

Huawei Responds To CFO's Arrest In Canada For Extradition To The U.S.

Huawei Technologies Chief Financial Officer Meng Wanzhou is facing extradition to the U.S. after she was arrested in Vancouver, Canada, on Saturday. Meng, who is the daughter of Huawei's founder Ren Zhengfei, holds the positions of CFO and deputy chairman at the company. Her bail hearing has been set for Friday.

Huawei released a statement Thursday morning stating that Meng was provisionally detained by the Canadian Authorities on behalf of the U.S., which is seeking her extradition to face unspecified charges in the Eastern District of New York.

"The company has been provided very little information regarding the charges and is not aware of any wrongdoing by Ms. Meng," Huawei said. "The company believes the Canadian and U.S. legal systems will ultimately reach a just conclusion. Huawei complies with all applicable laws and regulations where it operates, including applicable export control and sanction laws and regulations of the UN, U.S. and EU."

The arrest is thought to stem from violations of U.S. sanctions, according to various reports. Huawei's cross-town rival ZTE Corp. has repeatedly been found guilty of violating U.S. sanctions against Iran and North Korea.

In April this year, the Commerce Department found ZTE had violated a settlement reached in 2017 and banned U.S. companies from exporting components to the Chinese telecom company. The punishment was effectively a "death penalty" for ZTE that forced the company to shut down most of its operations and even led to China's President Xi Jinping intervening to save the company from bankruptcy. In June, ZTE reached another agreement with U.S. authorities to pay a total of \$1.4 billion in fines and overhaul its senior management ranks in exchange for removing the ban.

Meng's arrest occurred on the same day that Xi was meeting with U.S. President Donald Trump on the sidelines of the Group of 20 summit in Argentina. The two leaders were said to have reached a cease-fire in the trade war between the two countries, but in the days that followed the meeting, Chinese and U.S. officials have been issuing inconsistent details about the deal they had reached.

Founded by Ren in 1987, Huawei has grown to become the world's largest provider of telecom equipment, and the world's No. 2 seller of smartphones. The company reported that its total revenue for 2017 jumped 29% to reach \$92.5 billion, and just over half of that was earned inside its domestic market.

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