCTC)
- China State Construction Engineering Corporation Limited (CSCEC)
- China Telecom Group Co., Ltd. (China Telecom)
- China Three Gorges Corporation Limited
- Guizhou Aviation Technical Development Co., Ltd. (Guizhou Aviation Tech)
- Hesai Technology Co., Ltd. (Hesai)
- IDG Capital Partners Co., Ltd. (IDG Capital)
- NetPosa Technologies, Ltd. (NetPosa)
- Shanghai Yitu Network Technology Co., Ltd. (Yitu)
- ShenZhen Consys Science & Technology Co., Ltd. (Consys)
- Wuhan Geosun Navigation Technology Co., Ltd. (Geosun)
- Yangtze Memory Technologies Co., Ltd. (YMTC)

Removals

- China International Engineering Consulting Corp. (CIECC), *removed for having “no apparent U.S. nexus”*
- Fujian Torch Electron Technology Co. Ltd., *removed for having “no apparent U.S. nexus”*
- SMIC Hong Kong International Company Limited, *removed for being “no longer owned by SMIC”*



Appendix

Summary of Chart Comparing Chinese Entity Lists as of Jan. 31, 2024

Designated Chinese Company* (highlighted entities are on all three lists) * Note, legal entity abbreviations (e.g., "Co., Ltd.") are not consistent among the lists	1999 NDAA § 1237 List of entities designated as "Communist Chinese Military Companies" (CCMC) by DOD, used as list for prohibitions in original EO 13959	EO 13595, as amended Treasury (OFAC) List of Chinese Military-Industrial Complex companies subject to trading prohibition in EO 13595 as amended by EO 14032	2021 NDAA § 1260H List of "Chinese Military Companies" designated by DOD as operating in the US, including military-civil fusion contributors
Advanced Micro-Fabrication Equipment Inc.	Tranche 5		January 31, 2024
Aero Engine Corporation of China	Tranche 1	Annex to EO 14032	
Aerospace CH UAV Co., Ltd		Annex to EO 14032	June 3, 2021
Aerospace Communications Holdings Group Company Limited		Annex to EO 14032	
Aerosun Corporation		Annex to EO 14032	June 3, 2021
Anhui Greatwall Military Industry Company Limited		Annex to EO 14032	
Aviation Industry Corporation of China, Ltd. (AVIC)	Tranche 1	Annex to EO 14032	June 3, 2021
AVIC Aviation High-Technology Company Limited		Annex to EO 14032	June 3, 2021
AVIC Heavy Machinery Company Limited		Annex to EO 14032	June 3, 2021
AVIC Jonhon Optronics Technology Co., Ltd.		Annex to EO 14032	June 3, 2021
AVIC Shenyang Aircraft Company Limited		Annex to EO 14032	June 3, 2021
AVIC Xi'an Aircraft Industry Group Company Ltd.		Annex to EO 14032	June 3, 2021
Beijing Megvii Technology Co., Ltd. (Megvii)			January 31, 2024
Beijing Zhidao Chuangyu Information Technology, Co., Ltd (Beijing Knownsec)			October 5, 2022
Beijing Zhongguancun Development Investment Center	Tranche 5		
BGI Genomics Co., Ltd. (BGI)			October 5, 2022
Changsha Jingjia Microelectronics Company Limited		Annex to EO 14032	
Chengdu JOUAV Automation Tech Co., Ltd. (JOUAV)			January 31, 2024
Chengdu M&S Electronics Technology Co., Ltd. (M&S Electronics)			January 31, 2024
China Academy of Launch Vehicle Technology (CALT)	Tranche 2-3	Annex to EO 14032	
China Aerospace Science and Industry Corporation Limited (CASIC)	Tranche 1	Annex to EO 14032	June 3, 2021

China Aerospace Science and Technology Corporation (CETC)	Tranche 1	Annex to EO 14032	
China Aerospace Times Electronics Co., Ltd		Annex to EO 14032	
China Avionics Systems Company Limited		Annex to EO 14032	
China Communications Construction Company Limited (CCCC)	Tranche 2-3	Annex to EO 14032	June 3, 2021
China Communications Construction Group (Limited) (CCCCG)		Annex to EO 14032	June 3, 2021
China Construction Technology Co. Ltd. (CCTC)	Tranche 4		January 31, 2024
China Electronics Corporation (CEC)	Tranche 2-3	Annex to EO 14032	June 3, 2021
China Electronics Technology Group Corporation (CETC)	Tranche 1	Annex to EO 14032	June 3, 2021
China General Nuclear Power Corporation (CGN)	Tranche 1	Annex to EO 14032	June 3, 2021
China International Engineering Consulting Corp. (CIECC)	Tranche 4		October 5, 2022 Removed Jan 31, 2024
China Marine Information Electronics Company Limited		Annex to EO 14032	June 3, 2021
China Mobile Communications Group Co., Ltd.	Tranche 1	Annex to EO 14032	June 3, 2021
China Mobile Limited		Annex to EO 14032	June 3, 2021
China National Aviation Holding Co. Ltd. (CNAH)	Tranche 5		
China National Chemical Corporation (ChemChina)	Tranche 2-3		October 5, 2022
China National Chemical Engineering Group Co., Ltd. (CNCEC)	Tranche 2-3		October 5, 2022
China National Nuclear Corporation (CNNC)	Tranche 1	Annex to EO 14032	June 3, 2021
China National Offshore Oil Corporation (CNOOC)	Tranche 4	Annex to EO 14032	June 3, 2021
China North Industries Group Corporation Limited (Norinco Group)	Tranche 1	Annex to EO 14032	June 3, 2021
China Nuclear Engineering & Construction Corporation (CNECC)	Tranche 2-3	Annex to EO 14032 (listed as "China Nuclear Engineering Corporation Limited")	
China Railway Construction Corporation Limited (CRCC)	Tranche 1	Annex to EO 14032	June 3, 2021
China Satellite Communications Co. Ltd.		Annex to EO 14032	
China Shipbuilding Industry Corporation (CSIC)	Tranche 1	Annex to EO 14032 (listed as "China Shipbuilding Industry Company Limited")	
China Shipbuilding Industry Group Power Company Limited		Annex to EO 14032	

China South Industries Group Corporation (CSGC)	Tranche 1	Annex to EO 14032	June 3, 2021
China SpaceSat Co., Ltd.	Tranche 2-3	Annex to EO 14032	June 3, 2021
China State Construction Engineering Corporation Limited (CSCEC)			January 31, 2024
China State Construction Group Co., Ltd.	Tranche 2-3		October 5, 2022
China State Shipbuilding Corporation Limited (CSSC)	Tranche 1	Annex to EO 14032	June 3, 2021
China Telecom Corporation Limited		Annex to EO 14032	June 3, 2021
China Telecom Group Co., Ltd. (China Telecom)			January 31, 2024
China Telecommunications Corporation	Tranche 1	Annex to EO 14032	June 3, 2021
China Three Gorges Corporation Limited	Tranche 2-3		January 31, 2024
China Unicom (Hong Kong) Limited		Annex to EO 14032	June 3, 2021
China United Network Communications Group Co., Ltd. (China Unicom)	Tranche 2-3	Annex to EO 14032	June 3, 2021
CloudWalk Technology Co., Ltd (CloudWalk)			October 5, 2022
CNOOC Limited		Annex to EO 14032	June 3, 2021
Commercial Aircraft Corporation of China Ltd. (COMAC)	Tranche 5		
Costar Group Co., Ltd.		Annex to EO 14032	June 3, 2021
CRRC Corporation	Tranche 1		October 5, 2022
CSSC Offshore & Marine Engineering (Group) Company		Annex to EO 14032	
Dawning Information Industry Co (Sugon)	Tranche 1		October 5, 2022
Fujian Torch Electron Technology Co. Ltd.		Annex to EO 14032	June 3, 2021 Removed Jan. 31, 2024
Global Tone Communication Technology Co. Ltd. (GTCOM)	Tranche 5		October 5, 2022
GOWIN Semiconductor Corp.	Tranche 5		
Grand China Air Co. Ltd. (GCAC)	Tranche 5		
Guizhou Aviation Technical Development Co., Ltd. (Guizhou Aviation Tech)			January 31, 2024
Guizhou Space Appliance Co., Ltd.		Annex to EO 14032	
Hangzhou Hikvision Digital Technology Co., Ltd. (Hikvision)	Tranche 1	Annex to EO 14032	June 3, 2021
Hesai Technology Co., Ltd. (Hesai)			January 31, 2024
Huawei Investment & Holding Co., Ltd.		Annex to EO 14032	June 3, 2021

Huawei Technologies Co., Ltd.	Tranche 1 (listed only as "Huawei")	Annex to EO 14032	June 3, 2021
IDG Capital Partners Co., Ltd. (IDG Capital)			January 31, 2024
Inner Mongolia First Machinery Group Co., Ltd.		Annex to EO 14032	June 3, 2021
Inspur Group Co., Ltd.	Tranche 1	Annex to EO 14032	June 3, 2021
Jiangxi Hongdu Aviation Industry Co., Ltd.		Annex to EO 14032	June 3, 2021
LuoKung Technology Corporation	Tranche 5		
Nanjing Panda Electronics Company Limited		Annex to EO 14032	
NetPosa Technologies, Ltd. (NetPosa)			January 31, 2024
North Navigation Control Technology Co., Ltd.		Annex to EO 14032	
Panda Electronics Group Co., Ltd.	Tranche 1	Annex to EO 14032	
Proven Glory Capital Limited		Annex to EO 14032	
Proven Honor Capital Limited		Annex to EO 14032	
Semiconductor Manufacturing International (Beijing) Corporation			June 3, 2021
Semiconductor Manufacturing International (Shenzhen) Corporation			June 3, 2021
Semiconductor Manufacturing International (Tianjin) Corporation			June 3, 2021
Semiconductor Manufacturing International Corporation (SMIC)	Tranche 4	Annex to EO 14032	June 3, 2021
Semiconductor Manufacturing South China Corporation			June 3, 2021
Shaanxi Zhongtian Rocket Technology Company Limited		Annex to EO 14032	
Shanghai Yitu Network Technology Co., Ltd. (Yitu)			January 31, 2024
Shenzhen DJI Innovation Technology Co., Ltd (DJI)			October 5, 2022
ShenZhen Consys Science & Technology Co., Ltd. (Consys)			January 31, 2024
Sinochem Group Group Co Ltd	Tranche 2-3		
SMIC Holdings Limited			June 3, 2021
SMIC Hong Kong International Company Limited			June 3, 2021 Removed Jan. 31, 2024
SMIC Northern Integrated Circuit Manufacturing (Beijing) Co., Ltd			June 3, 2021
SMIC Semiconductor Manufacturing (Shanghai) Co., Ltd			June 3, 2021
Wuhan Geosun Navigation Technology Co., Ltd. (Geosun)			January 31, 2024

Xiaomi Corporation	Tranche 5		
Yangtze Memory Technologies Co., Ltd. (YMTC)			January 31, 2024
Zhejiang Dahua Technology Co., Ltd (Dahua)			October 5, 2022
Zhonghang Electronic Measuring Instruments Company Limited		Annex to EO 14032	June 3, 2021
360 Security Technology Inc. (Qihoo 360)			October 5, 2022

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