

119TH CONGRESS
1ST SESSION

H. R. 4530

To apply licensing requirements under the Export Control Reform Act of 2018 to subsidiaries of entities listed on the Entity List or Military End User List, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2025

Mr. SELF (for himself and Mr. CASE) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To apply licensing requirements under the Export Control Reform Act of 2018 to subsidiaries of entities listed on the Entity List or Military End User List, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Suppressing Tactics
5 of Prohibited Shells Act” or the “STOP Shells Act”.

1 **SEC. 2. APPLICATION OF LICENSING REQUIREMENTS**
2 **UNDER THE EXPORT CONTROL REFORM ACT**
3 **OF 2018 TO SUBSIDIARIES OF ENTITIES LIST-**
4 **ED ON THE ENTITY LIST OR MILITARY END**
5 **USER LIST.**

6 (a) IN GENERAL.—The Secretary of Commerce is au-
7 thorized to and shall apply the licensing requirement
8 under the Export Control Reform Act of 2018 to affiliates
9 owned 50 percent or more in aggregate, directly or indi-
10 rectly, by an entity listed on the Entity List or the Mili-
11 tary End User List.

12 (b) FOREIGN DIRECT PRODUCT RULE ASSESS-
13 MENT.—

14 (1) IN GENERAL.—Prior to adding an entity to
15 the Entity List or Military End User List, the Sec-
16 retary of Commerce shall conduct an assessment to
17 determine whether application of the Foreign Direct
18 Product Rule to the licensing requirement for the
19 entity would advance United States national security
20 or foreign policy interests.

21 (2) CONGRESSIONAL NOTIFICATION.—Not later
22 than 2 days after adding an entity to the Entity
23 List, the Secretary shall provide the appropriate
24 congressional committees with the respective Foreign
25 Direct Product Rule Assessment for the entity.

26 (c) WAIVER.—

1 (1) IN GENERAL.—Subject to subsection (d),
2 the Secretary of Commerce is authorized to exempt,
3 on a case-by-case basis, from the requirement set
4 forth in subsection (a) any entity determined by the
5 Secretary of Commerce, in consultation with the
6 Secretaries of State, Defense, and Energy, whose ex-
7 emption is in the national security interest of the
8 United States.

9 (2) CONGRESSIONAL NOTIFICATION.—Not later
10 than 2 days after issuing a waiver under this sub-
11 section, the Secretary shall notify the appropriate
12 congressional committees and include a detailed ex-
13 planation of the national security or foreign policy
14 interest that justified the waiver.

15 (d) DEFINITIONS.—In this section—

16 (1) the term “Entity List” means the list main-
17 tained by the Bureau of Industry and Security of
18 the Department of Commerce and set forth in Sup-
19 plement No. 4 to part 744 of title 15, Code of Fed-
20 eral Regulations, or successor regulations;

21 (2) the term “Military End User List” means
22 the list maintained by the Bureau of Industry and
23 Security of the Department of Commerce and set
24 forth in Supplement No. 7 to part 744 of title 15,

1 Code of Federal Regulations, or successor regula-
2 tions; and

3 (3) the term “Foreign Direct Product Rule”
4 has the meaning as described in part 734.9 of title
5 15, Code of Federal Regulations, or successor regu-
6 lations.

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