BIOSECURE Update – 1260H List Released

The Department of Defense has published its updated Section 1260H list of "Chinese military companies" this week, and WuXi AppTec along with 27 other new entities were identified on the list. (Federal Register notice available here: **https://public-inspection.federalregister.gov/2026-11571.pdf**.) DoD noted that WuXi AppTec is named on the basis of indirect ownership by China's state enterprise body (SASAC) and indirect affiliations with China's defense science agency (SASTIND) and the People's Liberation Army. The list also includes BGI Group (and 7 listed affiliates), MGI Tech Co., Ltd., Novogene Company Limited, and Origincell Technology Co., Ltd.

What does this mean?

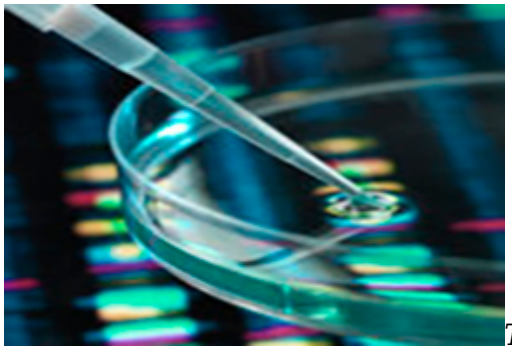
Under the enacted BIOSECURE Act (Section 851 of the FY2026 NDAA), a 1260H listing is the first step toward becoming a "biotechnology company of concern" (BCC) that triggers BIOSECURE's federal procurement/contracting restrictions. Next, OMB must still separately publish a list of BCCs, which will include entities identified on the updated 1260H list. This list must be published by December 2026. Once the list is published, the Act's prohibitions do not take effect until 60 days after the regulations are subsequently revised (likely sometime in 2027). Pre-effective-date contracts are grandfathered for five years from that FAR revision date.

What should companies do?

Companies should review their existing agreements with entities named on the 1260H list to understand whether any BIOSECURE-related provisions may have been triggered and should continue to operate with awareness of the likelihood of forthcoming BCC designations. We can also expect the OMB biotechnology determination process to move quickly given continued recent Congressional pressure.

For further information, please feel free to connect with Matt Wetzel (**mwetzel@goodwinlaw.com**), Liza Craig (**lcraig@goodwinlaw.com**), Justin Pierce (**jpierce@goodwinlaw.com**), David Chen (**DavidChen@goodwinlaw.com**) and Gozde Guckaya (**gguckaya@goodwinlaw.com**) to schedule time.

Major Life Sciences Licensing Deal Trends in China in 2023

 *This is the first of two articles focused on 2023 life sciences deals in China. The second article, which is coming soon, looks at trends in M&A.*

In 2023, there were 240 reported life sciences licensing deals in China, an increase of almost 50% compared to 2021.

That includes 70 out-license deals involving Chinese companies licensing drugs and technologies to foreign companies, with a disclosed aggregate deal value surpassing US$35 billion.

It also includes 170 in-license deals involving Chinese companies licensing drugs and technologies from other Chinese companies or from foreign companies. This represents a 32% increase compared to 2021 — and a 58% increase compared to 2022 (more than making up for the 2022 dip in deals).

Read the full alert **here**.