

## Frequently Asked Questions: International Engagement in CHIPS R&D Programs

### 1. Can foreign organizations and individuals participate in CHIPS Research and Development Office (CHIPS R&D) programs?

Foreign organizations (e.g., for profit companies, educational institutions, and other non-profits) and foreign individuals can participate in research funded by CHIPS R&D, subject to certain limitations such as a research security review, to ensure the protection of CHIPS R&D-funded intellectual property from foreign adversaries.

To protect national security and the resiliency of supply chains, however, foreign entities of concern may not receive CHIPS R&D funds or participate in CHIPS R&D programs. Foreign entities of concern include entities owned by, controlled by, or subject to the jurisdiction or direction of the governments of China, Russia, North Korea, or Iran.

Complete definitions of foreign entity of concern and foreign country of concern are found at 15 CFR part 231.

### 2. Can foreign entities lead an application for and receive CHIPS R&D funding?

Entities leading an application for CHIPS R&D funding must be domestic entities. Foreign organizations that are not a foreign entity of concern can participate in CHIPS R&D programs as funded subrecipients or as unfunded participants, subject to the disclosure, review, and approval processes applicable to the funding opportunity. CHIPS R&D approval processes will consider the following:

1. That the foreign partner's involvement is essential to advancing program objectives, such as by offering access to unique facilities, IP, or expertise that is otherwise not readily available in the United States;
2. The adequacy of any agreements and protocols between the applicant and foreign partner regarding IP protection and data protection;
3. The partnership does not jeopardize the soundness of the project's proposed pathway to domestic production;
4. As applicable, the foreign partner will comply with any necessary nondisclosure agreements, security regulations, export control laws, audit requirements, and other governing statutes, regulations, and policies;
5. The foreign partner is not based in a foreign country of concern as defined at 15 U.S.C. §4651(7) and implemented by the final rule entitled Preventing the Improper Use of CHIPS Act Funding, 88 FR 65600 (Sept. 25, 2023), codified at 15 C.F.R. §231.104; and
6. The foreign partner agrees to be subject to a research security review by CHIPS R&D, which may include a risk assessment of IP leakage, if appropriate.



### 3. What does it mean for an entity to be owned, controlled by, or subject to the jurisdiction or direction of a government of a foreign entity of concern?

An entity is owned by, controlled by, or subject to the jurisdiction or direction of a government of a foreign country listed in 10 U.S.C. 4872(d) where:

- i. The entity is:
  - A. a citizen, national, or resident of a foreign country listed in 10 U.S.C. 4872(d); and
  - B. located in a foreign country listed in 10 U.S.C. 4872(d);
- ii. The entity is organized under the laws of or has its principal place of business in a foreign country listed in 10 U.S.C. 4872(d);
- iii. 25 percent or more of the entity's outstanding voting interest, board seats, or equity interest is held directly or indirectly by the government of a foreign country listed in 10 U.S.C. 4872(d); or
- iv. 25 percent or more of the entity's outstanding voting interest, board seats, or equity interest is held directly or indirectly by any combination of the persons who fall within subsections (i)–(iii).

### 4. Can CHIPS R&D-funded organizations employ foreign personnel?

The CHIPS R&D Program Office does not impose any limitations on the citizenship of individuals employed by funding recipients. However, applicants for CHIPS R&D funding recipients must demonstrate the existence of a research security plan, which may require research security reviews of all personnel working on CHIPS R&D-funded work. The purpose of these reviews is to protect CHIPS-funded intellectual property from foreign adversaries.

A "foreign entity of concern," as defined in the CHIPS Act<sup>1</sup> and 15 C.F.R. § 231.104, is ineligible to receive CHIPS Act funds. However, in most instances these restrictions would not prevent an individual who is lawfully present in the United States from participating in CHIPS R&D-funded research.

Prospective applicants and subcontractors are encouraged to contact the NIST research security team ([researchsecurity@nist.gov](mailto:researchsecurity@nist.gov)) for guidance on specific potential scenarios.

### 5. Can CHIPS R&D program participants accept foreign funds?

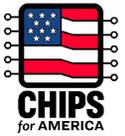
CHIPS R&D program participants may accept funds from foreign entities. However, federal funding recipients are required by law<sup>2</sup> to disclose organizational affiliations and financial commitments of covered individuals—which include principal investigators and other senior and key personnel—which are reviewed for conflicts of interest during the research security review.

Performers shall also be subject to additional disclosure, review, and approval processes articulated in the applicable NOFO and any award-specific provisions negotiated with CHIPS R&D.

### 6. Do funding recipients have to report contact or communication with international organizations or foreign governments?

<sup>1</sup> Department of Commerce CHIPS activities were authorized by Title XCIX—Creating Helpful Incentives to Produce Semiconductors for America of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283, often referred to as the CHIPS Act).

<sup>2</sup> See [42 U.S.C. 6605](#), [15 U.S.C. 4656](#), [15 U.S.C. 638 \(w\)](#).



No. Communications with international partners consistent with the recipient’s internal international engagement policies generally do not require notifying CHIPS R&D or NIST. However, applicants and funding recipients that have concerns about specific types of outreach by foreign entities may consult the NIST research security team ([researchsecurity@nist.gov](mailto:researchsecurity@nist.gov)) for further information.

7. Can funding recipients do business in or have subsidiaries in a foreign country of concern?

In general, CHIPS R&D policies do not prevent funding recipients from conducting business with foreign entities of concern or from having subsidiaries in a foreign country of concern. However, CHIPS R&D funding cannot be provided to a foreign entity of concern. Additionally, all non-public information resulting (e.g., raw data or controlled unclassified information) from CHIPS R&D funded research may not be shared with a foreign entity of concern or with a subsidiary operating in a foreign country of concern.

Organizations specifically created to conduct activities on behalf of CHIPS R&D—which may include the operator of the NSTC or of the CHIPS Manufacturing USA Institute—may face additional limitations, as detailed in their funding agreements.

8. Are CHIPS R&D program participants subject to additional disclosure and monitoring with regard to international travel?

All award recipients will be required to provide training to individuals participating in the funded research. This training shall include guidelines for protecting project information during personal and professional travel. In general, CHIPS R&D will ensure that such operating guidelines for funding recipients are streamlined and easy to follow. Applicants and funding recipients that have questions regarding research security can contact [researchsecurity@nist.gov](mailto:researchsecurity@nist.gov).