

As Commerce Secretary, Will Howard Lutnick Put US Interests Ahead Of His Firm's Billion Dollar Bet On Nvidia, Which Is Vocally Opposed To New Biden Commerce Dept. Rules Against AI Chip Exports To China?

SUMMARY: President-elect Trump has [picked](#) billionaire Howard Lutnick to be secretary of the U.S. Department of Commerce (DOC), a "[sprawling](#)" cabinet department which oversees patents, the National Weather Service, space satellites, scientific standards, trade restrictions, economic data, and a wide range of other matters.

Lutnick, the chairman and CEO of financial services "[titan](#)" Cantor Fitzgerald, has already been accused of "[mixing his business interests](#)" with the second Trump transition and is likely to pose further conflicts in his role shaping "[a wide range of economic policies](#)" if he is confirmed as Secretary of Commerce.

Although Lutnick has claimed he will divest from his business empire, he is deeply "[entwined](#)" with Cantor Fitzgerald, with dozens of current and former employees and associates telling *Bloomberg* that "[his grip on his various businesses is bolted tight](#)" and "[his knot of conflicts is unlikely to loosen easily](#)." And Lutnick appears poised to keep the business close, with his son [listed](#) as the CEO of Cantor's latest blank-check company in December 2024.

Now, Accountable.US research has found that—despite Lutnick's reputation as a "[China hawk](#)"—Cantor Fitzgerald's vast interests in computer chipmaker Nvidia could pose a serious conflict of interest with Lutnick's potential role enforcing trade restrictions against China as Secretary of Commerce:

- In its most recent quarterly [filing](#), Lutnick's Cantor Fitzgerald reported nearly [\\$1.2 billion](#) in major artificial intelligence chipmaker Nvidia, which was Cantor's [second-biggest holding](#) and comprised nearly [19% of its portfolio](#). In 2024, Nvidia "[dethroned](#)" Apple as the world's most valuable company amid a boom in AI demand, with Super Micro also seeing its stock [surge](#).
- In December 2024, the Biden administration DOC [urged](#) Nvidia to investigate how its AI chips were smuggled to China despite a federal "[crackdown](#)" against exporting advanced chips there due to [national security concerns](#). This followed [revelations](#) earlier in the year that Chinese entities were able to obtain banned Nvidia chips through server products made by [Super Micro Computer](#)—in which Cantor holds over [\\$40 million](#)—and other companies. The DOC responded to these earlier findings by stating that its Bureau of Industry (BIS) was monitoring "[diversions of restricted chips](#)."
- In late 2024 and early 2025, the Biden DOC was preparing a "[dramatic last-minute](#)" rule to block China's "[back door](#)" efforts to obtain U.S. AI chips through smugglers or other countries following a series of other measures to block Chinese access to AI chips and technology. As more details about this rule emerged in January 2025, Nvidia's stock prices dipped and the company responded with a statement claiming the rule "[would threaten economic growth and US leadership](#)."
 - In January 2025, the [bipartisan leadership](#) of the House Select Committee on the Chinese Communist Party urged Commerce Secretary Gina Raimondo to advance the rule, calling it an "[important action](#)" to protect national security. Meanwhile, U.S. chipmakers were "[waging an intense behind-the-scenes campaign](#)" to prevent more restrictions on chip sales.

- Nvidia, which counts on non-trade restricted sales in the Chinese market for about an [eighth of its revenue](#), is expected to be impacted by the new DOC rule. Notably, its Executive Vice President, General Counsel, and Secretary Tim Teter is [on the board](#) of the Semiconductor Industry Association (SIA), with Nvidia serving as an SIA [charter member](#). In January 2025, SIA issued a statement against the DOC's new chip export rule, calling it "[onerous](#)" and urging the Biden administration to hand the rulemaking over to the incoming Trump administration. And, as more details about the export rule developed, SIA stated the rule "[should not be rushed out the door during a period of presidential transition and without meaningful input from industry](#)."
- Meanwhile, Nvidia spent at least [\\$480,000](#) while lobbying on semiconductor trade policy in the first three quarters of 2024 alone, including at least [\\$240,000](#) while directly lobbying the DOC on the matter.

Howard Lutnick, Trump's Billionaire Pick To Lead The U.S. Department Of Commerce (DOC), Could Have A Wide Variety Of Conflicts Of Interest Through His Financial Services "Titan" Cantor Fitzgerald, Which Was Hit With A Multimillion Dollar Fine For "Breaking Disclosure Laws" In December 2024.

Trump's Pick To Lead The "Sprawling" U.S. Department Of Commerce (DOC) Is Billionaire Howard Lutnick, Chairman And CEO Of Financial Services "Titan" Cantor Fitzgerald And An "Outspoken Advocate" Of Trump's Proposed Tariffs.

President-Elect Trump Picked Howard Lutnick, A "Billionaire Financial Services Executive," To Be Secretary Of The U.S. Department Of Commerce—Trump Said Lutnick Would "'Lead'" The Administration's Tariff And Trade Agenda. "President-elect Donald Trump said Tuesday that he will nominate key transition adviser and billionaire financial services executive Howard Lutnick to lead the Commerce Department. 'He will lead our Tariff and Trade agenda, with additional direct responsibility for the Office of the United States Trade Representative,' Trump said in a statement announcing the pick." [NBC News, [11/19/24](#)]

- **Lutnick's Personal Fortune Is Estimated At \$2.2 Billion, With One Source Saying It May Actually Be Twice That Amount.** "Today his personal fortune — most of it tied up in the privately held Cantor Fitzgerald and its related companies — stretches to at least \$2.2 billion, according to the Bloomberg Billionaires Index. A person familiar with his finances says Lutnick in fact might be worth nearly twice that." [Bloomberg, [11/26/24](#)]
- **Lutnick's Luxurious Lifestyle Includes A "Penthouse Atop The Luxurious Pierre Hotel On Fifth Avenue" And A Private Jet, Bought From A Sheikh, "With Christofle Tableware And Floor-To-Ceiling Mirrors In The Restroom."** "His business savvy has bought the trappings of wild success. He owns a penthouse atop the luxurious Pierre hotel on Fifth Avenue, a townhouse on the Upper East Side, a floor-through apartment in Bal Harbour and a mansion in the Hamptons. He flies aboard a private jet with Christofle tableware and floor-to-ceiling mirrors in the restroom. (He has claimed that he bought his previous plane for a song from a sheikh in the Middle East.)" [Bloomberg, [11/26/24](#)]

Lutnick, An "Outspoken Advocate" Of Trump's Proposed Tariffs, Is CEO And Chairman Of Financial Services "Titan" Cantor Fitzgerald. "As co-chair of Trump's transition, Lutnick has been an outspoken advocate for his agenda, including explaining how the president-elect plans to use tariffs once in office. Lutnick

is the CEO and chairman of the financial services titan Cantor Fitzgerald. The Commerce Department will play a key role in executing some of Trump's proposed tariffs on goods imported into the United States." [NBC News, [11/19/24](#)]

- **Lutnick Gave "Full-Throated Support" For Trump's Proposed Tariffs, Including A 60% Tariff On Goods Imported From China And A Tariff Of Up To 20% On All Other Imports.** "Trump on the campaign trail proposed a 60% tariff on goods from China — and a tariff of up to 20% on everything else the United States imports. On the campaign trail, Trump portrayed the taxes on imports as both a negotiating tool to hammer out better trade terms and as a way to generate revenue to fund tax cuts elsewhere. An advocate for imposing wide-ranging tariffs, Lutnick gave full-throated support for Trump's tariffs plan in a CNBC interview in September. 'Tariffs are an amazing tool for the president to use — we need to protect the American worker,' he said." [Associated Press, [11/19/24](#)]

Lutnick Joined Cantor Fitzgerald In 1982 And Became Its President And CEO In 1991. "Joined Cantor Fitzgerald in 1983 and was appointed President and CEO in 1991. Named Chairman in 1996 Chairman and CEO of BGC Partners, Inc. (NASDAQ: BGCP), Executive Chairman of Newmark Group, Inc. (NASDAQ: NMRK) and Chairman and CEO of each SPAC sponsored by Cantor Fitzgerald." [Cantor Fitzgerald, [July 2021](#)]

As Secretary Of Commerce, Lutnick Would "Oversee A Sweeping Federal Bureaucracy That Includes The National Weather Service, The Census Bureau And The Agency Charged With Calculating The Nation's Gross Domestic Product." "As Commerce Secretary, Lutnick would oversee a sweeping federal bureaucracy that includes the National Weather Service, the Census Bureau and the agency charged with calculating the nation's Gross Domestic Product." [NPR, [11/19/24](#)]

If Confirmed, Lutnick Would Oversee Commerce Department Functions Including "Funding New Computer Chip Factories, Imposing Trade Restrictions, Releasing Economic Data And Monitoring The Weather." "The nomination would put Lutnick in charge of a sprawling Cabinet agency that is involved in funding new computer chip factories, imposing trade restrictions, releasing economic data and monitoring the weather." [Associated Press, [11/19/24](#)]

The "Sprawling" Commerce Department "Oversees Everything From The National Weather Service To Space Satellites To Fishing Disputes." "His consolation prize: Commerce. With a staff of roughly 50,000, the sprawling department oversees everything from the National Weather Service to space satellites to fishing disputes. The job comes with a network of dozens of offices in the US and more in embassies around the world." [Bloomberg, [11/26/24](#)]

Lutnick—Co-Chair Of The Trump Transition Who Raised Or Gave \$75 Million To Trump's 2024 Campaign—Has Been Accused Of "Mixing His Business Interests" With The Transition, Which Raised "Questions About How He Is Navigating Federal Conflict-Of-Interest Guidelines," And Drew Complaints From Trump Himself For "Manipulating The Transition Process For His Own Ends."

Lutnick, "The Public Face Of Trump's Transition," Has Been Accused Of "Mixing His Business Interests" With His Duties As The Transition's Co-Chair. "The Cantor Fitzgerald CEO has led and been the public face of Trump's transition." [NBC News, [11/19/24](#)]

- **Lutnick Was Accused Of "Mixing His Business Interests With His Duties Co-Chairing The Organization That Is Piecing Together The New Administration."** "Even before Trump was re-elected, rivals in Trump's circle were accusing Lutnick of mixing his business interests with his duties co-chairing the organization that is piecing together the new administration." [Bloomberg, [11/26/24](#)]

Lutnick Has Continued To Oversee Cantor Fitzgerald While Co-Chairing The Trump Transition, Drawing "Questions About How He Is Navigating Federal Conflict-Of-Interest Guidelines." "Lutnick has continued to oversee them while co-chairing Trump's transition team – an arrangement that has drawn questions about how he is navigating federal conflict-of-interest guidelines." [NPR, [11/19/24](#)]

Lutnick "Has Known Trump For Decades," Hosted Fundraisers For Trump, And Has Served As A Trump Surrogate On TV. "Lutnick has known Trump for decades and has hosted fundraisers for the president-elect and appeared on TV as a surrogate." [Business Insider, [11/16/24](#)]

Trump "Privately Expressed Frustration That Mr. Lutnick Has Been Hanging Around Him Too Much And That He Has Been Manipulating The Transition Process For His Own Ends." "Mr. Lutnick, who has been running Mr. Trump's transition operation, has gotten on Mr. Trump's nerves lately. Mr. Trump has privately expressed frustration that Mr. Lutnick has been hanging around him too much and that he has been manipulating the transition process for his own ends. A person familiar with the process, who spoke on condition of anonymity, described the battle between Mr. Lutnick and Mr. Bessent as a knife fight, with Mr. Lutnick as the primary aggressor." [The New York Times, [11/17/24](#)]

Lutnick Raised Or Donated \$75 Million To Trump's 2024 Campaign. "Lutnick's loyalty to Trump seems unquestionable: He raised or donated \$75 million to Trump's 2024 campaign, and he has publicly declared that appointees must be loyal to Trump." [Quartz, [12/30/24](#)]

If Confirmed As Commerce Secretary, Lutnick Will "Help Shape A Wide Range Of Economic Policies" That Affect Cantor Fitzgerald And Other Businesses—For Example, Lutnick, Who Has Filed Over 1,000 Patents, Would Oversee The DOC's U.S. Patent And Trademark Office.

Lutnick Is Chairman And CEO Of Cantor Fitzgerald, A "Financial Services Titan." "Lutnick is the CEO and chairman of the financial services titan Cantor Fitzgerald." [NBC News, [11/19/24](#)]

If Confirmed, Lutnick Will "Will Help Shape A Wide Range Of Economic Policies" That "Will Affect Every Business In America Including, Not Incidentally, The Cantor Fitzgerald Empire." "If his cabinet nomination is confirmed, the sharp-elbowed financier will help shape a wide range of economic policies, including the promised tariffs that have unsettled financial markets. Those decisions will affect every business in America including, not incidentally, the Cantor Fitzgerald empire." [Bloomberg, [11/26/24](#)]

"Potential Conflicts Are Everywhere" For Lutnick. "For Lutnick, potential conflicts are everywhere." [Bloomberg, [11/26/24](#)]

Lutnick's "Knot Of Conflicts Is Unlikely To Loosen Easily," According To Former Employees And Business Associates. "Interviews with nearly two dozen current and former employees and associates paint a picture of an executive whose grip on his various businesses is bolted tight. His knot of conflicts is unlikely to loosen easily." [Bloomberg, [11/26/24](#)]

For Example, Lutnick, Who Has Filed Over 1,000 Patents, Would Oversee The U.S. Patent And Trademark Office If Confirmed. "Even the US Patent and Trademark Office, another item in the Commerce portfolio, intersects with his business life. Over the years Lutnick has filed more than 1,000 patents. Some of them touch on octane fuel analysis, others on block trading systems. And still others involve card games and systems for blackjack and roulette. Those are leftovers from Cantor Gaming, an ill-fated Las Vegas gambling venture." [Bloomberg, [11/26/24](#)]

Although Lutnick Has Claimed He Will Divest From His Business Empire, He Is Personally "Entwined" With Cantor And Appears Poised To Keep His Business In The Family, With Lutnick's Son Newly Listed As CEO Of A Cantor Blank-Check Company In December 2024.

Lutnick's Cantor Fitzgerald Controls Two Publicly-Traded Companies: Brokerage BGC Group Inc. And Real Estate Company Newmark Group Inc.—Although Lutnick Is Personally "Entwined" With Cantor, He Claimed He Would Divest From These Companies.

Lutnick Owns The Majority Of Cantor Fitzgerald, Which Is Privately Held But Controls Two Publicly-Traded Companies. "Lutnick calls his small empire 'the biggest little guy' in finance. He owns the majority of privately held Cantor Fitzgerald, which controls three companies, two of which are publicly traded." [The Wall Street Journal, [12/01/24](#)]

- **The Third, Private Company Held By Cantor Fitzgerald "Offers Investment-Banking Services And Is A Top Adviser To SPACs [Special Purpose Acquisition Companies]," Which Are Shell Companies Created To Take Private Firms Public Through Mergers.** "A third private company held by Cantor offers investment-banking services and is a top adviser to SPACs. A SPAC is a publicly listed shell company created to take a private firm public through a merger. SPACs raise money from professional investors and wealthy individuals. Once they start trading publicly, anyone can buy shares before or after the merger." [The Wall Street Journal, [12/01/24](#)]

Lutnick Claimed He Would Step Down From Cantor Fitzgerald, BGC Group Inc. and Newmark Group Inc. And Would Divest Interests From His Firms. "Howard Lutnick, who holds a majority stake in Cantor Fitzgerald, has said he will step down from three businesses it controls — Cantor, BGC Group Inc. and Newmark Group Inc. — as well as divest interests in his firms to comply with government ethics rules. He hasn't yet named a successor to lead Cantor or the parent company." [Bloomberg, [12/18/24](#)]

Lutnick Claimed He Would Divest From Cantor's Two Publicly-Traded Companies, Brokerage BGC Group Inc. And Real Estate Company Newmark Group Inc. "He's said he'll divest his interests in his two public companies, BGC Group Inc. and Newmark Group Inc., but he hasn't said how, beyond that he doesn't plan to sell his stock on the open market. Some associates speculate he might place at least some of his interests into a so-called blind trust. Others say ethics rules will prevent that." [Bloomberg, [11/26/24](#)]

- **BGC Group Inc. Claims To Be "A Leading Global Marketplace, Data, And Financial Technology Services Company For A Broad Range Of Products, Including Fixed Income, Foreign Exchange, Energy, Commodities, Shipping, [And] Equities."** "BGC Group, Inc. (Nasdaq: BGC) is a leading global marketplace, data, and financial technology services company for a broad range of products, including fixed income, foreign exchange, energy, commodities, shipping, equities, and now includes the FMX Futures Exchange. BGC's clients are many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, and investment firms." [PR Newswire, [11/21/24](#)]
- **Newmark Group Inc. Claimed To Be "A World Leader In Commercial Real Estate," Generating \$2.6 Billion In Revenue In The Twelve Months Ended September 30, 2024.** "Newmark Group, Inc. (Nasdaq: NMRK), together with its subsidiaries ('Newmark'), is a world leader in commercial real estate, seamlessly powering every phase of the property life cycle. [...] For the twelve months ended September 30, 2024, Newmark generated revenues of approximately \$2.6 billion. As of that same date, Newmark's company-owned offices, together with its business partners, operated from nearly 170 offices with more than 7,800 professionals around the world." [Newmark, accessed [12/09/24](#)]

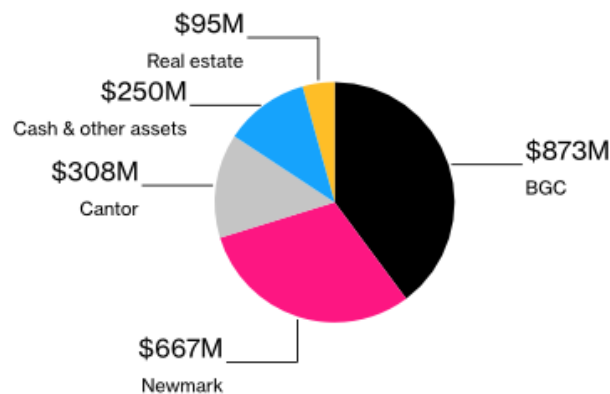
Lutnick's And Cantor Fitzgerald's Interests In Bonds, Mergers, Real Estate, And Cryptocurrency Are "So Entwined That It Can Be Difficult To Know Precisely Where One Ends And The Other Begins."

"Bonds, M&A, real estate, crypto: The varied interests of Lutnick and Cantor, man and firm, are so entwined that it can be difficult to know precisely where one ends and the other begins." [Bloomberg, [11/26/24](#)]

In 2023, Lutnick Earned \$37 Million From Cantor Fitzgerald's Publicly-Traded Companies—More Than What JPMorgan Chase's Jamie Dimon Earned. "His holdings of the publicly traded stock of those two firms are alone worth \$2 billion. Those companies paid Lutnick \$37 million last year, more than what Jamie Dimon earned for running the much larger JPMorgan Chase." [The Wall Street Journal, [12/01/24](#)]

Howard Lutnick's Fortune

Stakes in BGC and Newmark are the bulk of his worth, calculated at \$2.2 billion by the Bloomberg Billionaires Index



Source: Bloomberg Billionaires Index, Nov. 26, 2024.

Note: A person familiar with his wealth estimates the total value of his assets is closer to \$4 billion.

[Bloomberg, [11/26/24](#)]

Cantor Fitzgerald Has A Cryptocurrency Operation. "Today, Cantor has several businesses, including a cryptocurrency operation. Lutnick has continued to oversee them while co-chairing Trump's transition team – an arrangement that has drawn questions about how he is navigating federal conflict-of-interest guidelines." [NPR, [11/19/24](#)]

December 2024: Howard Lutnick's 26-Year Old Son, Who Previously Was Involved In Lutnick's Businesses, Was Listed As CEO Of Cantor Fitzgerald's Most Recently-Created Blank-Check Company, Cantor Equity Partners I Inc.

December 2024: Howard Lutnick's 26-Year Old Son, Brandon Lutnick, Was Listed As CEO Of Cantor Fitzgerald's Most-Recently Created Blank-Check Company, Cantor Equity Partners I Inc. "Donald Trump's commerce secretary nominee, Howard Lutnick, is taking a key step back from running his financial group, handing off leadership of one of his blank-check companies to his 26-year-old son. Brandon Lutnick, a trader at his father's Cantor Fitzgerald LP, has been listed as CEO at its most recently created SPAC, Cantor Equity Partners I Inc., according to a filing Wednesday." [Bloomberg, [12/18/24](#)]

- **Headline: Howard Lutnick's Son Takes CEO Role at Cantor Fitzgerald SPAC** [Bloomberg, [12/18/24](#)]

Brandon Lutnick Previously "Helped Carry Out His Father's Business Agenda," Including Working For Large Cantor Fitzgerald Client Tether Holdings Ltd., A Major Cryptocurrency Company. "A graduate of Stanford University, Brandon has already helped carry out his father's business agenda, including a spell working in Switzerland for a large client, cryptocurrency firm Tether Holdings Ltd." [Bloomberg, [12/18/24](#)]

- **Cantor Fitzgerald's Interest In Tether, Reportedly A 5% Ownership Stake, Was Estimated At About \$600 Million.** "Cantor's relationship with Tether deepened when the trading firm struck a deal to invest in the crypto giant, Lutnick and Devasini have each told business associates. Under the agreement, which was made in the past year, Cantor stood to receive about a 5% ownership interest in Tether. The interest, which hasn't been previously reported, was valued by Cantor at as much as \$600 million, according to some of the business associates." [The Wall Street Journal, [11/23/24](#)]

In Its Most Recent Quarterly Filing, Lutnick’s Cantor Fitzgerald Reported Nearly \$1.2 Billion In Major Artificial Intelligence Chipmaker Nvidia, Its Second-Biggest Holding Which Comprised Nearly 19% Of Its Portfolio—Cantor Also Reported Over \$40 Million In Super Micro Computer Inc., Which Makes Servers Using Nvidia AI Chips.

In Its Most Recent Quarterly Securities And Exchange Commission (SEC) Filing, Cantor Fitzgerald L.P. Reported Holding Over \$1.19 Billion In Nvidia Investments, Which Was Its Second-Biggest Holding And Comprised Nearly 19% Of Its Portfolio—Nvidia Became The World’s Most Valuable Company In October 2024 Due To Demand For Its Artificial Intelligence Chips.

According To Its Most Recent Quarterly Report To The Securities And Exchange Commission, Cantor Fitzgerald L.P. Held Over \$1.19 Billion In Nvidia As Of September 30, 2024:

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (to the nearest dollar)
	[...]		
NVIDIA CORPORATION	COM	67066G104	418,230,131
NVIDIA CORPORATION	COM	67066G104	5,343,239
NVIDIA CORPORATION	COM	67066G104	9,771,305
NVIDIA CORPORATION	CALL	67066G904	94,553,184
NVIDIA CORPORATION	PUT	67066G954	664,252,512

[Cantor Fitzgerald, L.P. SEC Form 13F Information Table, [11/14/24](#)]

- **This Disclosure, Reporting For September 30, 2024, Was Filed On November 14, 2024:**

Form & File	Filed	Reporting for	Filing entity/person
13F-HR (Institutional investment manager holdings report) INFORMATION TABLE	2024-11-14	2024-09-30	CANTOR FITZGERALD, L. P.

[Securities and Exchange Commission, accessed [01/07/24](#)]

For The Same Reporting Period, Nvidia Was Cantor Fitzgerald L.P.’s Second-Biggest Holding, Comprising Nearly 19% Of Its Portfolio. “This form was filed on 2024-11-14 for the reporting period 2024-09-30.” [Fintel, accessed [01/07/25](#)]

Security	Type	Avg Share Price	Shares (MM)	ΔShares (%)	ΔShares (%)	Value (\$MM)	Portfolio (%)	ΔPortfolio (%)
SPY / SPDR S&P 500 ETF Trust	Put		1.24	147.00	708.59	475,465.77	20.0482	20.0187
NVDA / NVIDIA Corporation	Put		5.47	1,267.45	664.25		18.7937	18.7937

[Fintel, accessed [01/07/25](#)]

October 2024: Nvidia “Dethroned” Apple As The World’s Most Valuable Company After A “Record-Setting Rally” In Its Stock Due To “Insatiable Demand For Its Specialized Artificial Intelligence Chips.” “Nvidia dethroned Apple, as the world’s most valuable company on Friday following a record-setting rally in the stock, powered by insatiable demand for its specialized artificial intelligence chips.” [Reuters, [10/25/24](#)]

Cantor Fitzgerald L.P. Also Held Over \$40 Million In Super Micro Computer Inc., Which Makes Servers Using Nvidia AI Chips And Saw Its Value Surge Amid AI Technology Demand In 2024.

According To Its Most Recent Quarterly Report To The Securities And Exchange Commission, Cantor Fitzgerald L.P. Held Over \$40 Million In Super Micro Computer Inc. As Of September 30, 2024:

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (to the nearest dollar)
	[...]		
SUPER MICRO COMPUTER INC	COM	86800U104	19,073,618
SUPER MICRO COMPUTER INC	PUT	86800U954	21,319,680

[Cantor Fitzgerald, L.P. SEC Form 13F Information Table, [11/14/24](#)]

Super Micro Computer, Which Makes Servers With Artificial Intelligence Chips From Nvidia, Saw Its Stock Surge In 2024 Due To A “Boom” In AI Technology Demand. “Super Micro Computer said on Monday it is currently shipping more than 100,000 graphics processors per quarter and unveiled a new suite of liquid cooling products, sending the AI server maker’s shares up about 14% following a weeks-long slump. A boom in generative artificial intelligence technology has bumped up demand for the hardware required to process the large amounts of data genAI uses, helping Super Micro, which makes servers featuring leading AI chips including Nvidia’s.” [Reuters, [10/07/24](#)]

In December 2024, The Biden Commerce Department Urged Nvidia To Investigate How Its Advanced AI Chips Were Smuggled To China Despite A Federal “Crackdown” Against Exporting AI Chips There—Earlier In 2024, Reuters Found Chinese Entities Were Able To Obtain Nvidia’s AI Chips Through Server Products Made By Super Micro Computer And Other Server Firms.

December 2024: The U.S. Department Of Commerce Urged Nvidia To Investigate How Its Advanced Artificial Intelligence (AI) Chips Ended Up In China, Reportedly Due To Smuggling, Despite A Biden Administration “Crackdown” On AI Chip Exports To China.

December 2024: The U.S. Department Of Commerce Asked Nvidia To Investigate How Its Artificial Intelligence (AI) Chips Ended Up In China, With Nvidia Asking Distributors Super Micro Computer And Dell Technologies—Which Use Nvidia Chips In Their Server Products—To Probe Their Customers In Southeast Asia. “The U.S. Department of Commerce has recently asked Nvidia to look into how the company's products ended up in China over the past year, The Information reported on Thursday, citing a person close to the department. The chip giant has asked big distributors such as Super Micro Computer and Dell Technologies to conduct spot checks of their customers in Southeast Asia, the report said. Nvidia's artificial intelligence chips are embedded in server products made by Super Micro and Dell.” [Reuters, [12/19/24](#)]

- **Headline: US prompts Nvidia probe into how chips ended up in China, The Information reports** [Reuters, [12/19/24](#)]

Chinese Universities And Research Institutes Were Able To Procure Advanced Nvidia Chips Despite A Biden Administration “Crackdown” On Exporting High-End Artificial Intelligence Chips To China. “The Joe Biden administration has doubled down on its chip crackdown in China. The U.S. broadened a ban on the sale of high-end AI chips to the country last year. Still, several Chinese universities and research institutes procured these Nvidia chips via resellers, a Reuters review of tender documents showed earlier in 2024.” [Reuters, [12/19/24](#)]

Multiple Individuals Involved In Smuggling Nvidia Chips Said They Were Able To Avoid Detection By Super Micro Computer. “The Information reported that five different people involved in smuggling Nvidia chips said they have managed so far to evade detection during recent inspections by Super Micro.” [Reuters, [12/19/24](#)]

April 2024: Reuters Found That Chinese Entities Were Able To Obtain Advanced Nvidia Chips—Largely Through Chips Installed In Server Products Made By Super Micro, Dell, And Gigabyte Technology—Despite U.S. Prohibitions Against Selling Certain Technology To China...

April 2024: Reuters Reported That Chinese Entities Were Able To Obtain High-End Nvidia Chips “Despite The U.S. Widening A Ban [In 2023] On The Sale Of Technology To China.” “Chinese universities and research institutes recently obtained high-end Nvidia artificial intelligence chips through resellers, despite the U.S. widening a ban last year on the sale of such technology to China.” [Reuters, [04/23/24](#)]

Reuters Found That 10 Chinese Entities Acquired Nvidia Chips That Were Installed In Server Products By Super Micro, Dell, And Gigabyte Technology Co. Ltd. Despite The U.S.’s November 2023 Expansion Of Restrictions On Chip Exports. “A Reuters review of hundreds of tender documents shows 10 Chinese entities acquired advanced Nvidia chips embedded in server products made by Super Micro Computer Inc. Dell Technologies Inc. and Taiwan's Gigabyte Technology Co Ltd after the U.S. on Nov. 17 expanded the embargo to subject more chips and countries to licensing rules.” [Reuters, [04/23/24](#)]

The Server Products Had “Some Of Nvidia's Most Advanced Chips,” In Violation Of U.S. Restrictions Against Nvidia And Its Partners Selling Advanced Chips To China. “Specifically, the servers contained some of Nvidia's most advanced chips, according to the previously unreported tenders fulfilled between Nov.

20 and Feb. 28. While the U.S. bars Nvidia and its partners from selling advanced chips to China, including via third parties, the sale and purchase of the chips are not illegal in China.” [Reuters, [04/23/24](#)]

...The DOC Did Not Comment On Reuters’ Findings, But It Stated That Its Bureau Of Industry (BIS) “Monitored Diversions Of Restricted Chips.”

The U.S. Department Of Commerce Did Not Comment On The Matter, But It Stated That Its Bureau Of Industry (BIS) “Monitored Diversions Of Restricted Chips, Conducted End-Use Checks And Examined Potential Breaches.” “The U.S. Commerce Department told Reuters it could not comment on any potential ongoing investigations, but said its Bureau of Industry and Security monitored diversions of restricted chips, conducted end-use checks and examined potential breaches.” [Reuters, [04/23/24](#)]

In Late 2024 And Early 2025, The Biden DOC Was Preparing A “Dramatic Last-Minute” Rule To Block China’s “Back Door” Efforts To Obtain U.S. AI Chips—The Bipartisan Leadership Of The House Select Committee On The Chinese Communist Party Praised The “Important Action” And Urged Commerce Sec. Gina Raimondo To Advance The Rule.

December 2024: The Biden DOC BIS Was Preparing A “Dramatic Last-Minute” Rule—Titled “Export Control Framework for AI Diffusion”—To Close China’s “Back Door” Efforts To Obtain AI Chips Through Smugglers Or Other Countries.

December 2024: In Order To Protect National Security, The Biden Administration Was Preparing Rules To Restrict The Sales Of Advanced AI Chips In Certain Regions, Following A Series Of Measures To Block Chinese Access To AI Chips And Related Technology. “The U.S. is preparing rules that would restrict the sale of advanced artificial-intelligence chips in certain parts of the world in an attempt to limit China’s ability to access them, according to people familiar with the matter. The rules are aimed at China, but they threaten to create conflict between the U.S. and nations that may not want their purchases of chips micromanaged from Washington.” [The Wall Street Journal, [12/13/24](#)]

- **Beginning In October 2022, The Biden Administration Took A Series Of Measures Trying To Block Chinese Access To Advanced AI Chips In Order To “Prevent China From Using AI To Advance Its Military And Surveillance Capabilities.”** “In a series of measures dating to October 2022 and updated this month, the Biden administration has tried to block Chinese access to the most-advanced chips as well as chip-making equipment and other technology. It says the goal is to prevent China from using AI to advance its military and surveillance capabilities.” [The Wall Street Journal, [12/13/24](#)]
- **AI Is Seen As A National Security Threat Because “It Can Augment Weapons Capabilities.”** “AI is increasingly seen through a national security lens by policymakers, partly because it can augment weapons capabilities.” [The Wall Street Journal, [12/13/24](#)]

The Potential Rules Were Seen As “Dramatic Last-Minute Steps” In The “AI Arms Race With China,” And An Effort To Close A “Back Door” Vulnerable To Smugglers. “The Biden administration is readying dramatic last-minute steps to preserve a crucial advantage in its AI arms race with China: supply of the world’s most advanced chips. [...] Biden has already imposed limitations on the advanced chips that companies like Nvidia can export to China, but there are concerns that Chinese firms are able to buy or access them in other countries or from smugglers. There’s a thriving black market for Nvidia chips in China. The new order would attempt to close that back door. It could also further divide the world along technological lines, with some countries likely getting unfettered access to U.S. tech and others facing limitations.” [Axios, [12/18/24](#)]

The U.S. Department Of Commerce Had Already Banned Chinese Companies From Buying Advanced Artificial Intelligence Chips Without A License, But New Restrictions On AI Purchases Were Expected To Apply To Southeast Asia And The Middle East. “Chinese companies are banned from purchasing advanced AI chips without a license from the Commerce Department. The purchasing caps primarily apply to regions such as Southeast Asia and the Middle East, the people said. The rules cover cutting-edge processors known as GPUs, or graphic processing units, which are used to train and run large-scale AI models.” [The Wall Street Journal, [12/13/24](#)]

The New Rule—Titled “Export Control Framework for AI Diffusion”—Was Intended To Block China’s Access To Advanced Computing Power In Other Countries. “The regulations are aimed at halting China’s access to computing power housed in other countries, some of the people said. The rule, titled Export Control Framework for AI Diffusion, was submitted to the Regulatory Information Service Center on Monday, according to the center’s website. The website doesn’t detail the rule.” [The Wall Street Journal, [12/13/24](#)]

The DOC’s BIS Was Preparing The Rule, According To The Leaders Of The House Select Committee On The Chinese Communist Party (CCP), Chairman John Moolenaar (R-MI) And Ranking Member Raja Krishnamoorthi (D-IL) “It is our understanding that the Bureau of Industry and Security (BIS) is close to publishing a new ‘Export Control Framework for AI Diffusion’ that would create a global licensing regime for the export of advanced GPUs and the model weights of closed-weight dual-use AI models. It is well known that the PRC uses illicit methods and loopholes to maintain access to U.S. GPUs, including by using foreign subsidiaries and accessing remote cloud computing services located outside of the PRC.¹ As such, we strongly believe the United States needs a global answer to the PRC’s global circumvention efforts.” [The Select Committee on the CCP, [01/02/25](#)]

January 2025: As More Details About New Export Restrictions Emerged, Nvidia’s Stock Prices Dipped And The Company Responded With A Statement Claiming The “Last-Minute Rule” Would “Not Reduce The Risk Of Misuse But Would Threaten Economic Growth And US Leadership.”

January 2025: More Details About The Biden Administration’s AI Chip Export Restrictions Emerged, With An Expected “Three Tiers Of Chip Curbs” For Different Countries. “President Joe Biden’s administration plans one additional round of restrictions on the export of artificial intelligence chips from the likes of Nvidia Corp. just days before leaving office, a final push in his effort to keep advanced technologies out of the hands of China and Russia. The US wants to curb the sale of AI chips used in data centers on both a country and company basis, with the goal of concentrating AI development in friendly nations and getting businesses around the world to align with American standards, according to people familiar with the matter. The result would be an expansion of semiconductor trade restrictions to most of the world — an attempt to control the spread of AI technology at a time of soaring demand. The regulations, which could be issued as soon as Friday, would create three tiers of chip curbs, said the people, who asked not to be identified because the discussions are private.” [Bloomberg, [01/08/25](#)]

- **The New Restrictions “Build On Years Of Curbs That Already Limit The Ability Of American Chipmakers Like Nvidia And AMD To Sell Advanced Processors In China And Russia.”** “The measures build on years of curbs that already limit the ability of American chipmakers like Nvidia and AMD to sell advanced processors in China and Russia.” [Bloomberg, [01/08/25](#)]
- **Headline: Biden to Further Limit Nvidia AI Chip Exports in Final Push** [Bloomberg, [01/08/25](#)]

Nvidia’s Stock Price Dipped With News Of The Expected Announcement Of The Rules, Following “Stratospheric Gains In 2023 And 2024.” “Shares of Nvidia, the leading maker of AI chips, dipped more than 1% in late trading after Bloomberg reported on the plan. They had been up 4.3% this year through the close,

following stratospheric gains in 2023 and 2024 that turned the company into the world's most valuable chipmaker." [Bloomberg, [01/08/25](#)]

Nvidia Responded To The News, Claiming, “A Last-Minute Rule Restricting Exports To Most Of The World Would Be A Major Shift In Policy That Would Not Reduce The Risk Of Misuse But Would Threaten Economic Growth And US Leadership.” “Nvidia objected to the proposal in a statement. ‘A last-minute rule restricting exports to most of the world would be a major shift in policy that would not reduce the risk of misuse but would threaten economic growth and US leadership,’ Nvidia said. ‘The worldwide interest in accelerated computing for everyday applications is a tremendous opportunity for the US to cultivate, promoting the economy and adding US jobs.’” [Bloomberg, [01/08/25](#)]

January 2025: The Republican Chair And Democratic Ranking Member Of The House Select Committee On The Chinese Communist Party (CCP) Wrote A Letter To Commerce Secretary Gina Raimondo Urging Her To Advance BIS’s “Export Control Framework For AI Diffusion” Rule, Calling It An “Important Action.”

January 2025: The Leaders Of The House Select Committee On The Chinese Communist Party (CCP)—Chairman John Moolenaar (R-MI) And Ranking Member Raja Krishnamoorthi (D-IL)—Called On Commerce Secretary Gina Raimondo To “Impose Strict Redlines” In The “Export Control Framework For AI Diffusion” Rule. “On January 2, Chairman John Moolenaar (R-MI) and Ranking Member Raja Krishnamoorthi (D-IL) of the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party urged Secretary of Commerce Gina Raimondo to impose strict redlines in a soon to be published ‘Export Control Framework for AI Diffusion.’ This framework would establish the protocols in which high-end U.S. technology used in Artificial Intelligence can be exported abroad.” [The Select Committee on the CCP, [01/06/25](#)]

- **Reps. Moolenaar And Krishnamoorthi Supported The Rule And “Offered Specific Recommendations To Ensure These Controls Keep Critical And Sensitive AI Technology Out Of The Chinese Communist Party’s Hands.”** “Chairman Moolenaar and Ranking Member Krishnamoorthi support the Export Control Framework for AI Diffusion, and offered specific recommendations to ensure these controls keep critical and sensitive AI technology out of the Chinese Communist Party’s hands – which they leverage to build the People’s Liberation Army, hack the United States, and oppress Chinese citizens.” [The Select Committee on the CCP, [01/06/25](#)]

Reps. Moolenaar And Krishnamoorthi, Who Noted That The DOC’s BIS Was Preparing The Rule, Wrote To Sec. Raimondo, “It Is Well Known That The PRC Uses Illicit Methods And Loopholes To Maintain Access To U.S. GPUs, Including By Using Foreign Subsidiaries And Accessing Remote Cloud Computing Services Located Outside Of The PRC.” “It is our understanding that the Bureau of Industry and Security (BIS) is close to publishing a new ‘Export Control Framework for AI Diffusion’ that would create a global licensing regime for the export of advanced GPUs and the model weights of closed-weight dual-use AI models. It is well known that the PRC uses illicit methods and loopholes to maintain access to U.S. GPUs, including by using foreign subsidiaries and accessing remote cloud computing services located outside of the PRC.¹ As such, we strongly believe the United States needs a global answer to the PRC’s global circumvention efforts.” [The Select Committee on the CCP, [01/02/25](#)]

- **Reps. Moolenaar And Krishnamoorthi Told Sec. Raimondo, “We Strongly Encourage You To Move Forward With This Important Action.”** [The Select Committee on the CCP, [01/02/25](#)]

Nvidia, Which Counts On China For About An Eighth Of Its Revenue, Was Expected To Be Impacted By The BIS Rule, While U.S. Chipmakers Were “Waging An Intense Behind-The-Scenes Campaign To Prevent More Restrictions” On Chip Sales.

Nvidia Has Developed AI Chips For The Chinese Market That Comply With Existing U.S. Trade Restrictions And China “Accounts For About One-Eighth Of Its Revenue.” “Nvidia has developed AI chips for the Chinese market that comply with earlier U.S. restrictions, and China still accounts for about one-eighth of its revenue.” [The Wall Street Journal, [12/13/24](#)]

The New Rule Could Impact Nvidia, With A Spokesperson Saying, “While We Do Not Comment On Unpublished Rules, We Are Ready To Provide The Government With Any Information It Requires.” “Any cap on shipments to projects in countries outside of China could have an impact on Nvidia, depending on how the final rule is worded. ‘While we do not comment on unpublished rules, we are ready to provide the government with any information it requires,’ Nvidia said. Advanced computing drives innovation and strengthens economies worldwide, it said.” [The Wall Street Journal, [12/13/24](#)]

U.S. Chipmakers And Technology Firms Were “Waging An Intense Behind-The-Scenes Campaign To Prevent More Restrictions.” “Details of the rule, which is pending regulatory review, according to OMB's website, haven't been made public. But U.S. chipmakers and tech firms have been waging an intense behind-the-scenes campaign to prevent more restrictions.” [Axios, [12/18/24](#)]

Nvidia’s General Counsel Sits On The Board Of The Semiconductor Industry Association (SIA) And Nvidia Is A Charter Member Of The Group—In January 2025, SIA Called The Biden DOC’s AI Export Rule “Onerous” And Urged The Administration To Hand The Rulemaking To The Incoming Trump Administration.

Nvidia Executive Vice President, General Counsel, And Secretary Tim Teter Is On The Board Of The Semiconductor Industry Association (SIA) And The Company Is A Charter Member Of The Group.

Nvidia Executive Vice President, General Counsel, And Secretary Tim Teter Is On The Board Of Directors For The Semiconductor Industry Association (SIA):



Tim Teter

Executive Vice President,
General Counsel & Secretary
NVIDIA

[Semiconductor Industry Association, accessed [01/07/25](#)]

- **SIA Claims To Be “The Voice of the U.S. Semiconductor Industry”** [Semiconductor Industry Association, accessed [01/08/25](#)]

Nvidia Is A Charter Member Of SIA:

Charter Members

[...]



[Semiconductor Industry Association, accessed [01/07/25](#)]

January 2025: SIA Issued A Statement Opposed To The Export Control Framework For AI Diffusion Rule, Calling It “Onerous” And Urging The Biden Administration To Hand Over The Rulemaking Process To The Incoming Trump Administration.

January 2025: The Semiconductor Industry Association (SIA) Issued A Statement On The Biden Administration’s Planned “Export Control Framework For Artificial Intelligence Diffusion” Rule, Claiming It Could “Impose Onerous Licensing Requirements On U.S. Exports Of Advanced Integrated Circuits.” “The Semiconductor Industry Association (SIA) today released the following statement regarding the Biden Administration’s plan to publish an interim final rule titled ‘Export Control Framework for Artificial Intelligence Diffusion.’ This potential regulatory action is anticipated to place global restrictions and impose onerous licensing requirements on U.S. exports of advanced integrated circuits.” [Semiconductor Industry Association, [01/06/25](#)]

SIA Said It And Its Member Companies Were “Deeply Concerned By The Unprecedented Scope And Complexity Of This Potential Regulation, Which Was Developed Without Industry Input.” ““SIA and our member companies share the U.S. government’s commitment to safeguarding national security. We are, however, deeply concerned by the unprecedented scope and complexity of this potential regulation, which was developed without industry input and could significantly undercut U.S. leadership and competitiveness in semiconductor technology and advanced AI systems.” [Semiconductor Industry Association, [01/06/25](#)]

SIA Suggested That The Biden Administration “Hand Over The Policymaking Process To The Incoming Trump Administration To Ensure There Is Appropriate Opportunity For Government And Industry Leaders, Together With Our Global Partners, To Thoughtfully Address This Critical Matter.” ““We respectfully caution against making such a swift and significant shift in policy during this transitional period, and without meaningful consultation with industry. In the absence of such consultation, we urge the Administration to issue a proposed rule, or hand over the policymaking process to the incoming Trump Administration to ensure there is appropriate opportunity for government and industry leaders, together with our global partners, to thoughtfully address this critical matter.” [Semiconductor Industry Association, [01/06/25](#)]

January 2025: As More Details About The Export Restrictions Emerged, SIA Stated The Rule “Should Not Be Rushed Out The Door During A Period Of Presidential Transition And Without Meaningful Input From Industry.”

January 2025: More Details About The Biden Administration’s AI Chip Export Restrictions Emerged, With An Expected “Three Tiers Of Chip Curbs” For Different Countries. “President Joe Biden’s administration plans one additional round of restrictions on the export of artificial intelligence chips from the likes of Nvidia Corp. just days before leaving office, a final push in his effort to keep advanced technologies out of the hands of China and Russia. The US wants to curb the sale of AI chips used in data centers on both a country and company basis, with the goal of concentrating AI development in friendly nations and getting businesses around the world to align with American standards, according to people familiar with the matter. The result would be an expansion of semiconductor trade restrictions to most of the world — an attempt to control the spread of AI technology at a time of soaring demand. The regulations, which could be issued as soon as Friday, would create three tiers of chip curbs, said the people, who asked not to be identified because the discussions are private.” [Bloomberg, [01/08/25](#)]

The SIA Joined Nvidia In Opposing The Restrictions, Stating, ““A Policy Change Of This Scope And Significance Should Not Be Rushed Out The Door During A Period Of Presidential Transition And Without Meaningful Input From Industry.” “Like Nvidia, the Semiconductor Industry Association trade group opposes the move. ‘A policy change of this scope and significance should not be rushed out the door during a period of presidential transition and without meaningful input from industry,’ the association said in a statement. ‘Too much is at stake here to circumvent a deliberative process. Our country needs to get this right so we can compete and win globally.’” [Bloomberg, [01/08/25](#)]

In 2024, Nvidia Spent \$480,000 While Lobbying Congress And The DOC On Chip Trade Policy.

In 2024 Alone, Nvidia Spent \$480,000 While Lobbying Congress And The DOC On Semiconductor Trade Policy And Other Issues.

In 2024 Alone, Nvidia Spent \$480,000 While Lobbying On Semiconductor Trade Policy—including \$240,000 Spent While Lobbying The Commerce Dept.—Among Other Issues:

Registrant Name	Client Name	Report Type	Filing Year	Amount Reported	Entities Lobbied	Relevant Issue(s)
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Tiber Creek Group	Nvidia Corporation	3rd Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives, Commerce - Dept of (DOC)	Issues related to international trade in the semiconductor industry.
The Nickles Group, LLC	Nvidia Corporation	3rd Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives	H.R. 8315, Enhancing National Frameworks for Overseas Restriction of Critical Exports Act and issues related to semiconductor trade policy.
The Nickles Group, LLC	Nvidia Corporation	2nd Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives	H.R. 8315, Enhancing National Frameworks for Overseas Restriction of Critical Exports Act and issues related to semiconductor trade policy.
Tiber Creek Group	Nvidia Corporation	2nd Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives, Commerce - Dept of (DOC)	Issues related to international trade in the semiconductor industry.
The Nickles Group, LLC	Nvidia Corporation	1st Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives	Issues related to semiconductor trade policy.
Tiber Creek Group	Nvidia Corporation	1st Quarter - Report	2024	\$80,000	U.S. Senate, U.S. House Of Representatives, Commerce - Dept of (DOC)	Issues related to international trade in the semiconductor industry.
			Total:	\$480,000		