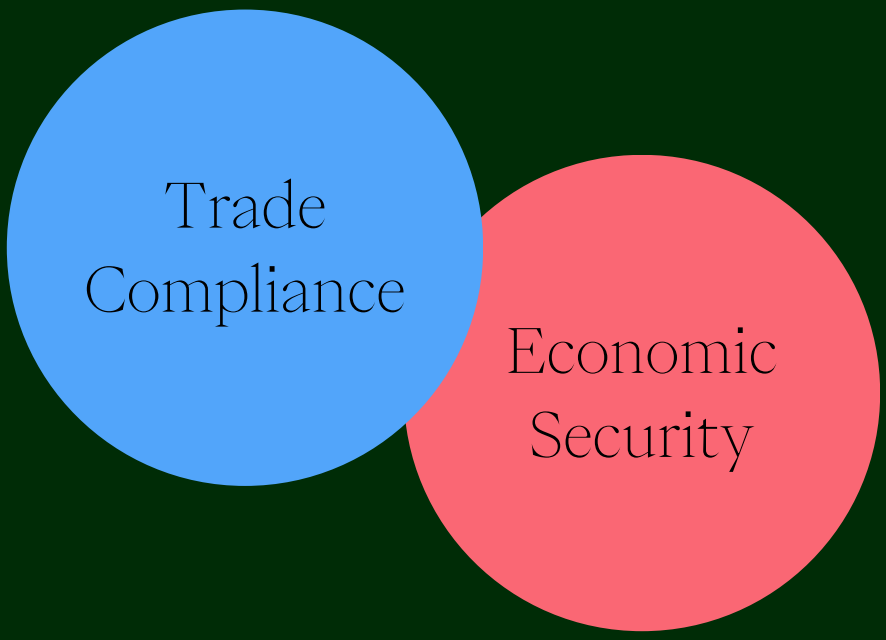
cattwyk

Chinese Export Controls: New Controls on Civilian Industrial Goods and Key Technologies



Cattwyk Rechtsanwaltsgesellschaft mbH & Co. KG

Hohe Bleichen 8, D-20354 Hamburg
Rue d'Arlon 25, B-1050 Brussels

Limited Partnership, registered with the commercial register of the Hamburg District Court under HRA 131507 | Registered office: Hohe Bleichen 8, D-20354 Hamburg | Personally liable partner: Cattwyk Verwaltungs GmbH, HRB 188095 | Represented by the management : Dr. Katja Göcke, Dr. Lothar Harings, Dr. Hartmut Henninger, Franziska Kaiser, Marian Niestedt

China's Ministry of Commerce (MOFCOM) has once again made extensive changes to Chinese export control law in recent weeks. On 18 November 2026, three announcements by MOFCOM and the General Administration of Customs entered into force, expanding and adjusting China's dual-use export control list. The announcements cover drones and drone components, whose existing controls are being recalibrated (Announcement No. 49/2026), tunnel boring machines and other construction machinery (No. 50/2026), and key components of dredgers (No. 51/2026). A further announcement revising the procedure for customs queries of possibly unlicensed dual-use exports (No. 52/2026) has applied since its publication on 19 October 2026. On 16 October 2026, MOFCOM and the Ministry of Science and Technology had already presented a draft expanding the Catalogue of Technologies Prohibited or Restricted from Export to include technologies in the fields of artificial intelligence, biomedicine and photovoltaics (No. 48/2026). These measures show that the People's Republic of China is further expanding both its export control regime for dual-use items and its control of technology exports under foreign trade law, and is increasingly capturing civilian industrial goods as well. In recent years, the People's Republic of China has achieved global technological leadership in a number of fields and is now using it to wield geopolitical power. For German and European companies, the new rules are relevant not only when sourcing goods from China but, given their extraterritorial effect, also for business outside China.

1. Legal framework

The control of goods is based on the Export Control Law of 2020 and the Regulations on the Export Control of Dual-Use Items (“Dual-Use Regulations”), which have appliedhave been in force since 1 December 2024. Neither instrument has been amended since its adoption. The dynamics of Chinese export control law areis above all reflected above all in the control list. MOFCOM continuously updates it through individual announcements. The export of listed items requires a licence (Art. 12 Export Control Law); in addition, a catch-all clause applies to unlisted items where the exporter knows, should know or has been notified by the authorities that an item may endanger national security and national interests, contribute to the development of weapons of mass destruction or serve terrorist purposes.

Of particular importance for foreign companies is the extraterritorial reachapplication. Art. 45 Export Control Law extends the regime to the re-export of controlled items; Art. 49 Dual-Use Regulations specifies this, among other things, for items manufactured abroad that contain controlled items of Chinese origin or were produced using controlled Chinese technology. MOFCOM expressly orders invokes theis extraterritorial applicationeffect in individual announcements. With Announcement No. 46/2024 of 3 December 2024, the ministry prohibited the export of dual-use items to military end

users and for military end uses in the United States and, at the same time, in principle prohibited the export of gallium, germanium, antimony and superhard materials to the United States; this restriction is currently suspended, most recently for only two months until 27 January 2027. On 6 January 2026, Announcement No. 1/2026 imposed a corresponding ban with respect to Japan, which additionally covers all end users and end uses that contribute to enhancing Japan's military capabilities. On 24 February 2026, MOFCOM also placed 20 Japanese companies and institutions on the control list and 20 others on the watch list (Nos. 11 and 12/2026), justifying this with the aim of curbing Japan's “remilitarisation”. In both cases, MOFCOM made clearexpressly ordered that organisations and individuals of any country are liable if they transfer dual-use items of Chinese origin to US or Japanese recipients in breach of these bans. In April and July 2026, MOFCOM additionally placed a total of 21 companies and institutions from the EU, including Hensoldt and Rheinmetall, on the control list (Nos. 20 and 30/2026); no one may transfer dual-use items of Chinese origin to them either.

Alongside the Export Control Law stands the revised Foreign Trade Law, which has appliedhas been in force since 1 March 2026. It now expressly names national security as one of its purposes and contains its own instrument by which foreign organisations and individuals can be prohibited or restricted from trading with China. Art. 20 Foreign Trade Law and the Regulations on the Administration of Technology Import and Export also form the basis of the Catalogue of Technologies Prohibited or Restricted from Export, which is to be expanded by Announcement No. 48/2026.

2. The package of measures of 19 October 2026

Announcements Nos. 49 to 51 uniformly entered into force on 18 November 2026; No. 52 has applied since its publication on 19 October 2026. MOFCOM's accompanying statements on No. 49 and on Nos. 50/51 are largely identical in wording.

2.1. Drones (No. 49/2026)

In addition to MOFCOM and the customs administration, the Equipment Development Department of the Central Military Commission was involved in Announcement No. 49. According to its title, the announcement optimises and adjusts existing export controls on unmanned aerial vehicles. According to MOFCOM's accompanying press statement of 19 October 2026, the revision is based on feedback from industry and takes account of the fact that some drones that were once advanced have since become mass consumer products. It is therefore not merely a tightening but a recalibration of the controls. In addition to certain drones, the controls cover components, software

and technology, including swarm control, autonomous navigation and counter-drone technology. Exports require a licence regardless of the country of destination. For certain drones and for exports to trade fairs with immediate return, registration before each export is sufficient; companies with a well-functioning internal compliance programme can obtain general licences.

2.2. Tunnel boring and construction machinery (No. 50/2026)

Announcement No. 50 covers certain equipment for tunnelling and infrastructure construction. It subjects all tunnel boring machines, including cutterheads, main drives and other key components, as well as remanufacturing technology, to control. In addition, it covers walking excavators with certain terrain capabilities and wet shotcrete machines for use at altitudes above 3,000 metres.

The design of the licensing requirement is remarkable: it applies only to exports to “sensitive countries and regions that have disputes with China”. For all other countries of destination, registration is sufficient. However, exporters and end users alike must undertake not to transfer the items without a licence to countries and regions that are – from China's perspective – critical. Organisations and individuals outside China are likewise prohibited from making such transfers without a licence. The announcement does not, however, specify which states are meant, and MOFCOM has not commented on this so far.

2.3. Dredger components (No. 51/2026)

Announcement No. 51 does not cover the dredgers themselves; above a certain size, these have been subject to export controls since 2017 (Announcement No. 28/2017). Announcement No. 51 apparently seeks to close control gaps. Going forward, it also covers certain dredge pumps including their casings and impellers, as well as drag heads and cutter heads for trailing suction hopper and cutter suction dredgers above certain sizes. Unlike under No. 50, the licensing requirement applies to all countries of destination and thus also to deliveries to the EU.

2.4. Customs challenges query and identification verification procedure (No. 52/2026)

Announcement No. 52 replaces, with immediate effect, the customs administration's previous rules on querying possibly unlicensed dual-use exports. If customs has indications that goods declared without a licence may be dual-use items, the consignor must submit documents, including transport documents and a reasoned statement of facts, within seven working days. The goods are not released until the matter is resolved. New features include review deadlines for the authorities, verification by MOFCOM with the involvement of experts, the possibility of separate clearance of

unrelated goods, and the express extension to cross-border e-commerce, postal and courier shipments and passenger luggage.

3. Expansion of the technology export catalogue (No. 48/2026)

The consultation draft in Announcement No. 48 provides for expanding the Catalogue of Technologies Prohibited or Restricted from Export by 40 entries: 23 in the field of artificial intelligence, five in biomedicine and twelve in photovoltaics. 14 technologies are to be prohibited from export in future and 26 made subject to a licensing requirement. In the field of artificial intelligence, the draft covers, among other things, large AI models trained on Chinese “core data”, model weights (the parameters learned in training), source code and architecture of high-performance models (for example from a training compute of 10^{26} FLOP), certain AI agents, the design of certain AI chips and technologies for large computing clusters. Technologies that are already publicly available as open source or through scientific publications are excluded. An automatic licence is to apply to the open-source release of restricted technologies and to data centres that Chinese companies operate themselves abroad. This suggests that China does not want to hinder the spread of its own open-weight models. In biomedicine, the ban covers, among other things, platform technologies for cell and gene therapy and for siRNA drugs (short RNA molecules that selectively silence individual disease-relevant genes), but only the transfer of their ownership abroad, while licences and contract research and manufacturing are not covered. The evident aim is to keep platform technologies in China without preventing licensing business with foreign partners. In photovoltaics, the draft covers processes for polysilicon, wafer and cell manufacturing, including the associated equipment. The thresholds, such as wafer formats of 182 to 230 millimetres and wafer thicknesses of up to 140 micrometres, correspond to modern series production rather than only to cutting-edge research.

Although it is a consultation draft, a provisional registration requirement has applied since its publication on 16 October 2026. Exporters must register the export of the listed technologies in advance on the MOFCOM portal, including for projects already under way. In addition to the transfer of rights, licensing for use abroad and a change of the owner or actual controller to a foreign entity also count as exports. This means that acquisitions of companies may also be covered. According to MOFCOM's accompanying press statement of 16 October 2026, providing AI models via API, app or SaaS is not a technology export, whereas local deployment abroad is, unless it is a lightweight deployment on end devices. The supply, installation and upgrading of photovoltaic production lines incorporating listed technology will in future require a technology export licence.

4. Implications for German and European companies

Directly affected in the first instance are first of all companies that manufacture the covered items in China or source them from there. Since 18 November 2026, exports have required, depending on the item, a licence or at least a registration, even where the goods are shipped to affiliated companies in the EU. including for intra-group deliveries to the EU. Because cutterheads, impellers and pump casings are typical wear and spare parts, delays are to be expected in ongoing projects as well. Supply contracts should therefore be reviewed with regard to delivery deadlines, force majeure and change-in-law clauses.

European buyers are also themselves subject to obligations. End-user statements given to Chinese suppliers may restrict subsequent transfers within the group or use in third countries; the extraterritorial effect also binds companies outside China. The undefined notion of countries and regions “that have disputes with Chinacountries in dispute” in Announcement No. 50 is particularly difficult to handle. For projects in states with apparent conflicts with China, it is advisable to assume a licensing requirement as a precaution or to clarify the question with the Chinese supplier and, where appropriate, MOFCOM.

Customs practice is also becoming more burdensome. Since information must be provided even for unlisted items with similar parameters, classification of entire product families is in effect required. In the event of a customs challengequery, the documents must be available within a short period and with a Chinese translation.

For technology flows out of China, Announcement No. 48 is already relevant now, despite its draft status. This concerns Chinese development sites of German companies, joint ventures with technology flowing back, the acquisition of licences to Chinese active ingredients in the pharmaceutical industry, the purchase of photovoltaic production equipment and transactions in which a foreign acquirer takes control of a Chinese technology company. The Chinese entity, as exporter, must register. The contract should stipulate who fulfils this obligation and what the consequences of a refusal are.

5. Conclusion

The new announcements continue a trend that has been emerging since the adoption of the Dual-Use Regulations. China no longer uses its export control law only against individual states such as the United States, but is systematically developing it into an instrument of industrial and security policy. Controls increasingly extend to civilian industrial goods and to key technologies in which Chinese companies are leaders. At the same time, MOFCOM is stepping up enforcement: a draft

put out for consultation on 30 October 2026 for the first time sets out in detail on-site inspections, seizures and penalty procedures for violations of dual-use export control law. Under the draft, voluntary disclosures and well-functioning internal compliance programmes are to lead mandatorily to a more lenient penalty. For companies operating internationally, this means that Chinese export control law must now form an integral part of their compliance programmes alongside US and EU export controls, particularly in supply chain analysis and in technology transfers out of China.

Dr. Hartmut Henninger
Lawyer | Partner
h.henninger@cattwyk.com

Dr. Lukas Willmer
Lawyer | Associate
l.willmer@cattwyk.com

Cattwyk Rechtsanwaltsgesellschaft mbH & Co. KG
Hohe Bleichen 8, 20354 Hamburg
Rue d'Arlon 25, B-1050 Brussels