Technology controls and supply chains

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The American controls since 2022

The most important instrument of the rivalry is technology control. On 7 October 2022 the Bureau of Industry and Security of the United States Department of Commerce announced controls on advanced computing chips, on semiconductor manufacturing equipment and on the support that American persons could give to chip production in China.[1] Later rules tightened the thresholds, extended the list of controlled equipment and added Chinese companies to the Entity List. American controls apply extraterritorially. They follow American-origin goods and, under the foreign direct product rules, certain foreign goods made with American technology, wherever these are sold.

The United States added controls on capital. An executive order of 9 August 2023 established a programme to restrict American investment in Chinese companies active in three areas: semiconductors and microelectronics, quantum information technologies and artificial intelligence. The Treasury issued the implementing rule on 28 October 2024, which took effect on 2 January 2025.[2] For Singapore's fund managers, family offices and private equity firms with American investors or

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American staff, the rule creates a new compliance question. A fund domiciled in Singapore can fall within its scope if American persons take part in its decisions or its capital.

China has answered with controls of its own. It has restricted exports of gallium, germanium and other minerals used in electronics and later imposed controls on rare earths, where it holds a dominant position in processing.[3] These measures show that the instruments of control are no longer one-sided. A Singapore trader in metals or a manufacturer that relies on Chinese inputs faces risks from both directions.

Singapore's own law on strategic goods

Singapore enforces its own export control regime. The Strategic Goods (Control) Act, in force since 1 January 2003, regulates the export, transhipment, transit, intangible transfer of technology and brokering of strategic goods.[4] The controlled list follows the multilateral export control regimes and is updated periodically. The current update, the Strategic Goods (Control) Order 2026, takes effect on 1 December 2026. A catch-all provision extends control to unlisted goods that are intended or likely to be used for weapons of mass destruction.[5]

The penalties are significant without being exceptional. A transfer without a permit is punishable on first conviction by a fine of up to S$100,000 or three times the value of the goods, whichever is greater, by imprisonment of up to two years, or by both.[6] Chapter H.IV describes the regime in detail. The point for this chapter is its scope. Singapore's law implements multilateral commitments against proliferation. Because it does not incorporate the unilateral American controls on chips destined for China, Singapore's authorities have no basis to enforce American law as such.

Chips, servers and the question of diversion

The gap between the two legal orders became visible in 2025. Nvidia, the leading designer of chips for artificial intelligence, reported that Singapore had been its second-largest market in the financial year that ended in January 2025, with about 18

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per cent of total revenue.[7] The Singapore government pointed out that only about 1 per cent of Nvidia's chips "physically came" to Singapore for deployment in local data centres.[8] The difference reflected the practice of billing regional sales through Singapore entities. It also drew American attention to the possibility that chips invoiced in Singapore might reach Chinese buyers.

In February 2025 Singapore brought fraud charges in connection with servers supplied to companies in Singapore and then sent on to Malaysia. The prosecution alleged that the suppliers had been misled about the end users. A further accused, Jenny Lim, was charged on 2 April 2026 with conspiring in 2024 to deceive Dell about the end user of servers.[9] The charges rest on the general law of fraud. Their message was nonetheless clear: Singapore will not allow false declarations to turn its port and its companies into a channel for evading the rules of its partners.

This approach has a logic of its own. By prosecuting deception under its own law, Singapore protects the integrity of its commercial system without adopting the foreign policy of another state. The American government can see that Singapore acts against abuse. The Chinese government can see that Singapore has not joined an American embargo. For firms in Singapore, however, the legal position offers little comfort. A distributor that sells American chips to a prohibited Chinese buyer may break no Singapore law and still be placed on the Entity List, which cuts it off from its suppliers and often from its banks.

Supply chains and the China-plus-one strategy

The rivalry has also redrawn supply chains. Multinational companies have moved production from China to Southeast Asia, India and Mexico, while keeping Chinese plants for the Chinese market. Singapore benefits from this movement in two ways. It hosts regional headquarters, treasury centres and high-value manufacturing for companies that spread their production across the region. Its banks, trade financiers and lawyers serve the investments that the movement requires in Malaysia, Vietnam, Thailand and Indonesia, described in Chapter I.I.

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The same movement brings risks. Some relocations are genuine. Others amount to transhipment or minimal processing designed to change the declared origin of Chinese goods, a practice that American trade policy now targets explicitly. Banks that finance trade through Singapore therefore need to examine origin and end use with more care than before. A letter of credit for goods described as Malaysian or Vietnamese may in fact finance a Chinese export that bears a penal tariff or falls under a control. Chapter H.I describes the techniques of trade finance, and Chapter H.II the frauds that exploited weak verification.

The semiconductor industry illustrates the stakes. Singapore has hosted chip plants since Texas Instruments and National Semiconductor established assembly and testing operations in 1968.[10] Its fabrication plants today supply both American and Chinese customers. Any further tightening of the rules, whether through American controls on mature-node chips, Chinese controls on materials or tariffs on finished products, would affect a sector that underpins a large share of Singapore's manufacturing output and a significant part of the lending book of its banks.

Notes

1. Wikipedia, “United States New Export Controls on Advanced Computing and Semiconductors to China” (accessed November 2026): new controls announced by the Bureau of Industry and Security on 7 October 2022; rules on US persons effective 12 October 2022 and all other rules effective 21 October 2022. ↩
2. US Department of the Treasury, “Outbound Investment Security Program” (home.treasury.gov, accessed November 2026): the Outbound Order of 9 August 2023 “identifies three categories of national security technologies and products”, namely semiconductors and microelectronics, quantum information technologies and artificial intelligence; final rule issued on 28 October 2024, effective 2 January 2025. ↩
3. Chinese export controls on gallium and germanium announced in July 2023 and effective on 1 August 2023; controls on several rare earth elements from

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April 2025, extended in October 2025 and partly suspended after the meeting between Presidents Trump and Xi at the end of October 2025. ↩

4. Singapore Customs, "Strategic Goods Control: Overview" (customs.gov.sg, accessed November 2026): the Strategic Goods (Control) Act, implemented on 1 January 2003, "regulates the export, transhipment, transit, intangible transfer of technology, and brokering of strategic goods and technologies". ↩
5. Singapore Customs, "Strategic Goods Control: Overview" (accessed November 2026): the Strategic Goods (Control) Order 2026 updates the list of controlled goods and technology with effect from 1 December 2026; goods or technology that "may be used in relation to WMD activities are automatically controlled, even if they are not specifically listed". ↩
6. Singapore Customs, "Strategic Goods Control: Overview" (accessed November 2026): fine of up to S$100,000 or three times the value of the goods, whichever is greater, imprisonment of up to two years, or both, on first conviction for a transfer without a valid permit; compounding up to S$10,000 per offence. ↩
7. Wikipedia, "Nvidia" (accessed November 2026): table "Sales by region (2025)", Singapore US$23.7 billion or 18.2 per cent of sales, second only to the United States. ↩
8. "Fraud case targets AI server exports via Singapore", *StratNews Global*, April 2026: Singapore said only 1 per cent of Nvidia's chips "physically came" to Singapore for deployment in data centres; Nvidia's later filing classified revenue by customer headquarters. ↩
9. "Fraud case targets AI server exports via Singapore", *StratNews Global*, April 2026: Jenny Lim charged with conspiring with Alan Wei Zhaolun and Aaron Woon Guo Jie in 2024 to commit fraud by misleading Dell that Aperia International would be the end user; two earlier suspects charged in February 2025; Home Affairs Minister K Shanmugam said in March 2025 that the servers "may contain Nvidia chips" and had been sent to Singapore-based companies and on to Malaysia. Contemporary press reports give three

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persons charged in February 2025 and name Dell and Super Micro as the suppliers concerned. ↩

10. Wikipedia, "Economy of Singapore" (accessed November 2026): Texas Instruments and National Semiconductor "set up semiconductor plants in Singapore for assembly and testing in 1968"; SGS-Thomson set up a wafer fabrication plant in 1984. ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com