

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of	)	
	)	
SGS-CSTC Standards Technical Services Co. Ltd.	)	ET Docket No. 26-111
(Shenzhen) Designation No. CN1336	)	
	)	
	)	

**ORDER INSTITUTING PROCEEDING TO WITHDRAW RECOGNITION
AS AN ACCREDITED TEST LABORATORY**

Adopted: July 20, 2026

Released: July 20, 2026

By the Chief, Office of Engineering and Technology:

I. INTRODUCTION

1. In this Order, the Office of Engineering and Technology (OET) institutes a proceeding to withdraw recognition SGS-CSTC Standards Technical Services Co. Ltd. Shenzhen Branch (CN1336) (SGS-CSTC Shenzhen or Company) as an accredited test laboratory pursuant to section 302(e) of the Communications Act of 1934, as amended (the Act), and sections 2.951(d) and (e) of the Commission's rules for being subject to the direction of a prohibited foreign entity.¹

II. BACKGROUND

2. *Legal Framework.* Section 302 of the Act authorizes the Federal Communications Commission (the Commission or FCC) to adopt rules, consistent with the public interest, governing the interference potential of equipment capable of emitting radio frequency (RF) energy.² The Act also allows the Commission to authorize the use of private organizations (test labs) to test for compliance with those rules, and to establish appropriate qualifications and standards for such test labs.³ The Commission will not recognize any test lab that fails to meet all of the appropriate standards, including standards that concern the integrity and trustworthiness of the test lab. The Commission's rules, in part, "ensure that [test labs] that participate in [the FCC's] equipment authorization program are not subject to ownership, direction, or control by untrustworthy actors that pose a risk to national security."⁴

3. Section 2.951(d) of the Commission's rules provides that the Commission will withdraw its recognition of any laboratory that is owned by, controlled by, or subject to the direction of a prohibited

¹ 47 U.S.C. § 302a(e); 47 CFR § 2.951(d), (e); *see Promoting the Integrity and Security of Telecommunications Certification Bodies, Measurement Facilities, and the Equipment Authorization Program*, Report and Order and Further Notice of Proposed Rulemaking, ET Docket No. 24-136, FCC 25-27, para. 94 (2025) (*Equipment Authorization Integrity R&O*).

² 47 U.S.C. § 302a(a); *see generally* 47 CFR pt. 2 subpt. J (equipment authorization procedures).

³ 47 U.S.C. § 302a(e)(1), (3); *see* 47 CFR § 2.948, 2.951.

⁴ *Promoting the Integrity and Security of Telecommunications Certification Bodies, Measurement Facilities, and the Equipment Authorization Program*, Report and Order and Further Notice of Proposed Rulemaking, ET Docket No. 24-136, 40 FCC Rcd 3636, para. 1 (2025).

entity, as defined by section 2.902 of the Commission's rules.⁵ Section 2.902 defines "owned by, controlled by, or subject to the direction of" to mean any entity

- (1) In which any other entity has direct or indirect ownership or control of 10% or more equity, voting interest, or stock;
- (2) In which any other entity directly or indirectly possesses or has the power (whether or not exercised) to determine, direct, or decide important matters affecting the subject entity; or
- (3) That acts as an agent or representative of another entity or acts in any other capacity at the order or request of another entity or whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in majority part, including being part of a governmental structure or hierarchy.⁶

Section 2.902 further defines "prohibited entities" to include entities identified as "foreign adversaries" by the Department of Commerce pursuant to 15 CFR § 791.4.⁷

4. *Factual Background.* On April 2, 2026, SGS-CSTC Shenzhen stated in response to an OET inquiry that it is a "joint venture incorporated in the People's Republic of China" between SGS Hong Kong Ltd. (SGS Hong Kong) and China Standard Science and Technology Group Co., Ltd. (CSTC).⁸ SGS-CSTC Shenzhen identified SGS Hong Kong as the "majority shareholder with 85% ownership" and CSTC as a "minority shareholder with 15% ownership."⁹ SGS-CSTC Shenzhen explained that SGS Hong Kong is a "wholly owned subsidiary of SGS SA, a Swiss TIC company," but CSTC is "a commercial entity under the public institution China National Institute of Standardization (CNIS)" and "serves as the platform for CNIS to implement the national standardization strategy."¹⁰ SGS-CSTC Shenzhen explained that its Board of Directors consists of 10 members, 7 appointed by SGS Hong Kong and 3 appointed by CSTC.¹¹ SGS-CSTC Shenzhen further explained that SGS Hong Kong appoints the General Manager, but CSTC appoints the Chairman of the Board.¹²

5. On May 11, 2026, OET provided a notice of intent to begin proceedings to withdraw recognition as an accredited test laboratory to SGS-CSTC Shenzhen, which stated:

[SGS-CSTC Shenzhen] is an accredited test laboratory based in Shenzhen that is recognized by the FCC to test a wide range of RF devices for compliance with applicable FCC rules. In test reports submitted to support equipment certifications, [SGS-CSTC Shenzhen] has described itself as a test laboratory "accredited by the American Association for Laboratory Accreditation (A2LA). Certificate No. 3816.01, recognized by the FCC (CN1336), and recognized by ISED as an accredited testing laboratory (CAB identifier: CN0006)." [SGS-CSTC Shenzhen] is subject to 15% ownership by China Standard Science & Technology Group Company Limited, which itself is wholly-owned by the China National Institute of Standardization. The U.S.

⁵ 47 CFR § 2.951(d)(1). "The Commission will notify a laboratory in writing of its intention to withdraw the laboratory's recognition and provide at least 30 days for the lab to respond." *Id.* § 2.951(e).

⁶ 47 CFR § 2.902.

⁷ *Id.*

⁸ See Exhibit A (Letter from SGS-CSTC Shenzhen (April 2, 2026)) at 1.

⁹ *Id.* at 1-2.

¹⁰ *Id.* at 2.

¹¹ *Id.*

¹² *Id.*

Department of Commerce, based on numerous Executive Branch sources, has determined that the People's Republic of China (PRC) is a foreign adversary.¹³

6. The *Notice* further stated:

The PRC is a prohibited entity that is identified within section 2.902 of the Commission's rules. OET has tentatively determined that [SGS-CSTC Shenzhen] is owned by, controlled by, or subject to the direction of the PRC, a prohibited entity pursuant to sections 2.951(d)(1) and 2.902 of the Commission's rules. Therefore, OET hereby provides notice of the Commission's intent to begin proceedings to withdraw its recognition of [SGS-CSTC Shenzhen], as required by section 2.951(e) of the Commission's rules. OET requested information from [SGS-CSTC Shenzhen] to determine compliance with the ownership and control restrictions applicable to testing laboratories. In response, [SGS-CSTC Shenzhen] stated that "China Standard Science and Technology Co., Ltd. ('CSTC') is a minority shareholder with 15% ownership...CSTC is a commercial entity under the public institution China National Institute of Standardization ('CNIS')." [SGS-CSTC Shenzhen] acknowledged the CSTC is a "PRC incorporated SOE [State Owned Enterprise] entity." CNIS is a government entity subordinate to the PRC's State Administration for Market Regulation.¹⁴

7. The *Notice* further stated that:

[OET] tentatively determine[s] that the PRC, directly or indirectly, has 10% or more equity, voting interest or stock in [SGS-CSTC Shenzhen]; possesses or has the power (whether or not exercised) to determine, direct, or decide important matters affecting [SGS-CSTC Shenzhen]; and that [SGS-CSTC Shenzhen] acts at the order or request of the PRC, or that [SGS-CSTC Shenzhen] is an entity whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in majority part by the PRC.⁵ Through CNIS and CSTC, [SGS-CSTC Shenzhen] thus appears to be owned by, controlled by, or subject to the direction of the PRC.¹⁵

8. The *Notice* provided SGS-CSTC Shenzhen an opportunity to respond.¹⁶ On June 12, 2026, SGS-CSTC Shenzhen stated in response to the *Notice* that "CSTC, a PRC-owned company, holds a 15 percent stake in [SGS-CSTC Shenzhen]."¹⁷ SGS-CSTC Shenzhen confirmed that "the Board of Directors consists of ten members: seven directors appointed by [SGS Hong Kong] and three directors appointed by CSTC."¹⁸ SGS-CSTC Shenzhen clarified that SGS Hong Kong appoints the General Manager, but CSTC appoints the Deputy General Manager.¹⁹ SGS-CSTC Shenzhen argued that CSTC "does not exercise, and lacks the capacity to exercise, actual control or direction over SGS Shenzhen or its laboratory operations."²⁰

¹³ *In the Matter of SGS-CSTC Standards Technical Services Co., Ltd. (Shenzhen) Designation No. CN1336*, ET Docket No. 26-111, Notice of Intent to Begin Proceedings to Withdraw Recognition as an Accredited Test Laboratory, DA 26-461, para. 4 (OET May 11, 2026) (*Notice*).

¹⁴ *Id.*, paras. 5-6 (internal citations omitted).

¹⁵ *Id.*, para. 7 (internal citations omitted).

¹⁶ *Id.*, para. 8.

¹⁷ See Exhibit B (Redacted Letter from SGS-CSTC Shenzhen (June 12, 2026)) at 2.

¹⁸ *Id.* at 4.

¹⁹ *Id.*

²⁰ *Id.* at 2.

III. DISCUSSION

9. By this Order, OET concludes that SGS-CSTC Shenzhen has not demonstrated why the Commission should not begin proceedings to withdraw its recognition as an accredited test laboratory. Through its April 2 and June 12 submissions, SGS-CSTC Shenzhen confirmed that PRC-owned CSTC is a minority shareholder with 15% ownership. SGS-CSTC Shenzhen also confirmed that CSTC controls 30% of the seats on the Board of Directors. Finally, SGS-CSTC Shenzhen confirmed that CSTC appoints the Chairman of the Board and the Deputy General Manager. SGS-CSTC Shenzhen argued that “CSTC’s 15 percent minority ownership stake does not confer upon CSTC the power to ‘determine, direct, or decide important matters’ affecting [SGS-CSTC Shenzhen] within the meaning of Section 2.902.”²¹ The reply from SGS-CSTC does not establish that it has achieved compliance with the Commission’s rules, which explicitly state that it will not recognize, and will withdraw recognition of, any laboratory that is owned by, controlled by, or subject to the direction of a prohibited entity.²² Accordingly, OET initiates a proceeding pursuant to section 302(e) of the Act and sections 2.951(d) and (e) of the Commission’s rules to reach a final determination on whether to withdraw recognition of SGS-CSTC Shenzhen as an accredited test laboratory.²³

10. SGS-CSTC Shenzhen must file a response within thirty-five (35) days after the release of this Order demonstrating why the Commission should not withdraw its recognition. Failure to timely respond or submit a response providing a reasonable basis for why the Commission should not withdraw its recognition may result in withdrawal of recognition. The Company’s response must include a written detailed factual statement fully addressing whether the Company is owned by, controlled by, or subject to the direction of the PRC, under 47 CFR § 2.902, including:

- (1) a complete and detailed description of the current ownership and control (direct and indirect) of the Company, including:
 - a. a description of the equity interest and voting interest for any individual or entity (all references to “entity” henceforth shall include any government entity) that holds 5% or greater direct or indirect interest in and/or controls the Company;
 - b. place of organization and primary location of each entity in the ownership structure; and
 - c. an organizational chart that illustrates the company’s vertical ownership structure, including the direct and indirect ownership (equity and voting) and controlling interests held by every individual or entity;
- (2) a detailed description of the Company’s corporate governance and decision making, including a copy of all policies, contracts, and agreements concerning the company’s corporate governance and decision making, and ability to appoint seats on the Board of Directors or manage other similar corporate governance systems or structures;
- (3) identification of all officers, directors, and senior management officials of each company; their employment history (including prior employment with the PRC government and the Chinese Communist Party (CCP)); and their affiliations with the PRC government and the CCP; and
- (4) the Company’s compliance obligations with PRC laws, including but not limited to the China’s 2017 Cybersecurity Law, 2017 National Intelligence Law, and 2019 Cryptography Law, as it relates to the Company’s equipment testing activities.

11. Any response must be provided in English and must be accompanied by official business documents, including an English-language translation, that support the Company’s position and by supporting sworn declarations of individuals with personal knowledge that are signed in accordance with

²¹ *Id.* at 6.

²² 47 CFR § 2.951(b), (d).

²³ 47 U.S.C. § 302a(e); 47 CFR § 2.951(e).

section 1.16 of the Commission's rules.²⁴ All documents must include the FCC docket number and lab designation number(s) referenced in the caption and be e-mailed to SGSCSTCShenzhenproceeding@fcc.gov. The written statement must also be filed electronically in the docket referenced in the caption of this document using the Electronic Comment Filing System at <https://www.fcc.gov/ecfs>. Any request that material submitted not be made public may be submitted pursuant to 47 CFR § 0.459.

IV. ORDERING CLAUSES

12. Accordingly, **IT IS ORDERED** that, pursuant to sections 154(i) and 302(e) of the Act (47 U.S.C. § 154(i) and 302a(e)) and sections 2.951(d) and (e) of the Commission's rules (47 CFR § 2.951(d) and (e)), SGS-CSTC Standards Technical Services Co. Ltd. Shenzhen Branch (CN1336) **MUST FILE** a written response to this Order within thirty-five (35) calendar days from the release date of this Order.

13. **IT IS FURTHER ORDERED** that a copy of this Order shall be sent by email to Keny.Xu@sgs.com on the release date of this Order and also that a copy shall be sent by first class mail and certified mail, return receipt requested, to SGS-CSTC Standards Technical Services Co. Ltd. Shenzhen Branch (CN1336), No. 1 Workshop, M-10, Middle Section, Science & Technology Park, Shenzhen, Guangdong, China.

FEDERAL COMMUNICATIONS COMMISSION

Andrew C. Hendrickson
Chief
Office of Engineering and Technology

²⁴ 47 CFR § 1.16.

EXHIBIT A

LETTER FROM SGS-CSTC SHENZHEN (APRIL 2, 2026)

EXHIBIT B

REDACTED LETTER FROM SGS-CSTC SHENZHEN (JUNE 12, 2026)