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National Defense Authorization Act 2020 expands US sanctions and restrictions regime

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United States President Donald Trump signed the National Defense Authorization Act for Fiscal Year 2020^[1] (NDAA) into law on Dec. 20, 2019. The NDAA is a “must-pass” law that provides funding for the military, along with hundreds of other provisions regarding military personnel, procurement and supply chain management, foreign policy, matters of international trade and much more. The full text of the act is almost 1,200 pages long and is often a point of contention for the legislative and executive branches of the government, as various actors seek to introduce hundreds of different provisions and riders to a bill that is guaranteed to pass.

There are numerous provisions that affect the U.S. government’s own supply chain, as well as global value chains that may intersect with designated entities and organizations. The U.S. government has been actively trying to strengthen the security of its own supply chain, especially regarding cybersecurity and third-party vendors that may have ties to nations such as China, Russia, Iran and North Korea.

As we reported in September 2019,^[2] securing the government’s supply chain is tantamount to turning a massive ship in the middle of the ocean. There are multiple moving parts, including efforts by the Defense Logistics Agency, the Pentagon, the U.S. Congress (reforming the Committee on Foreign Investment in the United States and the overall export framework through the Export Control Reform Act of 2018^[3]) and the White House (with various actions against foreign states, including sanctions and other restrictions).

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