Techstrong Semi
THE CENTER OF GRAVITY FOR THE SILICON ECONOMY

PART OF Futurum MEDIA
NOVEMBER 2026

SPECIAL REPORT



EXPORT CONTROLS · CLOUD COMPUTE · ACCOUNTABILITY

China Couldn't Buy the Chips, But It Could Rent Them

Why the US policy on Nvidia chip access to China is farcical

BY ALAN SHIMEL

5,000
Nvidia B200 processors in the July 2025 order for an Osaka data center serving a customer the FT identified as Tencent

100,000
Advanced chips in Tencent's reported five-year Oracle lease across Southeast Asia, later canceled

25%
Tariff on the import value of H200s licensed for approved Chinese buyers

COVER: CONCEPTUAL ILLUSTRATION

TECHSTRONG SEMI · SPECIAL REPORT · NOVEMBER 2026

Inside This Report

— OPENING 03
A fourth answer: Sign here

— SUMMARY 05
The argument in brief

01 CHAPTER 01 07
What Washington inherited

02 CHAPTER 02 09
The customers behind the clusters

Evidence table: Who bought the equipment and who used it 11

03 CHAPTER 03 13
Washington names its price

04 CHAPTER 04 15
Who knew what and who had the pen

Evidence table: Who knew what and when 17

05 CHAPTER 05 18
Where the rule meets the family business

◆ COMPANION REPORT 19
Keeping It in the Family

06 CHAPTER 06 24
The money that reached the president's family

Evidence table: Where the money went 25

07 CHAPTER 07 26
Three decisions about the same customer

08 CHAPTER 08 28
Back to Osaka

About the reporting · Linked source notes 30

THE RECORD IN FIGURES

625
Servers in Datasection's initial Osaka order, eight B200s each

~36,000
Nvidia B200s in the reported Aolani build-out in Malaysia, with ByteDance as anchor customer

<1%
Share of Nvidia's quarterly data-center revenue from licensed H200 shipments, quarter ended July 26, 2026

4
Agencies that favored putting Megaspeed on the Entity List, according to Treasury Secretary Scott Bessent

369–22
House vote on the Remote Access Security Act, January 2026; awaiting Senate action as of November 15

Each figure measures something different. None is added to another anywhere in this report.



COMPANION REPORT INSIDE

Keeping It in the Family

"A genuine transfer can meet a personal divestiture requirement and keep economic value in the family." From the 2017 Trump trust to the 2025 transfer of Cantor Fitzgerald's voting shares.

TECHSTRONG SEMI SPECIAL REPORT · OPENING

A fourth answer: Sign here.

Why the US policy on Nvidia chip access to China is farcical

BY ALAN SHIMEL EDITOR-IN-CHIEF AND CSO, FUTURUM MEDIA NOVEMBER 15, 2026

On July 10, 2025, a Japanese company called Datasection told its investors it had ordered 625 servers, each holding eight Nvidia B200 processors. That came to 5,000 chips for a data center in Osaka. A cloud customer had already agreed to pay for the service through an intermediary called NowNaw Japan. Datasection's filing described that customer only as one of the world's largest cloud providers. The Financial Times later supplied the name: Tencent.[17,19]

On November 2 of that year, President Donald Trump told 60 Minutes how he would handle America's most advanced chips. "The most advanced, we will not let anybody have them other than the United States," he said. He was talking about Blackwell. The B in B200 stands for Blackwell. By October, Datasection's accounts already showed its AI infrastructure business generating revenue.[4,5,17,18]

EXHIBIT 01

The Blackwell order came before the Blackwell promise

Datasection's order notice of July 10, 2025, set beside the president's 60 Minutes statement of November 2, 2025

DOCUMENT · JULY 10, 2025

Datasection order notice to investors

625 SERVERS × **8** NVIDIA B200 EACH = **5,000** PROCESSORS

DESTINATION	A data center in Osaka
CUSTOMER	"One of the world's largest cloud providers"
INTERMEDIARY	NowNaw Japan

115 DAYS

STATEMENT · NOVEMBER 2, 2025 · CBS, 60 MINUTES

"The most advanced, we will not let anybody have them other than the United States."

PRESIDENT DONALD TRUMP, ON THE BLACKWELL GENERATION

By October, Datasection's accounts would show its AI infrastructure business generating revenue.[18]

CUSTOMER IDENTIFICATION · FINANCIAL TIMES REPORTING

The filing described the customer only as one of the world's largest cloud providers. The Financial Times subsequently identified the customer as Tencent.[19]

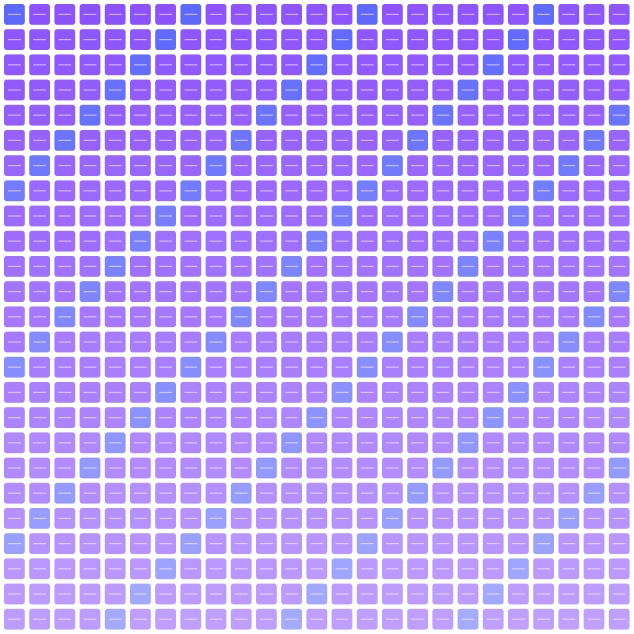
Source: Datasection order notice, July 10, 2025; CBS News, 60 Minutes; Datasection investor results[4,17,18]

Most Americans would have taken the president at his word. A Chinese technology company that wanted Blackwell would have to build its own processors, settle for weaker ones or wait. A cloud executive in Tokyo could have offered a fourth answer: Sign here. The FT put the Osaka agreement at about $406 million over three years. The two companies then struck a second deal, for Sydney, worth roughly $800 million over three years, and Datasection announced it had secured 10,000 B300 processors for the Australian project. An order book can't show how many hours Tencent actually used. It shows a great deal about what the promise of exclusivity was worth.[19,72]

EXHIBIT 02

One order notice, 5,000 Blackwell processors

Datasection's initial Osaka order, July 2025 · each cell is one server holding eight Nvidia B200s



625 servers

× 8 B200 PER SERVER

5,000 processors

AN ORDER TELLS US
how much hardware a company intends to put to work.

IT CANNOT TELL US
how many hours Tencent actually used.

IT CAN TELL US
a good deal about how seriously to take a promise of exclusivity.

Separately, Datasection announced it had secured 10,000 B300 processors for an Australian project.[72]

Source: Datasection order notice; Datasection Australian B300 procurement[17,72]

> **An order book can't show how many hours Tencent actually used. It shows a great deal about what the promise of exclusivity was worth.**
>
> ALAN SHIMEL

THE ARGUMENT IN BRIEF

The policy controls where the chips ship. It does far less to control who uses them.

This report makes a simple argument. U.S. policy on Nvidia chips and China controls where the hardware is shipped. It does far less to control who gets to use it. Chinese companies figured that out years ago and built their AI plans around renting American chips in other countries. Washington figured it out too. The Trump administration described the offshore route in its own guidance, licensed direct sales of an older generation of chips, attached a tariff to those sales and reportedly stepped in when a Chinese company signed an especially large overseas lease.[3,29,73,74,75]

> Regulators understood the cloud well enough to make choices. They made those choices largely out of public view, while the president gave voters a simpler story that the record does not support. The distance between that story and the actual policy is what makes the policy farcical.

WHAT THE RECORD SHOWS

01 Chinese companies rented the chips Trump said no one else would get.

Datasection's Osaka and Sydney contracts for Tencent, reported at about $406 million and $800 million, run on Blackwell-generation processors.[17,19,72]

02 Washington knew about the rental route and wrote it down.

Commerce guidance in May 2025 and May 2026 addressed offshore model training and overseas buyers with Chinese parents, and letters to Senate leaders and to the commerce secretary named Tencent, Datasection, Alibaba and ByteDance.[3,20,29,81]

03 The government put a price on access.

Approved Chinese buyers could receive H200s, subject to a 25% tariff on import value, and Trump presented that payment as part of the bargain. Nvidia reported that the shipments came to less than 1% of its quarterly data-center revenue.[74,75,76]

04 Enforcement was selective.

U.S. officials reportedly pressed Oracle over a Tencent lease for up to 100,000 chips, which was then canceled. Treasury Secretary Scott Bessent said four agencies had wanted Megaspeed restricted for months, and that "Commerce has the pen."[32,73]

05 The commerce secretary's family firm sits close to the market his department regulates.

Cantor Fitzgerald, whose managing partner's voting shares are now held by trusts his son controls, was a sales agent for Bitdeer, whose Malaysian data center has Tencent as a likely tenant. No record shows that this changed an official decision.[43,44,50]

06 The fix is stalled.

The House passed the Remote Access Security Act 369–22 in January, and as of November 15 the Senate had not acted.[9]

WHY THE NUMBERS MATTER

The figures measure different things. None of them is added to another.

The figures in this report measure different things: equipment ordered, leases signed, revenue a company expects, fees an agent could earn and money that reached a family. Added together they would produce a large and meaningless total, so none of the charts adds them up. Each number is here because it answers one of three questions about the president's promise. Did Chinese companies get access? Did Washington know? Who got paid? No public record shows how much computing power China obtained in total, and that gap is one of the findings.

The report follows the record in order. It starts with what Washington inherited from the Biden years, follows the offshore customers and the H200 deal, then asks who knew what and who had the power to act. A companion report, "Keeping It in the Family," explains how the president and two commerce secretaries handled their family businesses and why that matters for a rule that is still being written. The report ends where it began, in Osaka.

READING GUIDE

Every exhibit answers one of three questions

Exhibits and evidence tables in this report, grouped by the question each one addresses

Did Chinese companies get access?

- 01 Order notice vs. pledge
- 02 The 625 servers
- 04 Rental receipts
- 05 Map of the clusters
- Evidence table 1
- 15 Three Tencent deals

Did Washington know?

- 03 Policy timeline
- 08 Four meanings of "knew"
- 09 Who had the pen
- Evidence table 2
- 16 The House vote

Who got paid?

- 06 Two percentages
- 07 H200 shipments
- 10 Bitdeer and Cantor
- 11–13 Companion exhibits
- 14 Nine dollar figures
- Evidence table 3

No exhibit adds one measure to another. The record contains no public total of the computing capacity China obtained.



CHAPTER 01

What Washington inherited

CONCEPTUAL ILLUSTRATION

None of this was new when Trump returned to office. In 2023, two employees of iFlytek told the Financial Times that the Chinese voice-recognition company rented Nvidia A100 processors on other companies' clusters, even though Washington had already put iFlytek on a trade blacklist. In June 2024, The Information reported that ByteDance was renting H100 computing power from Oracle inside the United States. Alibaba and Tencent had discussed chips for facilities they might operate in America, and China Telecom had sought a rental deal of its own. Some of those talks never went past a proposal. The ByteDance account described a working customer relationship, and the chips never had to leave the country.[69,70]

Chinese procurement records showed how the business worked. Southern University of Science and Technology paid 196,000 yuan for four months on a server with eight A100s. Shenzhen University spent 200,000 yuan, through an intermediary, on an AWS account with access to A100- and H100-powered servers, according to records Reuters reviewed. Tsinghua sought at least ten eight-GPU servers and awarded a contract. The Suzhou Institute of Advanced Research sought 500 of them, and Reuters traced that award to a computing center in Hefei. Many records named the buyer, the hardware and the length of the rental while leaving out where the servers sat. For the buyer, the location didn't matter. What it was paying for was access.[13]

EXHIBIT 03

The remote-access gap was on paper before the Osaka order

Federal actions addressing offshore and remote access to advanced computing, September 2024 to July 2025

SEPT 2024

House passes remote-access bill[8]

Congress acts on the remote-access gap.

JAN 2025

AI Diffusion Rule[1]

The Biden administration tries to extend oversight of advanced computing across more destinations.

MAY 2025

Rescission and BIS guidance[2,3]

Commerce announces it will rescind the framework; BIS guidance addresses foreign providers training models for China-headquartered entities.

JULY 2025

AI technology stack exports[6]

Trump directs the government to promote exports of the American AI technology stack.

Source: Congress.gov; Federal Register; BIS; White House[1,2,3,6,8]

These records have limits, and the limits matter to the argument. One Fujian college described an AWS account offering access to A100 clusters. AWS told Reuters that most of that tender covered instruction and that the cloud portion used none of the restricted chips. Other Chinese tenders bought access to AI models, which is a different product. A researcher buying tokens from a model provider can't use them to train a competing model. This report leans on the source documents because they let us separate those cases.[13]

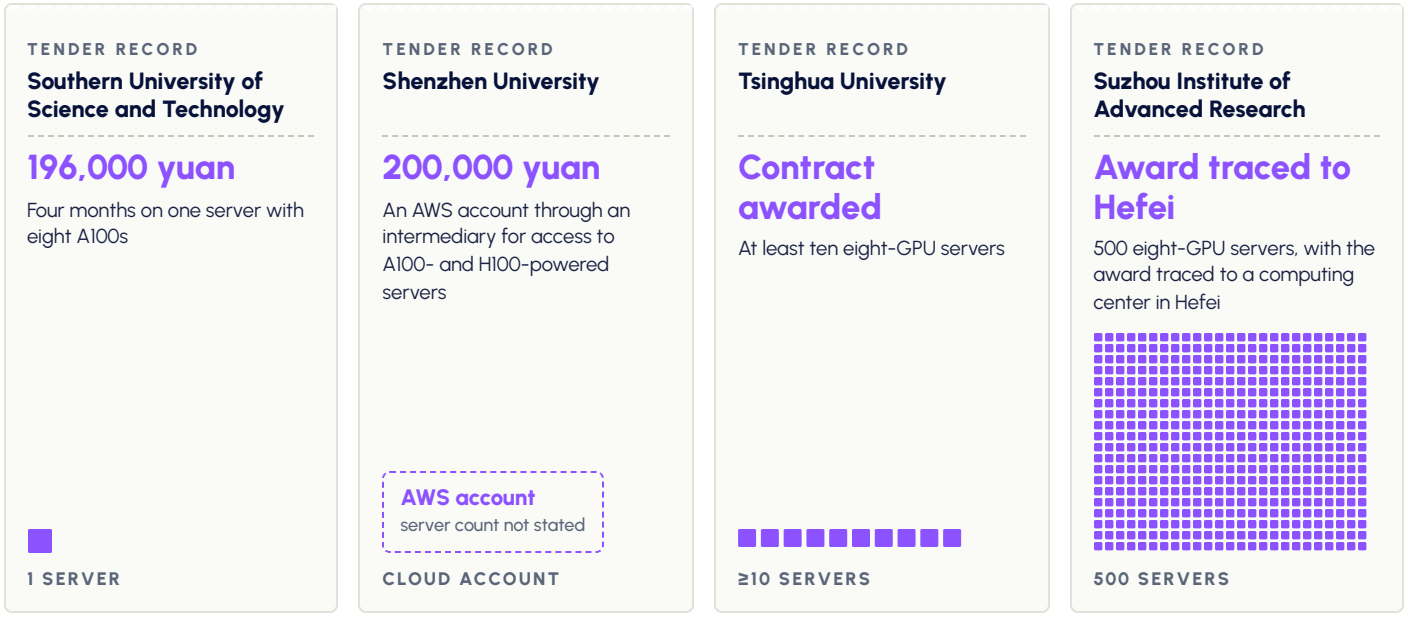
Congress saw the gap. In September 2024, the House passed a bill aimed at remote access. The Biden administration followed with its AI Diffusion Rule, which tried to extend oversight of advanced computing to more countries. In May 2025, Trump's Commerce Department said it would rescind that framework. Around the same time, its Bureau of Industry and Security issued guidance aimed specifically at foreign infrastructure providers training models for companies headquartered in China. Licensing obligations could already apply when the parties knew of specified military-intelligence or weapons-related uses. The agency had put the business model, and a narrow limit on it, in writing.[1,2,3,8]

In July, Trump ordered the government to promote exports of the American AI technology stack. That suited Nvidia, whose shareholders care a great deal about whether the next generation of Chinese developers builds on American or Chinese hardware. It also handed the government two goals that could pull against each other. A data center in Malaysia could count as an American export win and a win for a Chinese model developer on the same day. Remote access was already the open question: Congress had flagged it, and Commerce had written it down without closing it. To see what was at stake, follow those data centers to their customers.[6,11,21]

EXHIBIT 04

The rental receipts were sitting in public tender records

Chinese procurement records for access to restricted Nvidia hardware, as reviewed by Reuters, 2024 · squares are servers sought or rented



Some records identified the buyer, exact hardware and length of the rental while leaving the physical location of the servers undisclosed.

Source: Reuters review of Chinese public tenders[13]



CHAPTER 02

The customers behind the clusters

CONCEPTUAL ILLUSTRATION

The first chapter described a data center that could count as a win for Washington and for a Chinese developer at once. Following the customers shows how much of Southeast Asia's AI build-out rests on Chinese demand, and why a rule aimed at shipments misses it. ByteDance is the clearest case. Malaysia's trade minister publicly identified the company's plan for a multibillion-dollar AI investment in 2024. In March 2026, the Wall Street Journal reported that ByteDance was working with Singapore-based Aolani Cloud on a Malaysian build-out involving about 36,000 Nvidia B200s. Aolani told Reuters it complied with export controls and intended to serve multiple customers, and Nvidia defended selling to clouds built outside controlled countries. By November, the Journal had identified ByteDance as Aolani's anchor customer and reported financing for about $2.5 billion of hardware.[14,21,22,23]

A separate operator, DayOne, was building in Malaysia and Indonesia. The Journal reported that one customer accounted for nearly 70% of its business and identified that customer as ByteDance. These numbers need careful handling. A landlord books revenue for the building, a cloud operator for the servers inside it and an intermediary for the service it resells. All three can be legitimate, and all three can describe the same racks. Add them together and you get a market that doesn't exist, which is why the evidence table that follows lists each relationship separately.[23,24]

The strongest evidence concerns actual use. In June 2025, the Journal reported that Chinese engineers took drives holding 80 terabytes of training data abroad. Malaysia's trade ministry acknowledged the report of a Chinese company using Nvidia-equipped servers in the country to train a model and said it was checking the circumstances. In November 2025, the FT reported that Alibaba and ByteDance were training large language models in Southeast Asian facilities. Sometimes a developer logged in from home. Sometimes the engineers and the training data made the trip together. Either way, the American chip stayed where the export paperwork said it belonged, and the Chinese company still got the computing.[15,16,77]

> **Either way, the American chip stayed where the export paperwork said it belonged.**
>
> ALAN SHIMEL

EXHIBIT 05

Chinese demand reached clusters from Osaka to Sydney

Customer-to-operator connections in the record, by status · schematic connections; sites with undisclosed locations are not plotted



Source: Datasection; Financial Times; Wall Street Journal; Reuters; The Information; New York Times via Philadelphia Inquirer; Bitdeer; Thailand Board of Investment. Base map: Natural Earth [17,19,21,23,43,45,70,72,73,78]

Lines are schematic and do not show network routes. Country-level markers indicate that the record identifies the country but not the site.

EVIDENCE TABLE 1

Who bought the equipment and who used it

Providers and projects linked in the record to Chinese customers · status labels are an editor's key drawn from each row

PROVIDER OR PROJECT	CUSTOMER AND GEOGRAPHY	HARDWARE, STATUS AND EVIDENCE
Oracle REPORTED USE	ByteDance, United States	H100 rental reported in 2024. The account did not identify the building or allocate usage by workload.[70]
Google Cloud and Microsoft Azure REPORTED OFFERING	Chinese customers, facilities outside mainland China	Reported offerings in 2024. Microsoft's included A100 and H100 servers. The reports did not name every tenant or site.[71]
AWS via intermediaries DOCUMENTED PROCUREMENT	Shenzhen University and a Fujian college, server sites unspecified	Shenzhen procurement documented. AWS disputed restricted-chip use on the Fujian contract.[13]
Third-party clusters and Chinese procurement intermediaries REPORTED RENTALS	iFlytek, Tsinghua, the Suzhou institute, Southern University and China National Knowledge Infrastructure	Reported rentals, awarded tenders or purchased time. Physical locations vary or remain undisclosed.[13,69]
Proposed U.S. facilities and third-party rentals DISCUSSIONS	Alibaba, Tencent and China Telecom	Discussions reported in 2024. Evidence of demand, with completion unverified.[70]
Datasection / NowNaw ORDERED · IN SERVICE	Tencent identified in reporting, Osaka and Sydney	Initial Osaka order for 5,000 B200s. Separate Australian procurement of 10,000 B300s. Aggregate utilization by Tencent is undisclosed.[17,19,72]
Aolani Cloud and DayOne REPORTED BUILD-OUT	ByteDance, Malaysia and a wider regional footprint	Aolani build-out reported at about 36,000 B200s. DayOne customer concentration reported separately. Underlying capacity may overlap.[21,23,24]
Vena Group PROSPECTIVE	Alibaba named as a prospective user, Senawang, Malaysia	Site under construction when the Journal visited. First billable use unverified.[23]
Bitdeer A201 CONTRACTED FUTURE	Tencent identified as likely customer, Johor Bahru, Malaysia	Contracted future capacity. Handover expected in 2027. Bitdeer's disclosure does not name Tencent.[43,45]

TABLE 1, CONTINUED

PROVIDER OR PROJECT	CUSTOMER AND GEOGRAPHY	HARDWARE, STATUS AND EVIDENCE
Gorilla Technology / Freyr ANNOUNCED CONTRACT	Singapore counterparty and projects linked to Thailand and Indonesia	Announced $1.4 billion regional infrastructure contract. Ultimate tenant at each site unidentified.[26,43]
TikTok affiliate APPROVED HOSTING	Affiliated companies, Thailand	Thai investment board approved 126.8 billion baht for hosting. Approval specifies neither a restricted GPU model nor actual use.[78]
Aivres-supplied systems EXPORT TRAIL	Southeast Asian facilities serving Chinese customers	Equipment-export trail. Senators identified Alibaba and ByteDance in discussing the reporting. Individual workloads cannot be assigned from shipment values.[25,29]
Oracle CANCELED	Tencent, multiple Southeast Asian sites	Reported five-year lease for up to 100,000 advanced chips, subsequently canceled. No verified model breakdown. Exclude from delivered capacity.[73]

REPORTED OR DOCUMENTED | CONTRACTED OR ANNOUNCED | PROSPECTIVE OR PROPOSED | CANCELED

The American role goes beyond supplying the chips. Google and Microsoft reportedly offered offshore access to Chinese customers before Trump took office. Malaysia and Thailand want the investment, the electricity customers and the technical jobs that data centers bring. Developers need long-term leases to finance construction, and a Chinese anchor tenant can make a project bankable before the servers arrive. Put those incentives together and open cloud access could shape an entire regional market, without any regulator ever approving an individual customer. All of that runs through rentals, the route the first chapter showed Washington had already identified. The next chapter turns to the route the president opened himself: selling the chips directly.[28,71,78]

> **A Chinese anchor tenant can make a project bankable before the servers arrive.**
>
> ALAN SHIMEL



CHAPTER 03

Washington names its price

CONCEPTUAL ILLUSTRATION

Everything in the last two chapters concerned renting. Trump himself created the biggest exception to his own promise. In December 2025, he announced that approved Chinese buyers could receive H200s, a powerful processor from Nvidia's previous Hopper generation. He explicitly separated the H200 from the newer Blackwell and Rubin chips when he explained the decision. There is a serious national-security case for letting a rival buy yesterday's product while protecting the lead in tomorrow's. There was also money in the deal for the United States, and the way that money worked is easy to misread.[7,75,76]

Two percentages often get confused. The first is 15%. After Washington began licensing certain H20 sales in August 2025, Nvidia told the SEC that officials expected the government to receive 15% or more of the revenue from those sales. Nvidia also said no published regulation codified that expectation. The second is 25%, and it was an enacted tariff. H200s licensed for China had to come to the United States for inspection before going on to customers, and entering the country subjected them to a tariff of 25% of their import value. That is 25% of what the chip is worth at the border, a smaller base than the eventual selling price of a finished server.[74,75,79,80]

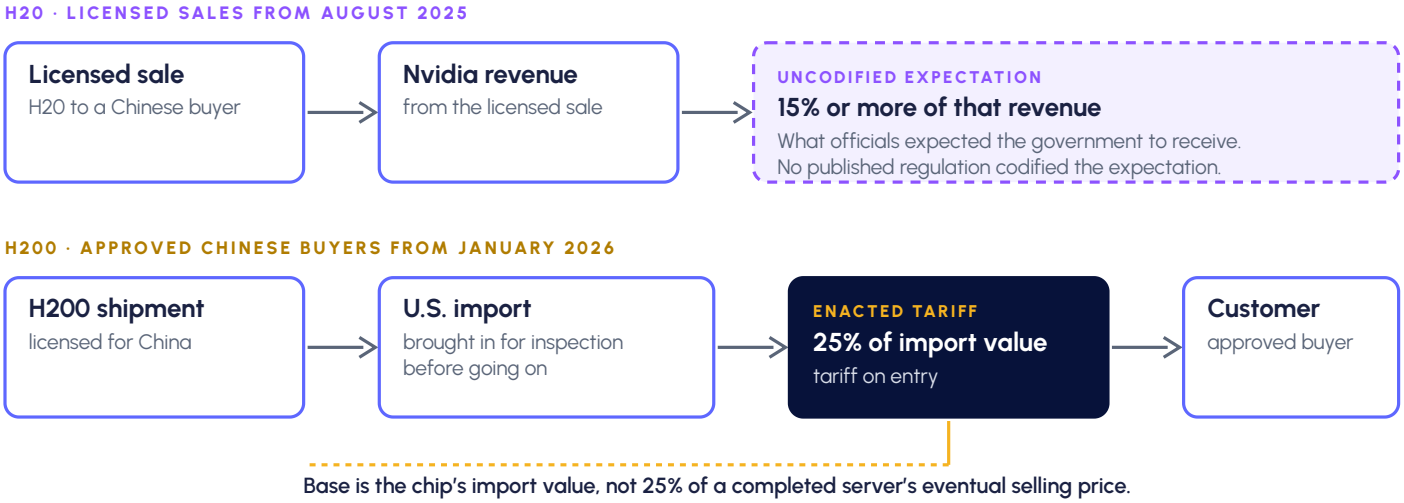
The Commerce rule set performance limits and conditions for each approval. Exporters had to address U.S. supply, the buyer's compliance procedures and independent testing. At the signing, Trump chose to talk about the money: "So we're allowing them to do it, but the United States is getting 25 percent of the chips in terms of the dollar value." He could have defended the decision on its technical safeguards alone. He presented the payment to the public as part of the bargain.[75,76]

Did anyone actually buy the chips? Not many. In May, Reuters reported that Washington had cleared roughly ten Chinese companies, including Tencent, Alibaba and ByteDance, but that its sources knew of no deliveries yet. In its filing for the quarter ended July 26, Nvidia reported making only a fraction of the shipments the licenses allowed, less than 1% of its quarterly data-center revenue. Beijing had restricted purchases, and Nvidia said it couldn't pass the tariff on to customers, so by its own account the American supplier bore the cost. The filing names no recipients and gives no Treasury total specific to H200s.[41,74]

EXHIBIT 06

Two percentages, two different bases

How the U.S. government's share was defined for licensed chip sales to China



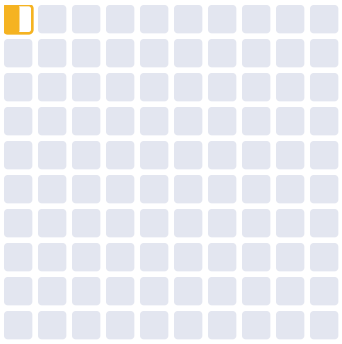
Source: Nvidia SEC filings; presidential proclamation on semiconductor imports; president's remarks[74,75,79,80]

Look at the year from Tencent's side. Washington reportedly cleared the company as an H200 buyer. A Japanese operator had already arranged access to newer Blackwell processors for it. Then Washington reportedly objected to a still larger Oracle lease. Three transactions need not get identical treatment. But if the goal was to limit what Tencent could do with advanced computing, no one appears to have added up the capacity it could assemble across all three. It is also fair to ask whether the government would have approved direct sales if its share had been zero. Whether anyone was keeping that count depends on what Washington knew, and when.[19,41,73,75]

EXHIBIT 07

Licensed H200 shipments barely registered

Share of Nvidia's quarterly data-center revenue, quarter ended July 26, 2026 · each square is 1%



<1%

from H200 shipments allowed under the licenses

- Nvidia made a fraction of the shipments the licenses allowed.
- Beijing restricted purchases.
- Nvidia said it could not pass the tariff along to customers.
- The filing names no recipients and gives no H200-specific Treasury total.

The gold sliver marks the position, not the exact size, of a share the filing reports only as less than 1%.

Source: Nvidia quarterly filing for the quarter ended July 26, 2026; Reuters[41,74]

CHAPTER 04

Who knew what and who had the pen

The first three chapters showed that the rental business was documented, that its customers were named and that the government had set a price on direct sales. "Washington knew" can mean four different things, and this chapter keeps them apart. A public tender shows that officials could have known about a buyer. A Commerce document shows what the department itself understood. A letter to the secretary shows that a specific concern reached his office. An official approaching Oracle about a named lease is an actual intervention. Blurring those categories would make a more sensational story and a less persuasive one. The strongest evidence comes where the record lets us follow a case through each step.[3,13,29,73]

By February 2026, advocates writing to Senate leaders had named Tencent, Datasection and Japan. On May 31, a year after the narrow guidance described in the first chapter, Commerce returned to the subject. It issued guidance on advanced equipment bound for companies headquartered in China, or with an ultimate parent there, including recipients located outside China. A reseller could no longer assume that a foreign street address settled the licensing question. The guidance turned on who owned the company receiving the equipment, though. A genuinely independent Japanese company that bought the machines and sold computing time to Tencent presented a different question. That distinction was valuable enough to help decide which companies would own the hardware.[20,81]

EXHIBIT 08

"Washington knew" can mean four different things

Four kinds of evidence in this investigation, and what each establishes

1
A public tender
shows officials could have known about a buyer
CHINESE TENDER RECORDS, 2024[13]

2
A Commerce document
shows what the department itself understood
BIS GUIDANCE ON OVERSEAS TRAINING, MAY 2025[3]

3
A letter to the secretary
shows identified concerns were put to his office
CURTIS–BLUNT ROCHESTER LETTER, NOV 2026[29]

4
An approach to Oracle
is evidence of an actual intervention
FT ON THE CANCELED TENCENT LEASE, NOV 2026[73]

Source: Reuters; BIS; Curtis–Blunt Rochester letter; Financial Times[3,13,29,73]

In September, the FT reported that Tencent had signed its largest overseas lease, with Oracle. The deal would have given Tencent access to as many as 100,000 advanced AI chips across Southeast Asia for five years, under a contract reportedly worth about $7 billion. On November 4, the paper reported that the deal had been canceled after U.S. officials raised concerns with Oracle. It also reported that officials in Guangdong had visited Tencent to urge it to support domestic Chinese chips. Washington wanted to protect its technological lead. Beijing wanted Chinese demand to pay for a homegrown alternative. Both governments thought the deal important enough to press a named company about it.[73]

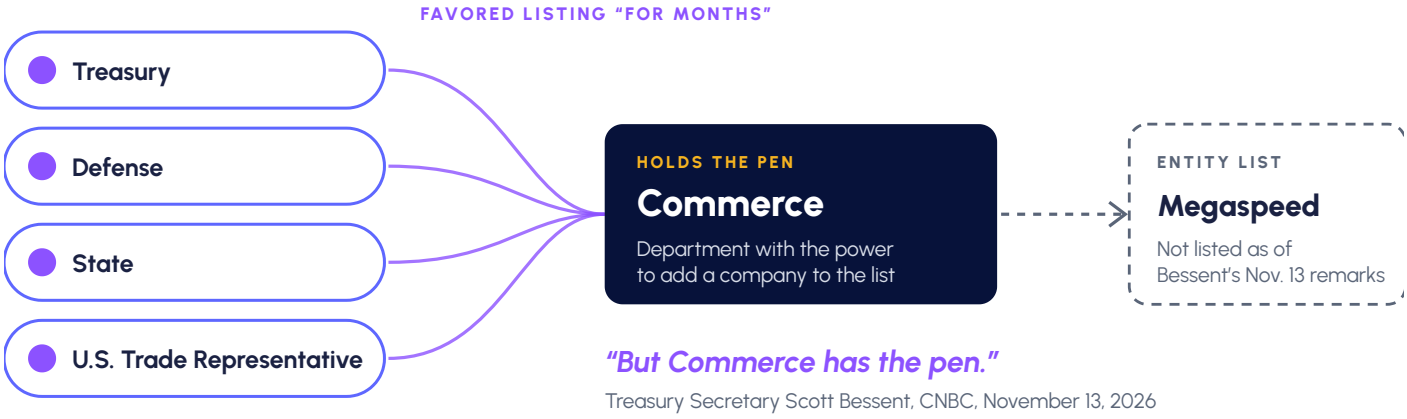
That episode changes the question. There is no public decision approving Tencent's Osaka rental, yet there is reporting that American officials approached Oracle over a Tencent rental elsewhere. Two differences could explain it. A five-year deal for up to 100,000 chips is far larger than an initial order of 5,000, and Oracle is an American company Washington can approach directly. Neither tells us whether the government works from a threshold. And because the same reporting documents Beijing's pressure, the cancellation can't be credited entirely to Washington.[17,73]

Megaspeed shows the other side of official discretion: a case where the government had the power to act and held off. On November 13, Treasury Secretary Scott Bessent told CNBC that Treasury, Defense, State and the U.S. Trade Representative's office had favored putting the Singapore-based Nvidia customer on the Entity List for months. Listing would have restricted its access to covered American technology. Asked about the delay, he said, "But Commerce has the pen." A sitting cabinet secretary had named the agencies that wanted action and the department with the power to take it. There is no doubt this company's case reached Washington.[32,33]

EXHIBIT 09

Four agencies favored action; one department held the pen

Positions on putting Singapore-based Megaspeed on the Entity List, as Treasury Secretary Scott Bessent described them



Source: Reuters on Bessent's public account; AP[32,33]

The allegations involving Jensen Huang and former Megaspeed executive Alice Huang matter here because of when the warnings arrived and what they said. Axios reported that a classified memo about their relationship was sent to Lutnick before Trump's May 2026 China trip, and that Marco Rubio warned Trump directly. Trump said he did not recall whether intelligence officials had shown him the material. Some H200 approvals predated the memo. China denied the espionage allegation. Megaspeed denied illegal diversion, said it cooperated with U.S. inspections and said it had hired an outside firm to inventory its GPUs. Malaysia was investigating possible re-exports by its local affiliate. Those allegations remain unproven. What is documented is that four U.S. agencies wanted the company restricted.[27,30,31,32,37]

For other companies, the paper trail is public. A Times investigation traced at least $5.6 billion in Aivres advanced-technology exports to Southeast Asia, including more than $3 billion in Blackwell-equipped systems and related equipment. In November, Republican Senator John Curtis and Democratic Senator Lisa Blunt Rochester wrote directly to Lutnick about infrastructure serving Alibaba and ByteDance. Their equipment figures came from press reports. What the letter added was formal notice: customer names, a stated concern and a proposed remedy, delivered to the secretary's office. Officials could disagree with the senators, but they couldn't wonder which companies the senators meant.[25,29]

Enforcement did happen, and it belongs in this account. The Justice Department brought charges alleging that servers bought for a Southeast Asian intermediary were physically diverted to China. Prosecutors still have to prove those charges, and smuggling hardware is a different act from selling cloud services. Reuters separately traced H200 purchases by a Chinese university with military ties. Nvidia took a $4.5 billion charge after the H20 licensing requirement hit its inventory and purchase obligations, so the controls clearly cost the company something. Ask a cloud customer whether that charge took a single GPU-hour off its Osaka account and you get a different answer. Both are fair tests of success, and they point in opposite directions. The tools in this chapter act on hardware: who owns it, where it ships, whether it was smuggled. The tool aimed at renting, a remote-access rule, was still being written, and that is where the story reaches the commerce secretary's family.[12,36,38]

EVIDENCE TABLE 2

Who knew what and when

Who held the information at each stage, and what the evidence establishes

DATE	WHO HAD THE INFORMATION	WHAT THE EVIDENCE ESTABLISHES
2023–24	**Industry, press and Congress**	iFlytek and ByteDance rentals reported. Chinese tender records identify additional buyers. House passes remote-access legislation.[8,13,69,70]
May–July 2025	**Commerce, Malaysia's trade ministry, Japanese investors**	BIS describes overseas training; Malaysia acknowledges a reported training case; Datasection discloses its initial B200 order and customer agreement.[3,16,17]
November–December 2025	**President, public and market participants**	Trump makes the exclusivity pledge, then announces H200 access for approved buyers. Reporting identifies offshore training and names Tencent in Japan.[4,7,19,77]
February–May 2026	**Senate leaders and Commerce**	Letter names Tencent and Datasection. Direct H200 approvals reported. BIS clarifies licensing for overseas recipients with Chinese corporate parents.[20,41,81]
July–August 2026	**Nvidia and SEC filing readers**	Quarterly disclosure confirms limited H200 shipments during the quarter. The recipients are unnamed.[74]
September–November 2026	**U.S. officials, Oracle, Guangdong officials and Tencent**	Oracle lease reported, then cancellation reported following approaches on both sides.[73]
November 2026	**Lutnick's office, Congress and the public**	Bipartisan letter names Alibaba and ByteDance. Bessent identifies agencies that sought action on Megaspeed. Congressional committees seek records.[29,32,34,35]

CHAPTER 05

Where the rule meets the family business

Remote access has surfaced at every stage of this story. The House passed a bill aimed at it in September 2024. Commerce described the offshore training business in its May 2025 guidance and addressed Chinese-owned recipients abroad in May 2026. The senators who wrote to Lutnick proposed a remedy aimed at it. Meanwhile, Commerce was reportedly drafting remote-access rules of its own, and those rules could land directly on companies in this market. One of them connects to the commerce secretary's family firm. A planned facility in Johor Bahru, Malaysia, shows how. Bitdeer told the SEC that customers had committed to more than 70% of the roughly 21.7 megawatts at its A201 data center, and that it expected more than $1.7 billion in revenue over five years once the facility came online in 2027. The New York Times identified Tencent as a likely customer, citing a person familiar with the arrangement. Because investors finance data centers against promised future cash flows, a rule requiring separate approval for Chinese tenants could affect the project before its first customer ever logged on.[3,8,29,43,45,46,81]

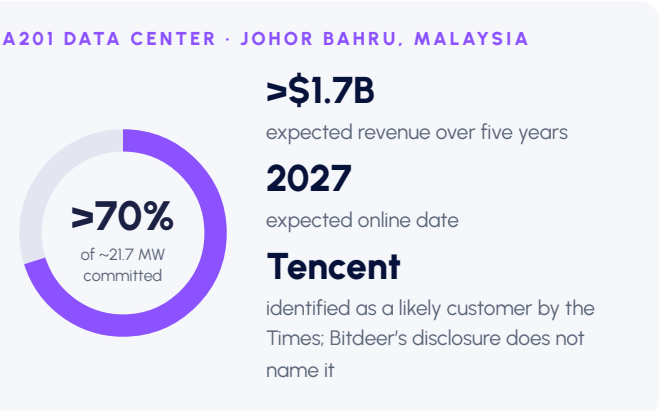
Bitdeer's SEC filings also contain a familiar name. Cantor Fitzgerald was one of several sales agents on an equity offering of up to $1 billion. A designated agent could earn up to 3% on shares it actually sold, and no agent was required to sell a minimum amount. Multiplying $1 billion by 3% and calling the result Cantor's payday would be a substantial error. The records reviewed don't say what Cantor earned. The financial relationship is documented. The figure the public most wants is the one the prospectus leaves out.[44]

The Times reported that Lutnick favored a narrower version of the restrictions affecting this market. It also traced an indirect Cantor interest in Bitdeer through Tether and a separate relationship with Gorilla Technology, whose own filing dates its equity-sales agreement with Cantor to 2023, well before Lutnick took office. Commerce says the secretary divested his interests and does not discuss department business with his sons, or Cantor business with them. The Times found no evidence that Cantor's investments influenced his deliberations. Taken together, though, the filings and reporting connect a specific family firm, a specific client and a specific decision with money riding on it. That is reason enough to examine how the arrangement came about, which is the subject of the companion report that follows.[39,43,44,47]

EXHIBIT 10

The documented relationship, and the missing number

What Bitdeer's SEC filings disclose about the A201 project in Johor Bahru and its equity sales agents



Source: Bitdeer SEC filings; New York Times via Philadelphia Inquirer[43,44,45,46]

Techstrong Semi
THE CENTER OF GRAVITY FOR THE SILICON ECONOMY

COMPANION REPORT



A COMPANION TO "CHINA COULDN'T BUY THE CHIPS"

Keeping It in the Family

A surname is not evidence enough to establish a statutory violation. It is certainly enough to prompt a senator to ask who will own the business.

BY ALAN SHIMEL

CONCEPTUAL ILLUSTRATION

Federal ethics law asks whether an official personally stands to gain. It has much less to say about what his adult children stand to gain. That gap runs through the way Donald Trump, Wilbur Ross and Howard Lutnick each handled a family business, and it matters for a chip rule that Lutnick's department is still writing.

In 2017, if Donald Trump wanted money from the businesses his family was managing, the trustees had instructions for that. The revised certification of the Donald J. Trump Revocable Trust directed them to distribute income or principal to the president "at his request." Donald Trump Jr. and Allen Weisselberg served as trustees, and Eric Trump chaired the advisory board. Those three words show what the president gave up by handing over management. He knew what he owned. If he wanted a distribution, he knew whom to ask.[63]

Americans had reason to expect more distance. In January 2017, Walter Shaub, then director of the U.S. Office of Government Ethics, described what presidents going back to Jimmy Carter had done. Some used blind trusts. Others limited themselves to holdings, such as diversified mutual funds, that presented fewer conflicts. Shaub publicly recommended that Trump divest. A broadly diversified fund lets a president go through the working day without knowing whether the delegation in the lobby just improved his family's bottom line. A family-run hotel can't do that. Before Trump's second inauguration, the Trump Organization announced an outside ethics adviser and again emphasized that Trump would step away from running the company day to day.[64,65]

Trump's first commerce secretary, Wilbur Ross, used a different instrument. In October 2017, he transferred interests in at least 15 entities to an irrevocable trust for his two adult children, and the Commerce inspector general later examined the agreement and documented the transfers. The difference between the two trusts is the point. Trump kept the right to receive assets. Ross gave up his own interests in the holdings he transferred. That is why Ross, not Trump, is the precedent that matters for Howard Lutnick. A genuine transfer can meet a personal divestiture requirement and keep economic value in the family.[59,63]

EXHIBIT 11

Three instruments, three answers to who keeps what

How a president and two commerce secretaries handled family business holdings

DONALD TRUMP · 2017

Revocable trust

TRUSTEES
Donald Trump Jr. and Allen Weisselberg

ADVISORY BOARD
Eric Trump, chair

DISTRIBUTIONS
Income or principal to the president "at his request"

WHAT HE KEPT
The right to receive assets

63

WILBUR ROSS · OCTOBER 2017

Irrevocable trust

TRANSFERRED
Interests in at least 15 entities

BENEFICIARIES
His two adult children

REVIEWED BY
Commerce inspector general

WHAT HE KEPT
Relinquished his own interests in the transferred holdings

59

HOWARD LUTNICK · OCTOBER 6, 2025

Control transfer

ACQUIRED
All voting shares of CFGM, Cantor's managing general partner

BUYER
Trusts controlled by Brandon Lutnick

DISCLOSED PRICE
$200,000 for that block of voting shares, not the price of Cantor

WHAT HE GAVE UP
His voting authority

50,58

Source: ProPublica annotated Trump trust; Commerce inspector general; BGC annual report; SEC Schedule 13D[50,58,59,63]

Congress drew that line in 1962. The federal criminal conflict-of-interest statute treats the financial interests of an official's spouse and minor children as the official's own. An adult child's assets don't automatically count. Separate ethics rules cover taking part in certain matters involving an organization where a child is an officer, and using public office for the private gain of relatives. A rule affecting an industry, a proceeding involving the family firm and a decision affecting one of its clients each needs its own analysis. A surname is not evidence enough to establish a statutory violation. It is certainly enough to prompt a senator to ask who will own the business.[60,61,62]

In 2025, senators asked. In written Question 62, they asked Lutnick who would acquire his interests in Cantor Fitzgerald, BGC and Newmark. He had already said he expected no open-market sale. He answered that he would divest according to his ethics agreement. In Question 63, they asked whether he would disclose the terms of his divestments and the identities of the buyers. He gave the same answer, word for word. Read together, the two questions show what that answer left out. The first asked who would own the business. The second asked whether the public would ever find out.[57]

EXHIBIT 12

Two questions, one answer

Senators' written questions to Howard Lutnick during his 2025 confirmation, as summarized in this report

QUESTION 62

Who would acquire his interests in Cantor Fitzgerald, BGC and Newmark?

QUESTION 63

Would he disclose the terms of his divestments and the identities of the buyers?

HIS ANSWER TO BOTH

He would divest according to his ethics agreement.

SAME ANSWER, WORD FOR WORD

Source: Lutnick Senate confirmation responses[57]

The public eventually found out from investor filings. On October 6, 2025, trusts controlled by Brandon Lutnick acquired all the voting shares of CFGM, the managing general partner of Cantor Fitzgerald. The disclosed $200,000 price applied to that block of voting shares, one piece of a much larger set of transactions. It was not the price of Cantor. Howard gave up his voting authority. His son controlled the trusts that acquired the votes. Brandon led Cantor, and his brother Kyle served as executive vice chairman. All of those facts fit together without contradiction, which is exactly why the public needs to understand them.[50,58,67]

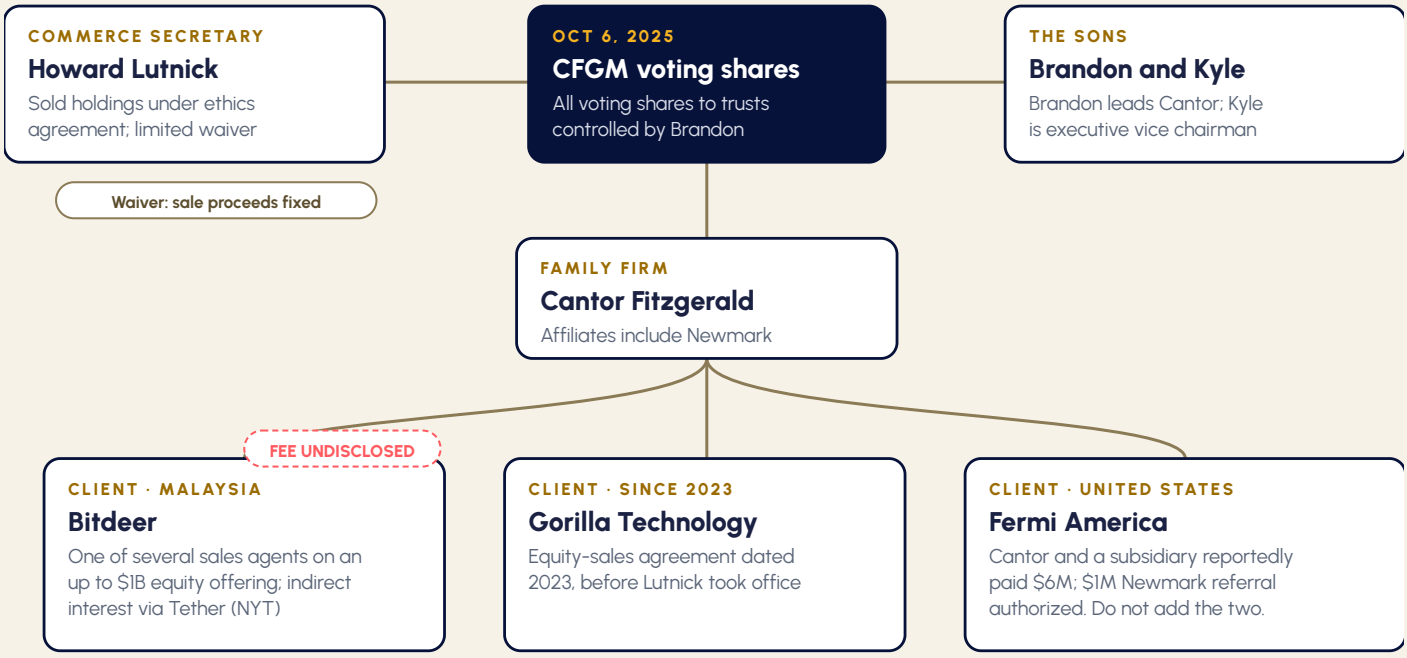
While the transactions awaited approval, the White House issued Howard a limited waiver. Its reasoning was that the sale agreements had fixed his proceeds, so a decision affecting those assets couldn't change what he received for them. The waiver covered certain matters of general applicability and excluded specific-party matters in which Cantor, BGC or Newmark was a party or represented one. That reasoning settles a narrow and sensible question about the father's sale price. It leaves open the political question of his sons' business prospects once the transactions closed.[48,49]

> **A genuine transfer can meet a personal divestiture requirement and keep economic value in the family.**
>
> ALAN SHIMEL

EXHIBIT 13

One family firm, three clients in the AI build-out

Documented relationships among the Lutnick family, Cantor Fitzgerald and companies named in this report



Commerce says the secretary divested his interests and does not discuss department business with his sons or Cantor business with them. The Times found no evidence that Cantor's investments influenced his deliberations.

Source: SEC filings of Bitdeer, Gorilla Technology, BGC and Newmark; White House waiver; New York Times via Philadelphia Inquirer; Washington Post[43,44,47,48,49,50,58,66,67]

Fermi America, a U.S. data-center developer, shows what a documented fee looks like. Newmark disclosed authorization for a $1 million referral payment from a Cantor affiliate in connection with Fermi's IPO. The Washington Post reported that Cantor and a subsidiary were paid $6 million in cash for IPO work. Adding the two figures could double-count. Fermi's co-founder described discussing frustration over a potential South Korean partnership with Howard and giving Kyle a site tour. Commerce said the founder had not submitted a proposal for the pledged South Korean funds or met the secretary to discuss one. Lawmakers asked Commerce's inspector general to examine the overlaps. At Fermi there is an actual fee on a U.S. project. At Bitdeer there is an agent's mandate and a client exposed to the policy. Those are different findings, and both belong in the record.[44,66,67,68]

> **All of those facts fit together without contradiction, which is exactly why the public needs to understand them.**
>
> ALAN SHIMEL

Take Commerce at its word that father and sons don't discuss department business. That still doesn't answer Question 62. Anyone assessing a Malaysian data center could read the Bitdeer prospectus, see Cantor's name and learn from news reports that Howard Lutnick was shaping a rule affecting that market. No private conversation is needed to see the family interest. An export record can accurately tell the public that a processor went to Japan. A securities filing can accurately tell the public that a father sold his shares. In both cases, the real question is whether the transaction delivered the safeguard Americans believed they had.[17,19,43,44,57,58]

> **In both cases, the real question is whether the transaction delivered the safeguard Americans believed they had.**
>
> ALAN SHIMEL

COMPANION REPORT SOURCES

Numbered as in the main report's linked source notes, so the feature keeps its citations if extracted.

17. **Datasection's Osaka order notice** https://www.datasection.co.jp/en-financial-report/en-ir-20250710001.pdf
19. **Financial Times on Tencent in Japan** https://www.ft.com/content/9b47c335-9633-4560-9f57-5736c9d04bef
43. **Times on Cantor and Southeast Asian operators** https://www.inquirer.com/news/nation-world/howard-lutnick-commerce-secretary-rules-data-centers-nvidia-chips-china-southeast-asia-cantor-fitzgerald-20261115.html
44. **Bitdeer equity prospectus** https://www.sec.gov/Archives/edgar/data/1899123/000121390026087060/ea030073702-424b5_bitdeer.htm
47. **Gorilla–Cantor equity sales agreement** https://www.sec.gov/Archives/edgar/data/1903145/000121390025037703/ea0239609-20f_gorilla.htm
48. **Lutnick ethics agreement** https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/$FILE/Lutnick,%20Howard%20%20finalEA.pdf
49. **White House limited ethics waiver** https://www.whitehouse.gov/wp-content/uploads/2025/07/Howard-W.-Lutnick-Limited-Waiver-Pursuant-to-18-U.S.C.-208b1.pdf
50. **BGC annual report** https://www.sec.gov/Archives/edgar/data/1094831/000162828026013162/bgcg-20251231.htm
57. **Lutnick Senate confirmation responses** https://www.commerce.senate.gov/wp-content/uploads/media/doc/2.2.25%20Lutnick_DEM%20QFRs%20(finalized%20responses).pdf
58. **SEC disclosure of Cantor control transfer** https://www.sec.gov/Archives/edgar/data/1024896/000121390025096566/xslSCHEDULE_13D_X01/primary_doc.xml
59. **Commerce inspector general on Ross** https://www.oig.doc.gov/wp-content/OIGPublications/OI_Report_18-0286_redacted.pdf
60. **Original federal conflicts statute** https://www.congress.gov/87/statute/STATUTE-76/STATUTE-76-Pg1119.pdf
61. **Impartiality regulation** https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2635/subpart-E/section-2635.502
62. **Private gain regulation** https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2635/subpart-G/section-2635.702
63. **ProPublica annotated Trump trust** https://projects.propublica.org/graphics/trump-trust
64. **Walter Shaub's January 2017 remarks** https://www.oge.gov/web/oge.nsf/News%20Releases/8A3A4F388D2B749C852585B6005A19A3/$FILE/Remarks%20of%20W%20M%20Shaub%20Jr%20(1).pdf
65. **Trump Organization second-term plan** https://static01.nyt.com/newsgraphics/documenttools/ea6760794c5e7239/0b5172f7-full.pdf
66. **Newmark SEC filing on referral fee** https://www.sec.gov/Archives/edgar/data/1690680/000121390026050004/ea0286565-10ka1_newmark.htm
67. **Washington Post on Fermi** https://www.washingtonpost.com/business/2026/04/28/ai-power-nuclear-rick-perry/
68. **Warren–Dean letter to inspector general** https://www.warren.senate.gov/newsroom/press-releases/warren-dean-democrats-urge-commerce-department-watchdog-to-investigate-lutnick-familys-conflicts-of-interest-impact-on-ai-data-center-decisions/

CHAPTER 06

The money that reached the president's family

The companion report concerns a secretary's sons. The president made the Blackwell promise and set the H200 price, so his own finances deserve the same scrutiny. Two public records bear on the president's own finances, and they show very different things. The first is his periodic transaction report, which lists purchases and sales of Nvidia stock. Reuters reported that the disclosed ranges for August 2026 included purchases of up to $1.6 million and sales of up to $1 million. The White House said outside institutions managed his portfolio independently and followed recognized indexes. The report shows the president had money riding on a company heavily affected by his decisions. It doesn't show that he directed a trade or made a gain from his export policy.[51,52,53]

The second record identifies an actual payer and actual recipients. Four days before Trump's second inauguration, according to company documents reviewed by the Wall Street Journal, representatives of an investor backed by Sheikh Tahnoon bin Zayed Al Nahyan signed an agreement to buy 49% of World Liberty Financial for $500 million. Eric Trump signed the deal. Of the initial installment, $187 million was directed to Trump family entities. Tahnoon, the UAE's national security adviser and chairman of G42, wanted access to advanced American chips. He met with U.S. officials, and the administration later authorized advanced semiconductor exports to G42.[54,55,56]

EXHIBIT 14

Nine dollar figures, nine different measures

Dollar amounts in the record, plotted on a logarithmic scale · the figures measure different things and are never summed



15%+
expected share of H20 revenue (uncodified)

25%
tariff on H200 import value

Up to 3%
agent fee cap, Bitdeer offering

Source: Trump periodic transaction report; Reuters; Newmark SEC filing; Washington Post; Wyden–Neal letter; Wall Street Journal; Bitdeer SEC filings[35,44,45,51,52,54,66,67]

Where that money came from matters as much as the amount. It came from a Gulf transaction with an investor who had a stake in U.S. chip diplomacy. No comparable record shows a Malaysian GPU rental payment reaching the Trump family, and nothing establishes that the UAE investment bought an export authorization. Readers can weigh for themselves the conflict in a president's family doing business with people who want a presidential decision. Describing the $187 million as proceeds of the Asian rental market would misstate where it came from. Money is one possible explanation for a policy's inconsistencies. The next chapter asks whether a policy logic explains them instead.[43,54,56]

EVIDENCE TABLE 3

Where the money went

Each row measures a different kind of number · no column may be totaled

TRANSACTION	RECIPIENT AND AMOUNT	WHAT THE NUMBER MEASURES
Licensed China chip sales RATE AND DUTY	U.S. government expected 15% or more on H20 revenue; 25% duty on covered H200 import value	First figure was an uncodified expectation. Second was an enacted tariff. Program-specific collections unverified.[74,79,80]
Bitdeer A201 PROJECTED REVENUE	Bitdeer projected more than $1.7 billion over five years	Future revenue from commitments. Distinct from profit or cash received by Cantor.[45]
Bitdeer equity program OFFERING CEILING AND FEE CAP	Designated agents, including Cantor, eligible for up to 3% of shares each sold	$1 billion offering ceiling. Actual Cantor-specific fee undisclosed.[44]
Fermi IPO REPORTED FEES	Cantor and subsidiary reportedly paid $6 million; $1 million affiliate referral payment to Newmark authorized	Separate disclosures with potential overlap. No basis to describe $7 million as aggregate fees.[66,67]
Nvidia stock transactions TRANSACTION RANGES	President's disclosed portfolio	Transaction ranges. No policy-linked gain established.[51,52]
World Liberty Financial FAMILY PAYMENT	$187 million directed to Trump family entities from first installment	Reported family payment in UAE-linked transaction. Distinct from the full $500 million deal value.[54]
Presidential projects PROJECT SUPPORT	Wyden and Neal cited at least $26 million from Huang and Nvidia toward presidential priorities including the White House ballroom	Lawmakers' account of support for projects. Do not classify it as a personal payment to Trump.[35]

Why there is no total. These rows combine an uncodified revenue expectation, an enacted tariff, projected future revenue, a fee ceiling, reported fees, disclosed trading ranges, a reported family payment and lawmakers' account of project support. Adding them would produce a number that measures nothing.

CHAPTER 07

Three decisions about the same customer

Tencent has come up in nearly every chapter: the Osaka order that opens this report, the H200 clearance in the third chapter and the canceled Oracle lease in the fourth. Its three deals are the best test of whether the policy follows a consistent logic. What national-security principle allows one Tencent transaction, tolerates a second and moves to stop a third? Start with the answer most favorable to the administration. Not every processor carries the same risk. The January rule set a real ceiling on computing performance and memory bandwidth, imposed customer safeguards and required independent testing. There is a case for letting a commercial buyer acquire a previous-generation product while Americans keep access to better ones. There is an equally reasonable case for looking harder at a reservation of up to 100,000 advanced chips than at an initial 5,000-processor installation, because one large cluster can do more for a developer than the same number of chips spread across small sites.[11,17,73,76]

EXHIBIT 15

One customer, three transactions, three outcomes

Tencent arrangements in the record by reported processor count · squares are sized by count, not computing power, and are not added together

DIRECT PURCHASE · H200

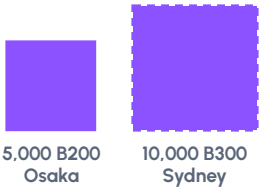
● Cleared by Washington (reported, May 2026)



Undisclosed volume; Nvidia reported shipping only a fraction of what licenses allowed, recipients unnamed

RENTAL VIA DATASECTION · JAPAN AND AUSTRALIA

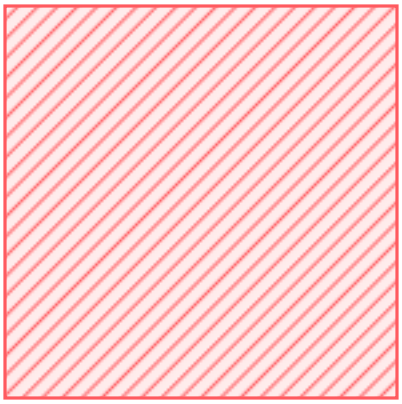
● No public decision approving the rental



~$406M Osaka and **~$800M** Sydney, each over three years (FT)

LEASE VIA ORACLE · SOUTHEAST ASIA

● Canceled after U.S. officials raised concerns (reported)



Up to 100,000 advanced chips, five years, reportedly about $7 billion

Source: Reuters on named H200 approvals; Datasection; Financial Times; Nvidia filing[17,19,41,72,73,74]

That reasoning has to survive the trip from Osaka to Sydney, and it doesn't. Once a tenant can book each new chip generation abroad, the performance ceiling on direct shipments stops describing what the tenant can actually get. And if total scale matters, someone has to count a Chinese customer's capacity when several providers in several countries supply it. Each contract can look manageable on its own. A portfolio of such contracts can deliver a capability no official would have approved in a single application. The sources behind this report contain plenty of figures for individual orders and almost no public accounting of total access by customer.[17,19,20,29,72]

There is another defense I take seriously. American companies want developers to keep building on the American stack. Nvidia told investors that being effectively shut out of China's data-center market helped competitors build ecosystems that could challenge it worldwide. On this view, allowing Chinese users some access preserves American influence, even as it gives Beijing time on American hardware. The Guangdong officials who urged Tencent to support domestic chips seem to understand that trade-off well. A president could make that case to the country and defend it. He would have to explain why a certain level of Chinese access served the national interest.[6,73,74]

> **A portfolio of such contracts can deliver a capability no official would have approved in a single application.**
>
> ALAN SHIMEL

Trump made a different case. He promised to reserve the best technology for the United States, then touted the payment from letting approved buyers in China have an older chip. The 25% did nothing to an H200's memory bandwidth or to a buyer's ability to secure its systems. It changed the economics of the deal. The published record shows the technical grounds on which Commerce could approve exports and the president's own words on why he liked the payment. It doesn't tell us whether he would have signed off at zero, or how much the Treasury ultimately collected. Those questions stand even if every licensed chip went to a fully vetted customer.[7,75,76,80]

There may never have been one answer the whole administration accepted. Bessent's account establishes disagreement. Chinese import restrictions limited what Nvidia could sell even after Washington issued licenses. An American cloud provider was within easy reach of U.S. officials, while Japan's Datasection operated in a different commercial and diplomatic setting. The reported intelligence warnings added another layer to the Megaspeed dispute. And officials had reason to think about what the rules would do to American companies, some tied to their own families. All of those pressures are documented. We cannot assign a private motive to a decision simply because we can identify someone who stood to benefit from it. That leaves the remedy, and the rule that has yet to be written.[19,30,32,43,73,74]

> **We cannot assign a private motive to a decision simply because we can identify someone who stood to benefit from it.**
>
> ALAN SHIMEL



CHAPTER 08

Back to Osaka

CONCEPTUAL ILLUSTRATION

This report began with a Chinese company renting Blackwell chips in Osaka, and the remedy has to start there too. A concrete fix is already on the table. Senators Curtis and Blunt Rochester, whose letter appears in the fourth chapter, urged Commerce to require separate authorization before recipients of advanced American chips provide remote access to Chinese companies. The House had passed a remote-access bill in September 2024, and in January it passed the Remote Access Security Act, 369–22. As of November 15, it awaited Senate action. Commerce was reportedly writing rules of its own, and their scope is the same dispute that put the Lutnick family's interests under scrutiny. Chinese companies, according to Reuters, had begun reserving offshore capacity ahead of any restrictions. They understood what might be taken away.[8,9,27,29,42,43]

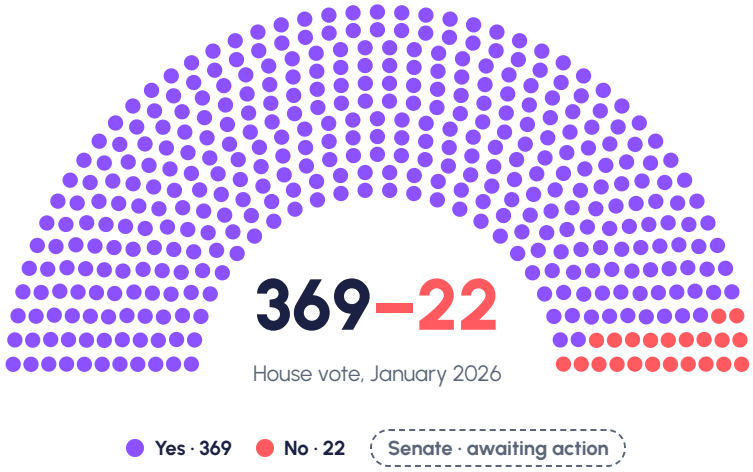
A serious remote-access policy would have to answer practical questions. Does the operator know the end user when an intermediary buys the capacity? Can it tell an affiliate serving customers around the world from a domestic Chinese lab training a frontier model? How does it handle resale? Who decides whether a cluster in Japan and another in Australia count toward the same customer's limit? A rule drawn only around Southeast Asia could simply push demand to another location, and a global rule would need cooperation from operators and governments with interests of their own. Buying, building, leasing and using are different activities. A government that intends to control one of them should tell its citizens which one, what it can verify and what it is prepared to allow.[10,11,20,29]

Some important things are still missing from the public record: the first executive-branch document matching an offshore tenant to a named site before a licensing decision; the threshold that prompted the Oracle intervention; the fee Cantor actually earned on Bitdeer; and any evidence that a family interest changed a specific official act. There is also no honest estimate of the capacity China could have obtained without controls. None of that prevents a judgment on the promise Americans heard. The government knew companies could rent the hardware. It knew some of their names. It had tools it chose to use in some cases, and officials who argued about using them in others. The public promise erased every one of those qualifications.[3,29,32,43,44,73]

EXHIBIT 16

The House voted; the Senate has yet to act

Remote Access Security Act, and what the public record has yet to yield, as of November 15, 2026



STILL MISSING FROM THE PUBLIC RECORD

- **01** The first executive-branch document matching an offshore tenant to a named site before a licensing decision
- **02** The threshold that prompted the Oracle intervention
- **03** The fee Cantor actually earned on Bitdeer
- **04** Any evidence that a family interest changed a specific official act
- **+** An honest denominator for the capacity China could have obtained without controls

Source: Congress.gov; The Information; Reuters[9,27,42]

Go back to those 625 servers. Under a policy Washington was prepared to defend openly, all 5,000 processors could stay in exactly the same racks, and the Japanese purchase order could carry the same address. What would change Tencent's position is a decision on whether anyone could sell it the use of those machines, and on what terms. That was the decision that mattered to the customer. It is also the decision the president owed the American people an accounting of when he told them who could have the chips.[4,17,19]

> **The public promise erased every one of those qualifications.**
>
> ALAN SHIMEL

METHODOLOGY

About the reporting

This report draws on publicly available filings, procurement records, regulatory documents, congressional correspondence, official statements and published reporting through November 15, 2026. A source that identifies a tenant and a later letter quoting that source are evidence of one customer identification and a separate act of notice. The two New York Times news stories of November 13 and 15 are linked through their syndicated Philadelphia Inquirer editions. Chris McGuire's November 13 Times guest essay is opinion and distinct from both news stories. Proposed capacity, equipment procurement, recognized revenue and actual customer usage are identified separately wherever the records permit.[39,40,43]

> Editor's note on this edition: source notes are numbered 1–81 in the order of the linked list below. Exhibit titles, captions, cover figures, status labels, the summary headline and the reading guide are design-desk additions drawn from the text; images marked as conceptual illustrations are AI-generated atmosphere and do not depict the facilities, documents or people in this report.

LINKED SOURCE NOTES

1. **Biden diffusion framework** https://www.federalregister.gov/documents/2025/01/15/2025-00636/framework-for-artificial-intelligence-diffusion
2. **BIS regulatory chronology** https://media.bis.gov/press-release/department-commerce-announces-rescission-biden-era-artificial-intelligence-diffusion-rule-strengthens
3. **BIS guidance on cloud training** https://media.bis.gov/media/documents/ai-policy-statement-training-ai-models-may-13-2025
4. **Trump on 60 Minutes** https://www.cbsnews.com/video/president-donald-trump-the-2025-60-minutes-interview/
5. **Reuters on Blackwell remarks** https://www.reuters.com/world/china/trump-says-nvidias-blackwell-ai-chip-not-other-people-2025-11-03/
6. **American AI technology exports order** https://www.whitehouse.gov/presidential-actions/2025/07/promoting-the-export-of-the-american-ai-technology-stack/
7. **H200 licensing revision** https://media.bis.gov/sites/default/files/documents/DoC%20Revises%20License%20Review%20Policy%20for%20Semiconductors%20Exports.pdf
8. **House-passed remote access text, 2024** https://www.congress.gov/118/bills/hr8152/BILLS-118hr8152eh.pdf
9. **Remote Access Security Act, 119th Congress** https://www.congress.gov/bill/119th-congress/house-bill/2683/text
10. **Congressional Research Service background** https://www.congress.gov/crs_external_products/IF/PDF/IF12899/IF12899.1.pdf
11. **Carnegie on controlling cloud compute** https://carnegieendowment.org/research/2026/05/the-geopolitical-debates-over-controlling-cloud-compute
12. **NVIDIA quarterly report on H20 restrictions** https://www.sec.gov/Archives/edgar/data/1045810/000104581025000116/nvda-20250427.htm
13. **Reuters on Chinese public tenders** https://www.reuters.com/technology/list-chinese-entities-who-have-turned-cloud-access-restricted-us-tech-2024-08-23/
14. **ByteDance's Malaysia investment plan** https://www.reuters.com/technology/bytedance-plans-21-bln-investment-malaysia-ai-minister-says-2024-06-07/
15. **Journal on Chinese engineers training abroad** https://www.wsj.com/tech/china-ai-chip-curb-suitcases-7c47dab1
16. **Malaysian ministry response** https://www.miti.gov.my/miti/resources/Media%20Release/%5BFINAL%5D_MITI_Press_Release_Zero_Tolerance_for_Breaking_Malaysian_Laws_2025-06-18.pdf
17. **Datasection's Osaka order notice** https://www.datasection.co.jp/en-financial-report/en-ir-20250710001.pdf
18. **Datasection investor results** https://www.datasection.co.jp/en-financial-report/en-ir-20260217001.pdf
19. **Financial Times on Tencent in Japan** https://www.ft.com/content/9b47c335-9633-4560-9f57-5736c9d04bef
20. **February letter to Senate leadership** https://ari.us/wp-content/uploads/2026/02/Remote-Access-Security-Act-Letter-to-Senate.pdf
21. **Reuters on Aolani and ByteDance** https://www.reuters.com/world/asia-pacific/chinas-bytedance-gets-access-top-nvidia-ai-chips-wsj-reports-2026-03-13/
22. **Aolani on its NVIDIA partnership** https://www.aolani.com/newsroom/aolani-nvidia-ai-factory-infrastructure-southeast-asia
23. **Journal on Southeast Asian data centers** https://www.wsj.com/tech/jensen-huang-backdoor-ai-data-centers-a5e4499d
24. **DayOne SEC filings** https://www.sec.gov/edgar/browse/?CIK=0002118192
25. **Times investigation of Aivres and Inspur** https://indianexpress.com/article/technology/tech-news-technology/how-a-blacklisted-chinese-tech-giant-kept-buying-americas-best-ai-chips-10866468/
26. **Gorilla and Freyr agreement** https://www.sec.gov/Archives/edgar/data/1903145/000121390025091924/eea025872901ex99-1_gorilla.htm
27. **Reuters on Chinese demand after Huang disclosures** https://www.reuters.com/world/china/chinese-ai-firms-rush-secure-nvidia-chip-capacity-spy-scandal-stirs-fear-us-2026-11-12/
28. **ISEAS on Malaysia's investment boom** https://www.iseas.edu.sg/wp-content/uploads/2026/08/TRS22_26.pdf
29. **Curtis–Blunt Rochester letter to Lutnick** https://www.bluntrochester.senate.gov/wp-content/uploads/2026/11/Letter-to-Secretary-Lutnick-Re_-Gaps-in-AI-Chip-Export-Controls_FINAL-PDF.pdf
30. **Axios on classified warning sent to Lutnick** https://www.axios.com/2026/11/10/lutnick-nvidia-jensen-huang-china-memo
31. **Axios on Bessent–Lutnick dispute** https://www.axios.com/2026/11/11/bessent-lutnick-megaspeed-nvidia-china-chips
32. **Reuters on Bessent's public account** https://www.reuters.com/business/retail-consumer/bessent-says-treasury-favored-limits-megaspeed-2026-11-13/
33. **AP on the interagency dispute** https://apnews.com/article/nvidia-megaspeed-scott-bessent-howard-lutnick-17582a5098a5fb4c8fe866a084a6e52b
34. **Warren–Coons preservation letter** https://www.banking.senate.gov/imo/media/doc/20261111_warren_coons_letter_to_wh_commerce_state_re_nvidia_record_retentionpdf.pdf
35. **Wyden–Neal preservation letter** https://www.finance.senate.gov/wp-content/uploads/2026/11/11122026wydennealletertolutnickonnvidia.pdf
36. **DOJ server diversion charges** https://www.justice.gov/opa/pr/three-charged-conspiring-unlawfully-divert-cutting-edge-us-artificial-intelligence

37. **Reuters on Malaysia's Speedmatrix investigation** https://www.reuters.com/world/asia-pacific/malaysia-says-it-is-investigating-if-any-chips-linked-speedmatrix-were-re-2026-11-13/
38. **Reuters on Northwestern Polytechnical University** https://www.reuters.com/world/pla-linked-chinese-university-bought-nvidia-h200-chips-despite-us-blacklist-2026-11-11/
39. **Times on Lutnick's dealings with NVIDIA** https://www.nytimes.com/2026/11/12/us/politics/lutnick-nvidia-commerce-china-chips.html
40. **Chris McGuire's Times guest essay** https://www.nytimes.com/2026/11/13/opinion/jensen-huang-nvidia-howard-lutnick-commerce.html
41. **Reuters on named direct H200 approvals** https://www.reuters.com/business/retail-consumer/us-clears-h200-chip-sales-10-china-firms-nvidia-ceo-looks-breakthrough-2026-05-14/
42. **The Information on proposed remote-access controls** https://www.theinformation.com/articles/commerce-department-finalizing-long-awaited-ai-remote-access-rule
43. **Times on Cantor and Southeast Asian operators** https://www.inquirer.com/news/nation-world/howard-lutnick-commerce-secretary-rules-data-centers-nvidia-chips-china-southeast-asia-cantor-fitzgerald-20261115.html
44. **Bitdeer equity prospectus** https://www.sec.gov/Archives/edgar/data/1899123/000121390026087060/ea030073702-424b5_bitdeer.htm
45. **Bitdeer A201 commitments** https://www.sec.gov/Archives/edgar/data/1899123/000121390026110703/ea030767901ex99-1.htm
46. **Bitdeer latest quarterly results** https://www.sec.gov/Archives/edgar/data/1899123/000121390026117797/ea031140301ex99-1.htm
47. **Gorilla–Cantor equity sales agreement** https://www.sec.gov/Archives/edgar/data/1903145/000121390025037703/ea0239609-20f_gorilla.htm
48. **Lutnick ethics agreement** https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/436440318CFB67BE85258C1C003219C1/$FILE/Lutnick,%20Howard%20%20finalEA.pdf
49. **White House limited ethics waiver** https://www.whitehouse.gov/wp-content/uploads/2025/07/Howard-W.-Lutnick-Limited-Waiver-Pursuant-to-18-U.S.C.-208b1.pdf
50. **BGC annual report** https://www.sec.gov/Archives/edgar/data/1094831/000162828026013162/bgcg-20251231.htm
51. **Trump periodic transaction report** https://www.whitehouse.gov/wp-content/uploads/2026/11/President-Donald-J.-Trump-Periodic-Transaction-Report-09.17.26.pdf
52. **Reuters on Trump's NVIDIA trades** https://www.investing.com/news/stock-market-news/trump-discloses-nvidia-stock-trades-as-he-prepares-to-honor-ceo-huang-4939425
53. **Washington Post on family AI investments** https://www.washingtonpost.com/politics/2026/09/20/trump-family-large-ai-related-investments-create-possible-conflicts/
54. **Journal on UAE investment in World Liberty** https://www.wsj.com/politics/policy/spy-sheikh-secret-stake-trump-crypto-tahnoon-ea4d97e8
55. **Commerce statement on UAE and Saudi approvals** https://www.commerce.gov/issues/semiconductor-industry
56. **House Foreign Affairs UAE inquiry** https://democrats-foreignaffairs.house.gov/2026/08/2026-8-kamlager-dove-meeks-demand-answers-from-lutnick-on-trump-s-financial-interests-surrounding-uae-export-control-decisions/
57. **Lutnick Senate confirmation responses** https://www.commerce.senate.gov/wp-content/uploads/media/doc/2.2.25%20Lutnick_DEM%20QFRs%20(finalized%20responses).pdf
58. **SEC disclosure of Cantor control transfer** https://www.sec.gov/Archives/edgar/data/1024896/000121390025096566/xslSCHEDULE_13D_X01/primary_doc.xml
59. **Commerce inspector general on Ross** https://www.oig.doc.gov/wp-content/OIGPublications/OI_Report_18-0286_redacted.pdf
60. **Original federal conflicts statute** https://www.congress.gov/87/statute/STATUTE-76/STATUTE-76-Pg1119.pdf
61. **Impartiality regulation** https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2635/subpart-E/section-2635.502
62. **Private gain regulation** https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2635/subpart-G/section-2635.702
63. **ProPublica annotated Trump trust** https://projects.propublica.org/graphics/trump-trust
64. **Walter Shaub's January 2017 remarks** https://www.oge.gov/web/oge.nsf/News%20Releases/8A3A4F388D2B749C852585B6005A19A3/$FILE/Remarks%20of%20W%20M%20Shaub%20Jr%20(1).pdf
65. **Trump Organization second-term plan** https://static01.nyt.com/newsgraphics/documenttools/ea6760794c5e7239/0b5172f7-full.pdf
66. **Newmark SEC filing on referral fee** https://www.sec.gov/Archives/edgar/data/1690680/000121390026050004/ea0286565-10ka1_newmark.htm
67. **Washington Post on Fermi** https://www.washingtonpost.com/business/2026/04/28/ai-power-nuclear-rick-perry/
68. **Warren–Dean letter to inspector general** https://www.warren.senate.gov/newsroom/press-releases/warren-dean-democrats-urge-commerce-department-watchdog-to-investigate-lutnick-familys-conflicts-of-interest-impact-on-ai-data-center-decisions/
69. **Financial Times on iFlytek rentals** https://www.ft.com/content/9706c917-6440-4fa9-b588-b18fbc1503b9
70. **The Information on Oracle and ByteDance** https://www.theinformation.com/articles/chinas-nvidia-loophole-how-bytedance-got-the-best-ai-chips-despite-u-s-restrictions
71. **Reuters on Google and Microsoft offerings** https://www.reuters.com/technology/google-microsoft-offer-nvidia-chips-chinese-companies-information-reports-2024-07-17/
72. **Datasection's Australian B300 procurement** https://www.datasection.co.jp/en-financial-report/en-ir-20251211001.pdf
73. **Financial Times on the canceled Oracle contract** https://www.ft.com/content/c5a6a738-cd78-4a8e-a814-57a7473ebb9c
74. **Nvidia July 2026 quarterly filing** https://www.sec.gov/Archives/edgar/data/1045810/000104581026000075/nvda-20260726.htm
75. **President's remarks on the tariff** https://www.govinfo.gov/content/pkg/DCPD-202600023/html/DCPD-202600023.htm
76. **Federal Register H200 licensing rule** https://www.govinfo.gov/app/details/FR-2026-01-15/2026-00789
77. **Financial Times on offshore model training** https://www.ft.com/content/96fe9898-a3a4-4a33-be1d-da06bdb6cb2b
78. **Thailand Board of Investment hosting approval** https://osos.boi.go.th/article_attach/PR14_2568EN.pdf
79. **Nvidia April 2026 quarterly filing** https://www.sec.gov/Archives/edgar/data/1045810/000104581026000052/nvda-20260426.htm
80. **Presidential proclamation on semiconductor imports** https://www.whitehouse.gov/presidential-actions/2026/01/adjusting-imports-of-semiconductors-semiconductor-manufacturing-equipment-and-their-derivative-products-into-the-united-states/
81. **BIS May 31 overseas recipient guidance** https://media.bis.gov/media/documents/bis-guidance-may-31-2026.pdf

Techstrong® | Semi

THE CENTER OF GRAVITY FOR THE SILICON ECONOMY

A TECHSTRONG SPECIAL REPORT · NOVEMBER 2026

PART OF

Futurum MEDIA

© 2026 Techstrong Group, part of Futurum Media. A Techstrong Special Report by Alan Shimel. Published November 15, 2026.