

Pentagon agrees to remove Xiaomi from blacklist

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Xiaomi was one of nine firms classified by the Pentagon as "Communist Chinese military companies"

The US Defense Department has agreed to remove smartphone maker Xiaomi from its blacklist of companies tied to the Chinese Communist

Party, according to a court filing released late Tuesday.

Xiaomi sued the Pentagon and the US Treasury over the January 14 order from the administration of President Donald Trump including it with eight other Chinese companies whose securities Americans were forbidden from investing in.

The move was part of escalating pressure placed on China tied to strategic and trade tensions.

In March a Washington [federal judge](#) criticized Xiaomi's inclusion in the ban, doubting the US government's national security justifications, and temporarily suspended it.

On Tuesday, US government attorneys said they would not appeal the judge's ruling and had agreed to issue an order removing the designation of Xiaomi as a "Communist Chinese military company."

Xiaomi, whose shares are traded on the Hong Kong and other exchanges, and in the US over-the-counter market, had insisted that it was "not owned or controlled by, or otherwise affiliated with the Chinese government or military."

"Nor does the Chinese government or military, or any entity affiliated with the defense industrial base, possess the ability to exert control over the management or affairs of the company," it had argued.

Xiaomi shares surged 11.3 percent to \$3.45 on the US OTC market after the news.

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