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LEGAL UPDATE

COMMODITIES & TRADE DISPUTES · EXPORT-CONTROL COMPLIANCE

The Licence You Now Need to Sell Metal: China's Critical-Mineral Controls and Your Singapore Trading Desk

China's grip on strategic metals keeps tightening — the latest escalation landed on 22 June 2026. Since 1 January 2026 it licenses who may export silver, tungsten, antimony and a widening list of metals; if your Singapore desk is not on the list, a contract it has already signed may now be impossible to perform.

1 JULY 2026 ◆ 8 MIN READ

If your China-based group moves metals, minerals or strategic materials through a Singapore trading desk — the entity that signs the sale, takes the prepayment and arranges the shipment — a set of Chinese export-control changes that took effect on 1 January 2026 (which continues to evolve) has quietly put your contracts at risk. Beijing has replaced its old export-quota system with a licensing regime that names exactly which companies may ship silver, tungsten and antimony, has folded a widening list of metals into licence control, and keeps adding companies to its export-control list. If the licence does not come — or your supplier is not on the list — your Singapore desk is the party that cannot deliver, and the party the buyer will sue.

Most coverage of China's critical-mineral controls is written for the *buyer* and for manufacturers downstream who fear a shortage. This article is written for the other side of the trade — the *supplier*, the Chinese group whose Singapore desk has already signed the sale and now has to perform it.

01 What happened

China's control over strategic metals is not a single rule but a moving escalation. Beijing has shifted from blunt quotas to a fine-grained licensing system — one that decides not just how much leaves the country, but who is allowed to ship it — and it keeps adding names and materials. The pattern is deliberate: targeted controls in April 2025, a wider round in October 2025, and a fresh escalation in June 2026. Five developments matter for anyone trading these materials.

- **The newest escalation (22 June 2026).** On 22 June 2026, China's Ministry of Commerce (MOFCOM) added ten US companies — most prominently rare-earth producers MP Materials and USA Rare Earth — to its export-control list, to "safeguard national security and interests." It is the third targeted round in fourteen months, after April and October 2025, confirming a doctrine of calibrated, repeatable use rather than a one-off measure.
- **A named-exporter whitelist.** On 26 December 2025, MOFCOM published the companies permitted to export the most strategic metals for 2026–2027 — just 44 companies for silver, 15 for tungsten and 11 for antimony. From 1 January 2026 this licensing framework replaced the old quota system, and it reportedly keeps some 60–70% of global silver supply for domestic use.

- **A widening control catalogue.** The 2026 export-licensing catalogue, in force from 1 January 2026, brought new materials under MOFCOM licence — among them samarium and other rare-earth materials, indium-based semiconductor materials, tungsten and molybdenum products, and a new category covering bismuth and tellurium.
- **Rare earths on a clock.** The seven rare-earth elements controlled since April 2025 still require a MOFCOM licence to export. The broader controls announced on 9 October 2025 were suspended — but only into November 2026, as part of the Xi–Trump understanding. That suspension is a cliff edge, not a repeal, and the June 2026 action shows Beijing will still act on individual targets while it runs.
- **Inspection at the border.** GACC Announcement No. 57 of 2026, effective 1 June 2026, layered random inspection onto import and export commodities — one more point at which a shipment can be held.

The market has already felt it. Between January and June 2026, prices for neodymium-praseodymium oxide rose roughly sixfold, tungsten concentrate tripled, and antimony doubled — the cost of a licence-gated supply chain, passed straight into the contracts your desk signs. The throughline: for a growing list of materials, the right to export is now a discretionary licence held by a named few — revocable, time-limited and still escalating — not a commercial freedom you can assume when you sign.

> *A licence you cannot get does not pause the contract you already signed.*

02 Why this reaches your Singapore arm

Chinese groups route strategic-metal trades through a Singapore desk for sound commercial reasons — neutral law, trusted banking, a deep pool of counterparties. The Singapore desk is the contracting party: it signs the sale, it takes the buyer's prepayment, and it owes delivery. The licence, meanwhile, sits upstream in China. Three gaps open up.

The whitelist gap. If your Singapore desk — or the mainland supplier it relies on — is not among the 44, 15 or 11 named exporters, the metal cannot lawfully leave China for you to deliver. A sale your desk signed in good faith becomes one it cannot perform, however willing and well-funded it is.

The timing gap. A licence can be refused, delayed, or — in the case of the suspended rare-earth controls — snap back when the suspension expires in November 2026, and, as the 22 June 2026 action showed, Beijing can name new targets at any time in between. Contracts your desk signs today routinely run across that window, yet most fix a firm delivery obligation and a firm price, with no room for a licence that arrives late or not at all.

The money gap. Your Singapore desk has usually paid a prepayment or opened a letter of credit upstream and granted payment terms downstream. If the licence fails, it is exposed at both ends at once — chased by its buyer for non-delivery while its own prepayment sits frozen against a shipment that cannot move.

03 The legal landscape now forming

Two streams of legal work follow directly from this, and both turn on contract wording written before licences became the binding constraint.

The disputes stream. When a licence does not come, the fight is whether your desk is excused. Does a Chinese export-licence refusal count as force majeure under this contract? Is performance illegal, or merely harder? Has the contract been frustrated? Under most standard sale and offtake terms — and under the English or Singapore law commonly chosen to govern them — the answer turns on precise wording, and a generic force majeure clause that does not name export-licence and change-of-law events will often not save the seller. These issues are ripe for contention or dispute.

The compliance stream. Moving forward, it is important to price the licence risk into the contract before signing: condition delivery on the licence, allocate who bears a refusal or delay, and build the whitelist and catalogue checks into onboarding and trade approval — so the desk never commits to a shipment it has no lawful path to make.

04 What you should do now

1. **Check whether you — and your supplier — are actually on the list.**

   For every strategic metal you trade, confirm the licensed exporter in your chain is among MOFCOM's named companies for 2026–2027. If the licence sits with a third party, your delivery depends on someone else's permit — treat that as counterparty risk, not a formality.

2. **Make delivery conditional on the licence.**

   For new and renewing sales, condition the delivery obligation and the delivery date on the necessary Chinese export licence being granted and remaining in force, so a refusal or delay does not automatically become your breach.

3 **Rewrite your force majeure and change-of-law clauses.**

A generic clause will not reliably cover a licence refusal. Name export-licence denial, suspension and change-of-law — including the November 2026 rare-earth cliff and any new export-control-list designation — as excusing events, and state what happens to price and prepayment if they occur.

4 **Protect the money at both ends.**

Match your upstream prepayment and downstream payment terms so a frozen shipment does not leave the Singapore desk exposed on both sides, and tie the release of funds to licence and shipment milestones.

5 **Map your exposure across the November 2026 expiry.**

List every contract whose delivery falls after the rare-earth suspension expires, and decide now — reprice, add a licence condition, or shorten the tenor — rather than discovering the cliff when it arrives.

05 If a dispute has already started

Prevention is for the contracts you have not signed yet. If a demand has already landed — a buyer chasing you for non-delivery, or a licence refusal you are being blamed for — you are past drafting and into a live dispute. What you do in the first days shapes the outcome, and this is where we do our core work.

Say little until your position is assessed. Resist the instinct to concede breach, admit fault or promise a workaround to keep the buyer calm. An early email can bind you. Have your force majeure, frustration and illegality position assessed before you reply to the counterparty — not after.

Preserve the record now. Assemble and secure the contemporaneous evidence that shows the licence — not your desk — caused the failure: licence applications, MOFCOM correspondence, refusal or delay notices, and the shipment and payment trail. This is what wins or loses the argument later.

Seek legal counsel as soon as possible. A dispute is shaped in its first exchanges, not at the hearing — the position you take, the evidence you keep, the concessions you decline.

KEY TAKEAWAYS

1. This is a continuing escalation, not a one-off rule: after targeted rounds in April and October 2025, China licensed who may export its most strategic metals from 1 January 2026 (MOFCOM's 26 December 2025 list names just 44 silver, 15 tungsten and 11 antimony exporters), and on 22 June 2026 added ten more US companies — including MP Materials and USA Rare Earth — to its export-control list.

2. For a Chinese group, the Singapore trading desk is the exposed party: it signs the sale, takes the prepayment and owes delivery — but the licence sits upstream in China, and if it is refused, delayed or (for rare earths) snaps back when the suspension expires in November 2026, the desk cannot perform a contract it has already signed.

3. Before a dispute, the protection is contractual: confirm your supplier is on the whitelist, condition delivery on the licence, name licence-refusal and change-of-law as force majeure, and match prepayment to shipment milestones. Once a demand or refusal lands, it is a disputes matter — preserve the evidence and bring in disputes counsel before you respond to the buyer.

CONNECT WITH US

Whether a demand has already reached your Singapore desk, or you would simply prefer to have your contracts in order before one does, we would be glad to speak. In our experience, the earliest conversation is often the most valuable.

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