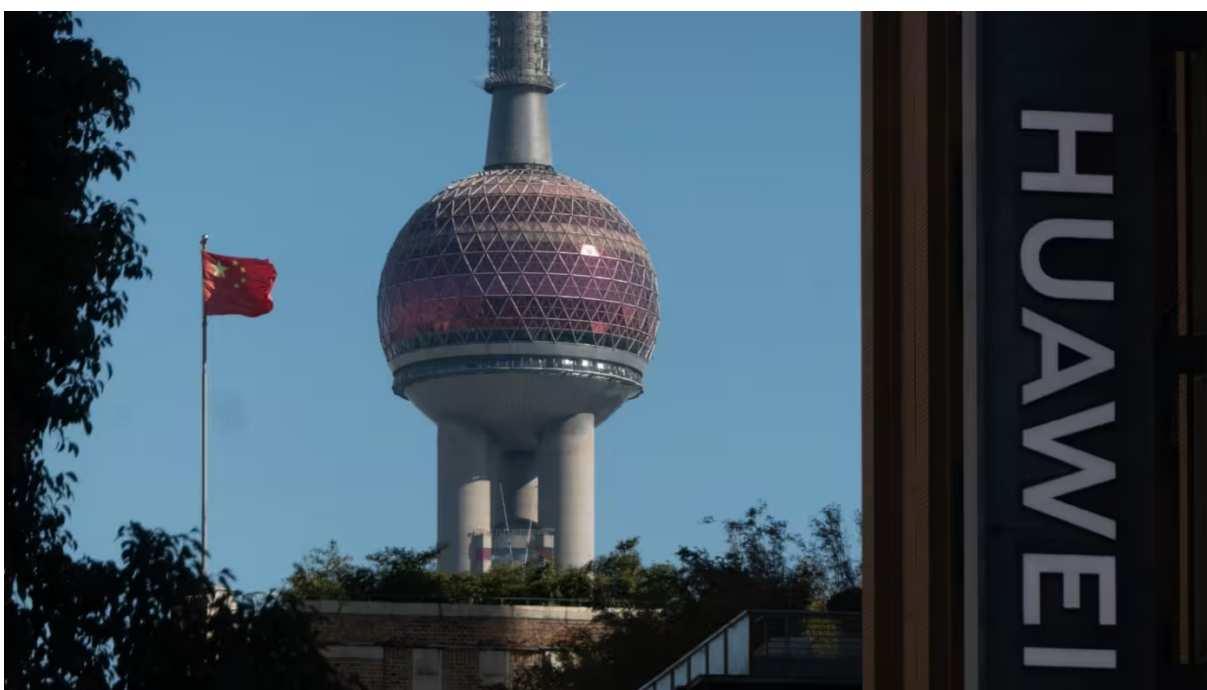


Huawei Technologies

US warns against using Huawei chips 'anywhere in the world'

Commerce department guidance aims to toughen export controls on tech used by China to make AI processors



Huawei's Ascend range of chips is becoming more competitive in China with Nvidia's artificial intelligence products
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Demetri Sevastopulo in Washington, **Zijing Wu** in Hong Kong and **Ryan McMorro** in Beijing

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President Donald Trump's administration has taken a tougher stance on Chinese technology advances, warning companies around the world that using artificial intelligence chips made by Huawei could trigger criminal penalties for violating US export controls.

The commerce department issued guidance to clarify that Huawei's [Ascend processors](#) were subject to export controls because they almost certainly contained, or were made with, US technology.

Its Bureau of Industry and Security, which oversees export controls, said on Tuesday it was taking a more stringent approach to foreign AI chips, including "issuing guidance that using Huawei Ascend chips anywhere in the world violates US export controls".

But people familiar with the matter stressed that the bureau had not issued a new

rule, but was making it clear to companies that Huawei chips are likely to have violated a measure that requires hard-to-get licences to export US technology to the Chinese company.

“The guidance is not a new control, but rather a public confirmation of an interpretation that even the mere use anywhere by anyone of a Huawei-designed advanced computing [integrated circuit] would violate export control rules,” said Kevin Wolf, a veteran export control lawyer at Akin Gump.

The bureau said three Huawei Ascend chips — the 910B, 910C and 910D — were subject to the regulations, noting that such chips are likely to have been “designed with certain US software or technology or produced with semiconductor manufacturing equipment that is the direct produce of certain US-origin software or technology, or both”.

The guidance comes as the US has becoming increasingly concerned at the speed at which Huawei has developed advanced chips and other AI hardware.

Huawei has begun delivering [AI chip “clusters”](#) to clients in China that it claims outperform the leading US AI chipmaker Nvidia’s comparable product, on key metrics such as total compute and memory. The system relies on a large number of 910C chips, which individually fall short of Nvidia’s most advanced offering, but collectively deliver superior performance to a rival Nvidia cluster product.

The Shenzhen-based conglomerate currently offers its Ascend series processors, mainly the 910B and 910C, to Chinese companies. Huawei is boosting production capacity by building its own advanced semiconductor production lines, as Chinese companies cut off from Nvidia’s products are increasing orders.

There is growing US concern that China’s national champion will soon be selling AI processors in both China and foreign markets that can [compete with Nvidia](#) and other US companies’ products.

Nvidia chief Jensen Huang said last month Huawei was “one of the most formidable

technology companies in the world” and US policies should help his company compete on the global stage.

Nvidia declined to comment on the bureau’s new rules. Huawei did not immediately respond to a request for comment.

The commerce department also [rescinded the AI Diffusion Rule](#) on Tuesday, a measure the previous Biden administration had planned would take effect on May 15.

It was designed to limit exports of AI chips to other countries and make it harder for China to circumvent existing US export controls. But the department said the rule was too bureaucratic — a view former Biden officials reject — and it would issue a replacement in the future.

The announcement came on the day Trump visited Saudi Arabia, where he unveiled [a raft of deals](#), including a commitment by the kingdom’s [new state-owned AI](#) company, Humain, to build AI infrastructure using hundreds of thousands of Nvidia chips.

A source familiar with the situation said the scale of the proposed Gulf deals shocked many senior Trump administration officials. They were concerned about offshoring large-scale AI infrastructure, and also turning a blind eye towards Saudi and the United Arab Emirates’ collaborations with Beijing.

Additional reporting by Michael Acton in San Francisco

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