

## Opportunities Amid The Challenges Of Trump's BIS Shake-Up

By **Christopher Timura** and **Scott Toussaint** (January 22, 2026, 4:08 PM EST)

The U.S. Department of Commerce's Bureau of Industry and Security — the 500-person agency charged with administering, among other regulations, export controls on everything from commercial aircraft to semiconductors — has undergone significant institutional changes following President Donald Trump's return to the White House.

One year into the new administration, a series of longtime BIS officials have left the agency, the issuance of new regulations has slowed, licensing policies for many items have been revised and the average wait time for commercially sensitive export licenses has spiked. The disruption of BIS' established personnel and practices has generated considerable short-term uncertainty for exporters, but may offer a silver lining.

With an agenda that includes modernizing a key national security agency, the new leadership may be more open to constructive input about the contours of U.S. export controls — from how export regulations are written and what they control, to when and why licenses are granted — than at any time in a generation.

What then should exporters do to seize the moment?

To help practitioners make sense of this fast-shifting landscape, this article explains BIS' historical role, analyzes the institutional changes sweeping the agency, and offers practical tips on how exporters can weather the challenges and seize new opportunities presented by this unsettled period in BIS' history.

### BIS' Role

As a matter of first principles, BIS is the U.S. government agency with chief responsibility for restricting the sharing of sensitive goods, software, and technology that have both civil and military applications — commonly known as dual-use items — with foreign parties and countries.

The agency derives its primary authority from the Export Control Reform Act, enacted in 2018.<sup>[1]</sup> BIS implements the act by administering and enforcing the U.S. Export Administration Regulations, or EAR.<sup>[2]</sup>

BIS has broad jurisdiction over any items that are subject to the EAR, including most items located in the



Christopher Timura



Scott Toussaint

U.S., U.S.-origin items wherever located, and foreign-made items that incorporate, or are the direct product of, certain software and technology, or components made from these U.S. inputs.[3]

The export controls administered by BIS typically follow the items they cover, even restricting transactions that occur entirely outside the U.S. and that involve only non-U.S. persons. They also apply in a growing number of circumstances to services and support that U.S. persons, wherever located, may provide even when no items subject to the EAR are involved.

In light of the agency's vast jurisdictional reach and its regulatory toolkit, which allows sensitive items to be supplied to allied nations while keeping such items out of the hands of U.S. adversaries, BIS has often been the tip of the spear for restricting U.S. trade with major, globally connected economies like China and Russia.

Historically, BIS placed a premium on technocratic expertise, with many career officials serving at the agency for decades. In recent years, the agency, presumably with the assistance of its longtime career staff, has published increasingly targeted and complex rules to accommodate a range of administration directives and interagency inputs.

For example, the agency has coordinated plurilateral controls on Russia, as well as semiconductor manufacturing equipment and technology; processed a growing volume of export license applications; designated ever more parties to the Entity List; announced record-setting enforcement actions; and maintained open lines of communication with industry representatives and foreign partners, including through extensive outreach and published guidance.

### **Institutional Changes Under the Second Trump Administration**

Over the past year, however, many of BIS' activities have notably paused or slowed.

Longtime senior career officials have departed or been encouraged to leave the agency, taking with them unique subject matter expertise and institutional memory.

The pace of new BIS rulemakings has diminished, with a preference for shorter, less technically complex rules. In a departure from past practice, the new administration has also begun using export control regulations as a diplomatic bargaining chip in U.S. negotiations with geopolitical rivals, as when BIS announced its groundbreaking affiliates rule in September 2025, but then suspended that same rule one month later following trade talks between Trump and China's president, Xi Jinping.[4]

Processing times for BIS license applications have increased to their highest level in more than 30 years.[5]

The number of new BIS Entity List designations has sharply declined. That said, tens of thousands of additional parties became subject to end-user controls in late 2025 under the short-lived affiliates rule, which extended export licensing requirements to any foreign affiliate owned 50% or more by one or more parties identified on certain U.S. government restricted party lists.[6]

The administration's sustained commitment to export enforcement has been an island of continuity over the past year. As Secretary of Commerce Howard Lutnick has pledged a "dramatic increase" in BIS enforcement activity, more eight- and nine-figure resolutions, similar to those announced in recent years, could be in the pipeline.[7]

At the same time, under the new administration, BIS has curtailed communications between staff and industry, and has reduced, though not eliminated, coordination with key U.S. allies and partners.

### **Challenges and Opportunities for Exporters**

An institutional shake-up at the Commerce Department presents enormous practical challenges — and perhaps some unexpected opportunities for technology companies, manufacturers and shippers, as well as financial institutions that are increasingly expected to scrutinize their customers' export compliance.

Sweeping changes at BIS have, in the short term, complicated day-to-day commercial activities for many businesses and upended settled expectations about how U.S. export controls work.

For example, the now-suspended affiliates rule, which became effective in September 2025 on one day's notice, gave rise to burdensome due diligence and licensing requirements that fell especially heavily on small and medium enterprises without sophisticated trade compliance programs.

Prolonged export licensing delays like those that have arisen over the past year have resulted in snarled supply chains, lost sales and difficulties onboarding foreign-national employees.

To minimize disruptions as BIS charts a new path forward, possible strategies for exporters include building in longer lead times when seeking BIS authorization, ensuring that licensing officers understand how proposed exports will further the current administration's evolving economic and national security priorities, and ensuring that company personnel are closely monitoring for new U.S. export regulations that, while simpler, may capture far more transactions than has historically been the norm.

Although the disruption caused by an exodus of longtime BIS officials has been widely reported, comparatively little attention has been paid to the upsides of a transformed Commerce Department that is potentially amenable to fresh thinking, and revisiting long-held assumptions about which U.S. exports should be controlled and how best to control them.

Notably, exporters should anticipate that going forward BIS will, by choice or necessity, continue to publish new regulations that are less technically complex than in the past.

The presence of new policymakers and the loss of institutional memory could open the door to advocate for fresh approaches to managing export control risks, including through private engagement and formal notice-and-comment rulemaking.

At the same time, industry should look for opportunities, both solicited and unsolicited by the agency, to simplify export controls in ways that accord with the administration's deregulatory agenda.

Proposals from Capitol Hill, such as legislation to consolidate various export-related restricted party lists, might meet less pushback from newly installed BIS officials who are not as committed to the status quo.

In the licensing realm, exporters may be able to secure previously unavailable authorizations by linking proposed transactions, such as selling leading-edge semiconductors to foreign buyers, to broader administration priorities like encouraging the rest of the world to adopt the full U.S. artificial intelligence technology stack.[8]

In short, practitioners should not let this moment pass by. Although the continuing overhaul of BIS has complicated the day-to-day activities of numerous exporters, it potentially also offers industry a once-in-a-generation opening to advocate for simplifying and rationalizing U.S. export controls.

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*Christopher T. Timura is a partner and Scott Toussaint is a senior associate at Gibson Dunn & Crutcher LLP.*

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[1] 50 U.S.C. §§ 4801-4852 (2023).

[2] 15 C.F.R. Parts 730-774 (2026).

[3] See 15 C.F.R. § 734.3.

[4] See Expansion of End-User Controls To Cover Affiliates of Certain Listed Entities, 90 Fed. Reg. 47201 (Sept. 29, 2025); White House, Fact Sheet: President Donald J. Trump Strikes Deal on Economic and Trade Relations with China (Nov. 1, 2025), <https://www.whitehouse.gov/fact-sheets/2025/11/fact-sheet-president-donald-j-trump-strikes-deal-on-economic-and-trade-relations-with-china>; One Year Suspension of Expansion of End-User Controls for Affiliates of Certain Listed Entities, 90 Fed. Reg. 50857 (Nov. 10, 2025).

[5] See Karen Freifeld & Alexandra Alper, US Government Turmoil Stalls Thousands of Export Approvals, Sources Say, Reuters (Aug. 1, 2025), <https://www.reuters.com/world/us/us-government-turmoil-stalls-thousands-export-approvals-sources-say-2025-08-01>.

[6] See Press Release, WireScreen, WireScreen Identifies More Than 20,000 Chinese Entities Affected by the U.S. BIS 50 Percent Affiliates Rule (Oct. 20, 2025), <https://www.wirescreen.ai/press/wirescreen-bis-50-affiliates-rule>; Special Report, Moody's, The New US Export Control Rule That Could Impact Trading with Thousands of Entities (Dec. 15, 2025), <https://www.moodys.com/web/en/us/insights/data-stories/companies-exposed-under-bis-50-rule.html>.

[7] See, e.g., BIS Update Conference Takeaways: Expect "Dramatic Increase" in Export Controls Enforcement Against U.S. Adversaries, Gibson Dunn (Mar. 26, 2025), <https://www.gibsondunn.com/bis-update-conference-takeaways-expect-dramatic-increase-in-export-controls-enforcement-against-us-adversaries>.

[8] See White House, Fact Sheet: President Donald J. Trump Secures \$200 Billion in New U.S.-UAE Deals and Accelerates Previously Committed \$1.4 Trillion UAE Investment (May 15, 2025), <https://www.whitehouse.gov/fact-sheets/2025/05/fact-sheet-president-donald-j-trump-secures-200-billion-in-new-u-s-uae-deals-and-accelerates-previously-committed-1-4-trillion-uae-investment>; Exec. Order No. 14320, 90 Fed. Reg. 35393 (July 23, 2025); Press Release, Int'l Trade Admin., U.S. Dep't of Commerce, The Department of Commerce Announces American AI Exports Program Implementation (Oct. 21, 2025), <https://www.trade.gov/press-release/department-commerce-announces-american-ai-exports-program-implementation>.