

China adds extraterritorial rare-earth export controls, then pauses them to Nov 2026

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Takeaways

The pause reflects a temporary easing in trade and technology tensions between China and the United States, aligning with the framework outcome of the trade talks in Malaysia.

Although enforcement is on hold, the legal framework remains intact.

Companies should continue mapping Chinese-origin content in their supply chains, maintain export-control documentation, and prepare for possible potential re-activation in 2026 (or earlier, should circumstances change in the evolving U.S.-China relationship).

On October 9, 2025, China's Ministry of Commerce (MOFCOM and General Administration of Customs (GAC) published a set of announcements (Nos. 55 to 58 and 61, 62) with a series of export control measures. These include export controls on:

* rare earth **production and processing equipment** and parts (No. 56); * certain medium and heavy rare earths (e.g., holmium, erbium, thulium, europium, ytterbium), including at **various stages of processing, mixtures, and materials/magnets containing these elements** (No. 57); * rare-earth **technologies and related items** (e.g., design drawings, process specs, parameters, procedures and simulation data). License applications include significant information regarding technology and end-use (No. 62); * Chinese persons providing "***substantial assistance or support***" for overseas rare earth or magnet production and recycling (No. 62); * certain overseas rare-earth-manufactured items and related parts, components and assemblies that have a Chinese nexus, and are Chinese-origin or produced overseas using Chinese-origin technologies (No. 61); * items and equipment for **lithium-battery-related items, cathode-material-related items and graphite-anode-material-related items** (No. 58); and * **synthetic diamond and super-hard materials** (e.g., _ _ powders, single crystals, wire saws, grinding wheels and DC-plasma CVD equipment) (No. 55).

For additional details, see the summary table.

These measures may have been issued in response to the recent U.S.-enhanced export controls (the "50 % ownership" affiliates rule discussed in our article here) and expanded Entity List designations on Chinese-related semiconductor, aerospace and dual-use companies.

Notably, among the six announcements, Announcement No. 61 represents the first time that China has sought to implement an extraterritorial export control rule established under the PRC Export Control Law, mirroring the _de minimis_ rule and Foreign Direct Product Rule concept under the U.S. Export Administration Regulations (EAR). This rule subjects foreign-produced items to Chinese jurisdiction if they (i) themselves are controlled rare-earth items originating from China, (ii) contain controlled rare-earth elements of Chinese origin constituting at least 0.1% of the foreign-produced item's total value, or (iii) are produced using Chinese-origin technologies for rare earth and magnet production and recycling, such as those regulated under Announcement No. 62. This means that, once it takes effect, companies outside of mainland China shall obtain a license from MOFCOM to export or re-export covered products to other third countries/regions, including critical inputs for technology and defense supply chains such as certain rare-earth magnets and semiconductor materials.

Prior to the October 9 announcements, MOFCOM had issued several other export control measures targeting various minerals and metals. For example, on December 3, 2024, MOFCOM issued Announcement No. 46, which provides that:

* export of all dual-use items to U.S. military users or for U.S. military end uses is prohibited; and * license

application for export to the United States of dual-use items related to gallium, germanium, antimony and superhard materials would not be approved as a principle, and stricter end-user and end-use reviews will be conducted for export of dual-use graphite items to the United States.

On April 4, 2025, MOFCOM and GAC issued Announcement No. 18, which added seven medium- and heavy-rare-earth elements into China's export control list of dual-use items, including samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium, as well as metals, alloys, targets, oxides, compounds, mixtures and permanent magnet materials of some or all of the seven elements.

****U.S.-China Deal on Economic and Trade Relations****In late October 2025, senior U.S. and Chinese trade and economic officials met in Kuala Lumpur on the sidelines of an ASEAN-summit framework to discuss bilateral export controls, tariffs (including a threatened 100 % tariff by the United States on Chinese imports), rare-earth-supply-chain leverage, port-fee disputes and agricultural purchase commitments, among other issues.

Following this meeting, on October 31, MOFCOM published a press release on its website unveiling the outcomes achieved by Chinese and U.S. negotiators. This announcement stated, in relevant part, that the "United States will suspend for one year the implementation of a new rule announced on September 29 that expands its 'Entity-list' export restrictions to any entity that is at least 50% owned by one or more entities on the list. China will suspend the implementation of relevant export control measures announced on October 9 for one year and will study and refine specific plans." On November 1, the United States issued a Fact Sheet, which provided, among other things, that "China will suspend the global implementation of the expansive new export controls on rare earths and related measures that it announced on October 9, 2025," and that "China will issue general licenses valid for exports of rare earths, gallium, germanium, antimony, and graphite for the benefit of U.S. end users and their suppliers around the world."

* To date, China has announced implementation as follows: On November 7, MOFCOM officially announced that China will suspend—or pause implementation of—the above-mentioned six October 9 announcements (Nos. 55, 56, 57, 58, 61 and 62) and related measures from November 7, 2025, until November 10, 2026, pending further bilateral negotiation and detailed licensing/regulatory frameworks (see more details in ****Summary Table 2****). * On November 9, MOFCOM issued another announcement to suspend Article 2 of Announcement No. 46 of 2024 from November 9, 2025, until November 27, 2026. As a result, China will not yet implement restrictions on exports of dual-use items related to gallium, germanium, antimony and superhard materials, as well as the stricter end-user and end-use reviews for export of dual-use graphite items to the United States. However, the prohibition of export of all dual-use items to U.S. military users or for U.S. military end uses (reviewed above) remains in effect.

China has not made any further announcements with respect to its April 2025 export licensing requirements for medium- and heavy-rare-earth elements. While these announcements bring temporary relief for exporters and the global supply chain, the legal framework remains intact and could be reinstated.

On the United States side, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued a Federal Register Notice imposing a one-year suspension of the Affiliates Rule. Accordingly, the Affiliates Rule will not take effect in the EAR until November 9, 2026; in the interim, BIS will continue to evaluate national security and foreign policy interests related to non-listed foreign affiliates. Following November 10, 2026, the changes included in the Affiliates Rule will be added back into the EAR.

This marks a tactical de-escalation and signals the Chinese government's willingness to link export controls to the broader trade dialogue process.

****What Comes Next and What Remains in Force****Please note that the suspension/pause of Announcement No. 61 (Overseas Rare Earth) and No. 62 (Rare-Earth-Related Technologies) leaves a number of export restrictions on rare earth or other critical mineral related items intact. The following are examples of announcements that are still valid and in force (see more details in Summary Table 1, Still Valid Announcements):

* Article 1 of 2024 Announcement No. 46 (prohibition of export of all dual-use items to U.S. military users or for U.S. military end uses); * 2025 Announcements No. 10 (control on tungsten, tellurium, bismuth, molybdenum and indium-related items); and * 2025 Announcement No. 18 (control on seven medium- and heavy-rare-earth elements, including samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium, as well as metals, alloys, targets, oxides, compounds, mixtures and permanent magnet materials of the some or all of the seven rare earths mentioned above).

The post-summit MOFCOM announcements make no mention of general licenses for these controls. Whether any

general licenses will be issued by MOFCOM is still unclear at this stage, and developments will be closely monitored. Reportedly, China is considering a “validated end-user” system to facilitate the export of materials to the United States to non-U.S. military suppliers, which could impose due diligence obligations on companies applying for licenses.

In the coming months, MOFCOM will likely issue detailed implementing regulations, license-guidance and possible carve-outs, while BIS continues to issue export restrictions and add to the Entity List. The reciprocal suspensions are therefore best understood as a conditional pause, not a full rollback.

****Recommendations**** While the announcements from MOFCOM offer global supply chains for critical minerals and rare-earth elements some relief, the regulatory trigger for Chinese export-license requirements have only been delayed and formally remain on the books. In light of the evolving nature of the U.S.-China trade relationship, the current suspension or pause may be amended over the course of the year.

Companies with supply chains that rely on Chinese high-purity rare earths, magnets, lithium-battery cells or superhard materials should reassess the impact of the announced schedule change on contract commitments and dual-use-license risk and maintain compliance documentation. They should also prepare for a potential sudden reinstatement of controls once the suspension or pause expires or if bilateral trade tensions re-escalate.

U.S. and allied suppliers, especially in the semiconductor, aerospace and EV value chains, should closely monitor Chinese license-issuance practice and U.S.-export-control activity for follow-on measures as both countries continue to take steps to secure their respective supply chains.

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