



## **Applied Materials to Pay \$252 Million Penalty to BIS for Illegally Exporting Semiconductor Manufacturing Equipment**

February 11, 2026

**WASHINGTON, D.C.** — Today, the Department of Commerce’s Bureau of Industry and Security (BIS) announced a settlement agreement with Applied Materials Inc. of Santa Clara, California (AMAT) and Applied Materials Korea, Ltd. (AMK), covering illegal exports of U.S. semiconductor manufacturing equipment to China. AMAT and AMK agreed to pay a penalty of approximately \$252 million – the second-highest penalty ever imposed by BIS.

Under Secretary of Commerce for Industry and Security Jeffrey Kessler stated: “The Bureau of Industry and Security is strongly committed to safeguarding sensitive American technologies and deterring wrongdoers. When companies export their products around the world, they must follow the law or face stiff penalties.”

In 2020, the company to which AMAT had been exporting certain semiconductor manufacturing equipment (known as ion implanters) was placed on the Entity List. In 2021 and 2022, AMAT violated BIS’s requirement to obtain a license before shipping to a company on the Entity List by shipping ion implanters first to AMK in Korea for assembly, and then onward to China, without applying for and receiving an export license. The value of merchandise illegally shipped was approximately \$126 million.

Today’s penalty of \$252 million – twice the transaction value – is the maximum allowed by statute. As part of the settlement, AMAT also agreed to conduct multiple audits of its export compliance program and make annual certifications to BIS in connection with those audits. In addition, the compliance employees and senior global trade and production executives responsible for the illegal shipments are no longer employed by AMAT and AMK.

The full order, settlement agreement, and Proposed Charging Letter are available online [here](#). This case was investigated by BIS’s Office of Export Enforcement, Boston Field Office and Homeland Security Investigations. For more information, please visit <https://www.bis.gov/enforcement>.

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