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Client Alert: Changes to EAR Export Controls Affecting the UAE

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On July 10, 2026, the Bureau of Industry and Security, Department of Commerce ("BIS") issued a final rule changing the EAR license requirements for the United Arab Emirates. These changes became effective on July 10, 2026, when the rule was posted for public inspection on the Federal Register website.

The primary effect will be to reduce catch-all license requirements on exports related to the development or production of long-range UAVs and missiles, expanding the availability of EAR License Exceptions, such as License Exception STA, and making it easier for datacenters in the UAE to obtain AI chips without an export license.

The BIS rule cites the recent designation of the UAE as a Major Defense Partner, a desire to increase military interoperability, as well as UAE investment in and technology cooperation with the United States, as among the reasons for these changes.

- **Removal of the UAE from Country Groups D:3 and D:4.**

The rule removes the UAE from Country Group D:3, which identifies countries that are high risk for chemical and biological weapons proliferation. The UAE is also removed from Country Group D:4, which imposes additional license requirements related to long-range missiles/UAVs, and other Missile Technology (MT) controlled items.

Removal from Country Group D:4 eliminates EAR § 744.3 "catch-all" license requirements, which apply a license requirement to all items subject to the EAR for use the development, production, and use of rocket systems and UAVs with a range of 300 km or more, or where the range capability is unknown, in or by a D:4 country. EAR § 744.6 imposes similar restrictions on U.S. person support for such activities.

Removal of the UAE from D:3 and D:4 does not affect any licensing requirements that are based on the Commerce Control List, but it does make more EAR License Exceptions available for CB and MT-controlled items, such as TMP, GOV, TSU, AVS, APR, and additional portions of ACE and BAG.

- **Addition to Country Group A:5**

The rule adds the UAE to Country Group A:5, which identifies countries that are eligible for exports of under License Exception STA (EAR § 740.20). However, not all ultimate consignees and end-users in the UAE are automatically eligible to receive items under STA. Rather, BIS must first authorize ultimate consignees and end-users in the UAE to receive items under the STA.

The UAE Government is an approved recipient, although that does not extend to state-owned companies or contractors/grantees of UAE government agencies. The initial Supp. No. 8 also lists eight U.S.-headquartered technology companies (Amazon, Apple,

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Google, Meta, Microsoft, OpenAI, Oracle, and X.AI) and their subsidiaries as eligible to receive items under STA.

Other UAE recipients must apply to BIS to be added to a list of approved entities in new Supp. No. 8 to EAR Part 740 – Approved Ultimate Consignee and End-Users for Advanced Computing Items and/or License Exception STA in the UAE. The rule does not specify what information is required in the submission, but states that, "BIS's determination will be based on a case-by-case assessment of U.S. national security and foreign policy interests, including the applicant's compliance capabilities and track record."

- **AI Chips & Servers**

Consistent with the currently enforced export controls on advanced AI chips, cards and servers (i.e., those meeting the performance requirements of 3A090, 4A090 and associated ".z" ECCNs), authorization will still be required for the UAE, except when the ultimate consignee and all end-users are either UAE Government entities or listed on Supp. No. 8 as approved recipients of Advanced Computing Items.

The initial Supp. No. 8 lists the same eight U.S.-headquartered technology companies and their subsidiaries as eligible to receive Advanced Computing Items without a license. Supp. No. 8 also lists the UAE datacenter operators Group 42 and Core 42 as authorized recipients of Advanced Computing Items for an initial period of 270 days. The preamble of the rule says that if these two companies do not become U.S. companies within that time period, they will need to apply to BIS to maintain that authorization. Further, the preamble states that BIS intends to afford favorable treatment for license applications to export advanced computing items to UAE-headquartered company MGX.

- **Impact on CFIUS Filing Requirements**

While the license requirements for the UAE have not changed, STA eligibility for the UAE Government and commercial entities added to Supp. No. 8 may eliminate the need for some mandatory CFIUS filings for investments by such parties.

- **Bottom Line**

This action has the potential to eliminate significant impediments to U.S. business with the UAE, particularly in defense cooperation, long-range UAV development, and advanced computing/datacenters. However, the mechanisms adopted by BIS to add approved recipients to Supp. No. 8 lack clear guidance on the criteria for approval, which could cause cycling between applicants and BIS. Adding parties to Supp. No. 8 through a Federal Register notice, instead of a website listing, may also cause delays.

For further guidance on how these changes may affect your operations, please contact Dan Fisher-Owens at dfo@bcrlaw.com.